

GlobalData Plc

Annual Report and Accounts for the year ended 31 December 2018

www.globaldata.com

Company number 03925319

CONTENTS

STRATEGIC REPORT

2018 Highlights	3
Our Business	
Principal Activity	4
Our Business Model	4
Executive Chairman's Statement	5
Chief Executive's Report	7
Chief Financial Officer's Report	10
Risk and Uncertainties	13
Going Concern and Viability	17

DIRECTORS' REPORT

The Directors	18
Corporate Governance Report	19
Corporate Social Responsibility	25
Audit Committee Report	27
Directors' Remuneration Report	29
Statement of Directors' Responsibilities	31

INDEPENDENT AUDITOR'S REPORT 32

FINANCIAL STATEMENTS

Group

Consolidated Income Statement	41
Consolidated Statement of Comprehensive Income	42
Consolidated Statement of Financial Position	43
Consolidated Statement of Changes in Equity	44
Consolidated Statement of Cash Flows	45
Notes to the Consolidated Financial Statements	46

Company

Company Statement of Financial Position	86
Company Statement of Changes in Equity	87
Company Statement of Cash Flows	88
Notes to the Company Financial Statements	89

Advisers 101

Reliance on this document

Our Business Review on pages 3 to 17 has been prepared in accordance with the Strategic Report requirements of section 414C of the Companies Act 2006. The intention of this document is to provide information to shareholders and is not designed to be relied upon by any other party or for any other purpose.

Forward-looking statements

This document contains forward-looking statements which are made by the directors in good faith based on information available to them at the time of approval of this report. In particular, all statements that express forecasts, expectations and projections with respect to future matters, including trends in results of operations, margins, growth rates, overall market trends, the impact of interest or exchange rates, the availability of financing, anticipated costs savings and synergies and the execution of GlobalData Plc's strategy, are forward-looking statements. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that will occur in the future. There are a number of factors which could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements, including a number of factors outside of GlobalData Plc's control. Any forward-looking statements speak only as of the date they are made, and GlobalData Plc gives no undertaking to update forward-looking statements to reflect any changes in its expectations with regard thereto or any changes to events, conditions or circumstances on which any such statement is based.

STRATEGIC REPORT

2018 HIGHLIGHTS

Operational Highlights

- Continued strong organic revenue growth of 9%
- Increased revenue visibility
- Good progress on the integration of MEED and Research Views Limited (“RVL”), with both businesses performing well
- New integrated user platform launched, incorporating new sectors, further improved user interface, industry insights and real-time technology
- Group management and operational capability further strengthened

Financial Highlights

- Group revenue increased by 33% to £157.6m (2017: £118.6m)
- Underlying organic revenue growth of 9%, on a constant currency basis
- Invoiced forward revenue⁽³⁾ increased by 34% to £81.4m (2017: £60.6m)
- Adjusted EBITDA⁽¹⁾ increased by 38% to £32.2m (2017: £23.4m)
- Improved Adjusted EBITDA margin ⁽¹⁾ of 20.5% (2017: 19.7%)
- Cash generated from operations of £25.1m (2017: £14.2m)
- Final Dividend of 7.5 pence per share (2017: 5.0 pence); total dividend of 11.0 pence per share, up 38% from the previous year (2017: 8.0 pence)
- Statutory loss before tax of £7.7m (2017: loss of £0.8m), which is inclusive of non-cash charges of £20.4m of amortisation of acquired intangibles, £5.7m share based payments and £1.4m of unrealised operating foreign exchange losses.
- Net debt⁽²⁾ of £64.1m (2017: £43.0m)

Note 1: Adjusted EBITDA: Earnings before interest, tax, depreciation and amortisation, unrealised operating exchange rate movements, impairment, share based payments, adjusted for costs associated with derivatives, acquisitions and restructuring of the Group. Adjusted EBITDA margin is defined as: Adjusted EBITDA as a percentage of revenue.

Note 2: Net Debt: Short and long-term borrowings less cash and cash equivalents.

Note 3: Invoiced forward revenue: Invoiced forward revenue relates to amounts that are invoiced to clients at the balance sheet date, which relate to future revenue to be recognised over the course of the following 12 months.

STRATEGIC REPORT

OUR BUSINESS

Principal Activity

The principal activity of GlobalData Plc and its subsidiaries ('the Group') is the provision of high quality proprietary data and analytics to clients in multiple sectors.

Our Business Model

The Group produces and owns premium data and analytics for each of our markets. We provide data, insight and analysis across multiple platforms that enable our customers to gain a competitive advantage in their markets. We have a clear philosophy of owning our own data and intellectual property, which address a global demand, together with powerful analysis supporting our clients' businesses.

The fundamental principle of our business model is to provide our clients subscription access to our data, analytics and insights platform, with the offering of ancillary services such as bespoke research, single copy reports and events.

Our clients typically subscribe for 12 months access, which is paid for at the beginning of the contract term. This approach drives the following business model attributes:

- Repeat subscriptions, leading to recurring revenue streams
- Strong incremental margins
- Robust working capital and operational cash flow
- Scalable opportunities

STRATEGIC REPORT

EXECUTIVE CHAIRMAN'S STATEMENT

It has been another transformative year for GlobalData, with significant acquisitions in addition to driving strong underlying organic revenue growth of 9% and overall Adjusted EBITDA growth of 38%.

During April we concluded the acquisition of Research Views Limited which significantly expanded on our existing breadth of coverage by adding comprehensive capabilities across multiple industry sectors.

GlobalData is positioned to help thousands of companies, organisations and industry professionals across the world's largest industries profit from faster, more informed decisions. Within each industry sector our proprietary data, human insight, and innovative technologies create trusted, actionable, and forward-looking intelligence. With comprehensive coverage, we can access multiple selling points within a client and around the world. This means that our ambitions are not constrained by demand.

Our content and expert insights are tailored to serving our clients' major value creating activities and become embedded into key workflows and decision making processes. With around 75% of our revenues derived from annual subscription contracts, we have created a long-term business partnership with our clients and within our target markets.

The 2018 results are encouraging. We concluded some significant acquisitions and continued our strong organic revenue growth and exit the year with significant invoiced revenue for 2019. Our overall financial performance, our high proportion of quality subscription revenues and our scalable proposition means that we enter 2019 confident that we will continue to deliver against our objectives. Whilst the Group made a statutory loss for the year of £7.7m (2017: £0.8m loss), the bulk of the loss is represented by non-cash accounting charges for amortisation of acquired intangible assets, brought in as part of our significant M&A activity in this and in previous years, and our share option scheme. The Adjusted PBT, which we believe to be a fair measure of the Group's underlying performance grew from £19.0m to £27.8m.

Our Mission

We are helping our clients to decode the future, enabling them to be more successful and innovative. Our aim is to provide our clients with innovative solutions to complex issues delivered via a single online platform, which leverages our unique data and expert analysis across multiple markets and geographies. We help our clients with their strategic planning, market intelligence, innovation & new product development and sales & channel management, together with insight into latest developments in their markets and views of leading opinion formers.

Looking Forward

We are an ambitious and highly innovative business which challenges itself on a daily basis to continually be better at what we do. We provide our clients with world-class products and client service, with an ambition to exceed their expectations at every interaction. For our employees, we aim to be an employer of choice providing an enriching and rewarding environment to work in and for our shareholders we aim to provide returns which reflect our reported earnings and long-term prospects.

To deliver increased shareholder returns over the medium to long term the Group aims to:

- **Exceed client expectations, to achieve strong repeatable organic growth:** We have significant headroom to grow across all our markets. We will continue to create world-class solutions, and explore new opportunities, leveraging our sales capability to target the right opportunity, at the right time, with the right proposition.
- **Make acquisitions that are strategic and earnings accretive:** We look for acquisitions that are strategic in nature and which over a reasonable time frame increase total returns. We also, from time to time, make small bolt-on acquisitions that either broaden our offering or extend our client reach in an existing market. Our acquisition process is robust and diligent and is supervised by the Board. We look to leverage our infrastructure with unique content which will deliver good margin.
- **Maintain a progressive dividend policy:** Our business is focused on revenue growth, management of costs, working capital and increased cash generation. We believe we can invest in the business, achieve growth in profits and service a progressive dividend policy that reflects our growth and long-term prospects. This year is a good example.

There continues to be significant uncertainty following the UK's vote to leave the European Union (EU), ('Brexit'). As a Board, we have carried out a detailed assessment to understand both the risks and the opportunities that Brexit poses for the Group. We believe that our data and analytics business model currently limits the direct impact of a "no-deal" scenario (such as tariffs on goods and cross border trade of goods).

STRATEGIC REPORT

EXECUTIVE CHAIRMAN'S STATEMENT (continued)

However, we continue to monitor key aspects applicable to us, such as access to workforce and implications that each scenario may have to colleagues within our Group. We have set out a more detailed analysis within the risk and uncertainties section of the strategic report (page 13).

Our Employees

Our Employees once again have made vast contributions in what has been another significant year of progress and challenge for the Group. The quality, talent and commitment of our colleagues around the world, not only delivered a good set of results, but has also delivered substantial corporate projects such as the acquisition and successful integration of both Research Views (completed April 2018) and MEED (completed December 2017).

I am pleased these results have been confirmed by the Audit and Remuneration Committees to fulfil the performance condition for the exercisability of 2.1m employee share options.

Dividend

Having regard to the performance and prospects for the Group and the cash requirements of the business for the year ahead, the Board is pleased to announce a final dividend of 7.5 pence per share (2017: 5.0 pence). The proposed final dividend will be paid on 26 April 2019 to shareholders on the register at the close of business on 22 March 2019. The ex-dividend date will be on 21 March 2019. The proposed final dividend increases the total dividend for the year to 11.0 pence per share (2017: 8.0 pence), an increase of 38%.

Current Trading and Outlook

We enter 2019 with good fundamentals including strong invoiced revenue for 2019 and a visible renewal base. We ended 2018 strongly and have begun 2019 positively and we remain confident that we will make further progress.



Bernard Cragg

Executive Chairman

24 February 2019

STRATEGIC REPORT

CHIEF EXECUTIVE'S REPORT

2018 was a year of further progression for the Group. We again strengthened the Group via our selective M&A activity, whilst continuing to organically grow and have improved our Adjusted EBITDA margin.

Our focus remains on achieving our stated objective to become the leading provider of premium subscription based data & analytics and insights across the world's largest industries. We are consistent in our approach to achieving our objective and we have made strong operational progress towards it.

The acquisition of Research Views was not only strategically important because it further broadened our sector coverage but significantly, also had the important attributes common to our strategy. As the world becomes more complex, uncertain, and fast-moving than ever before, our clients face unprecedented opportunities and challenges. Our proprietary data, human expertise, and innovative technologies create the trusted, actionable, and forward-looking insight they need to make faster, more informed decisions.

The quality of our content is underpinned by our powerful Intelligence Centre platform, which delivers our data and analysis through a dynamic and intuitive user interface. We are continually innovating and the platform has seen significant development over the last three years, as we have sought to leverage our scale and ensure world class delivery in all of our industry sectors.

Key Achievements

- **Revenues of £157.6 million:** Group revenue has grown by 33% including the benefit of our acquisitions in the year. Our underlying organic revenue growth was 9%.
- **Invoiced forward revenue of £81.4m:** Invoiced forward revenue has grown by 34% and organically by 9%. This gives the Group strong visibility over its revenues for the forthcoming year.
- **Acquisition of Research Views:** The acquisition of Research Views enhances the Group's breadth of industry coverage.
- **Strengthened business infrastructure and commercial scale:** In addition to the acquisition of MEED, which adds further scale to our business, we have also improved our Group infrastructure and sales capability. We now have significant sales operations across Asia Pacific and in the US.
- **Restructuring of organisation:** We made good progress towards eliminating duplicate cost resulting from our M&A activity.

Key Performance Indicators

The key performance indicators selected are used by the Executive Directors to monitor the Group's performance and progress.

	Revenue	Adjusted EBITDA	Adjusted EBITDA margin	Net Debt ¹
2018	£157.6m	£32.2m	20.5%	£64.1m
2017	£118.6m	£23.4m	19.7%	£43.0m
% growth	33%	38%	0.8p.p	49%

Note 1: Net debt: Short and long-term borrowings less cash and cash equivalents.

Group revenue has grown by 33% including the benefit of our acquisitions in the year. Our organic revenue growth was 9%.

STRATEGIC REPORT

CHIEF EXECUTIVE'S REPORT (continued)

Our Strategic Priorities

We continue to pursue our four strategic priorities:

- World Class Products
- Sales Excellence
- Operational Agility
- Client Centric

World Class Products

Our content is data driven and analyst led and provides our clients with strategic and tactical insights for the markets that they operate in. We fully-integrate our unique data, expert analysis, and innovative solutions into our digital platform. Giving our clients real-time access to deep, sector-specific intelligence, and powerful analytics, and workflow tools.

Over the past few years we have been focused on ensuring the taxonomy of our data is consistent across all of our data sets, enabling consistent categorisation and dynamic search functionality for our clients. A key operation during 2018 was bringing the acquisitions into this data framework, content management system and delivering through our single client platform, which is now largely complete.

We have launched a number of analysis tools and functionalities across our platform, which now give our clients a significantly more powerful and enhanced product, with insight into global trends.

Sales Excellence

Our priority has been to ensure that all of our sales staff fully understand their market and the value proposition of our products, helping them to find the right opportunity, at the right time. Whilst managing a global sales team remains challenging, our globalised product means that our proposition is consistent across regions and as a result we can apply consistent training, commission structures and selling material.

We now have a global data & analytics sales force and we have made good progress across all regions. We have increased our sales operations in the US and Asia Pacific. Whilst the largest contributors of our revenues are still in UK and Europe (43%), our presence in the Americas continues to grow and represents 34% of our Group revenues.

Operational Agility

Our business model is a relatively simple one: create the content once and leverage sales from that content across multiple formats (subscriptions, reports, bespoke research engagements and events) and geographies. In doing so costs remain relatively fixed thereby allowing for a higher percentage of the sales value achieved to translate to profit. Acquisitions tend to suppress this structural benefit as they often bring a duplication of both processes and infrastructure which have to be rationalised.

Following our recent acquisitions and the relative speed that we have put the Group together over the past three years, we have performed a strategic review of our cost base to ensure investment funds are directed into the right areas of the business. As a result of this we are more confident that we can significantly invest in our products and people without significantly increasing our overall cost base. This operational agility will keep us at the forefront of product development for our clients, whilst delivering progressive margins.

Our medium term Adjusted EBITDA margin target remains circa 25% and we are confident of achieving this over the medium term and further expanding our margin over the longer term. Consistent with our objective, our margins have increased by 0.8 percentage points to 20.5%.

Client Centric

Outstanding client service is a critical component in delivering client satisfaction and improved retention. Our aim is to deliver best in class client service at every point of interaction. We have increased resources focused on first-line response significantly, and continue to explore and adopt new technologies.

STRATEGIC REPORT

CHIEF EXECUTIVE'S REPORT (continued)

The progress we have made since we reformed as GlobalData in 2016 has been made possible because of the hard work and commitment of our employees and I would like to express my own and my fellow Board members' appreciation to all our colleagues across the globe.

Today we are a transformed business focused on the provision of data and analytics to global markets, all of which present opportunities for long-term profitable growth.

A handwritten signature in black ink, appearing to read 'Mike Danson', with a stylized flourish at the end.

Mike Danson

Chief Executive Officer

24 February 2019

STRATEGIC REPORT

CHIEF FINANCIAL OFFICER'S REPORT

	2018	2017	Movement
<i>Continuing operations</i>	£000s	£000s	
Income statement			
Revenue	157,553	118,649	33%
Statutory loss before tax	(7,664)	(795)	
Depreciation	742	829	
Amortisation of software	1,165	2,126	
Amortisation of acquired intangible assets	20,422	11,962	
Finance costs	2,487	1,444	
EBITDA²	17,152	15,566	10%
Restructuring costs	3,661	2,436	
Revaluation of short and long-term derivatives	1,150	(1,266)	
Share based payments charge	5,679	5,323	
Unrealised operating foreign exchange loss	1,407	417	
M&A costs	3,181	911	
Adjusted EBITDA¹	32,230	23,387	38%
Adjusted EBITDA margin ¹	20.5%	19.7%	

Cash flow

Cash flow generated from operations	25,058	14,196	77%
Adjusted operating cash flow³	30,542	19,669	55%
Underlying cash flow conversion % ³	95%	84%	

Adjusted earnings performance

Adjusted EBITDA ¹	32,230	23,387	
Depreciation	(742)	(829)	
Amortisation of software	(1,165)	(2,126)	
Finance costs	(2,487)	(1,444)	
Adjusted Profit Before Tax	27,836	18,988	47%
Tax (as charged to the Income Statement)	(3,408)	(1,371)	
Adjusted Profit After Tax	24,428	17,617	39%
Basic Shares	113,319	102,346	
Diluted Shares	124,128	112,968	
Basic loss per share (pence)	(9.87)	(2.12)	
Adjusted earnings per share (pence)	21.56	17.21	25%
Adjusted diluted earnings per share (pence)	19.68	15.59	26%

STRATEGIC REPORT

CHIEF FINANCIAL OFFICER'S REPORT (continued)

The Group's performance this year

1. **Revenue**

Revenues increased by 33% to £157.6m (2017: £118.6m), which reflects both good underlying organic growth (9%) and the benefit of the Research Views and MEED acquisitions. The acquired businesses are performing well and in line with our expectations.

2. **Invoiced forward revenue**

Invoiced forward revenue (previously described as deferred revenue prior to the impact of IFRS 15) at 31 December 2018 increased by 34% to £81.4m (2017: £60.6m) which is inclusive of growth as a result of the Research Views acquisition, but also includes underlying organic growth of 9%.

3. **Adjusted EBITDA**

Adjusted EBITDA increased by 38% to £32.2m (2017: £23.4m). Our Adjusted EBITDA margin increased by 0.8 percentage points to 20.5% (2017: 19.7%) as we continue to integrate a relatively fixed cost base after significant M&A and corporate development activity over the past 3 years.

4. **Non-recurring and non-cash charges**

The Group made a statutory loss from continuing operations of £7.7m (2017: loss of £0.8m)

The reason for making the loss is that we incurred non-cash charges relating to amortisation of acquired intangibles of £20.4m (2017: £12.0m) reflecting our M&A activity over recent years, £5.7m of share based payments charge (2017: £5.3m) reflecting the accounting charge for our long term incentive plan and revaluation loss on derivatives (currency forward contracts) of £1.2m (2017: gain of £1.3m). Together with items relating to restructuring and acquisition fees of £6.8m (2017: £3.3m) and increased finance costs from increased debt.

Once the above adjusting items have been taken into consideration, the Adjusted Profit Before Tax grew to £27.8m (2017: £19.0m)

5. **Cash Generation**

The operating cash flow was £25.1m (2017: £14.2m). Excluding the cash costs associated with M&A, restructuring and other exceptional costs (£5.4m) the adjusted operating cash flow was £30.5m, which is 95% of Adjusted EBITDA.

The Group repaid debt of £6.0m and paid dividends of £9.1m. The Group also paid for acquisitions of £4.6m, which were funded under facilities agreed in the previous year.

Capital expenditure was £1.6m in 2018 (£1.8m in 2017). This includes £0.9m on software (£1.1m in 2017).

6. **Foreign exchange impact on results**

The Group derives around 60% of revenues in currencies other than Sterling. The impact of currency movements in the year had a negative impact on revenues of around £2m, which was offset in the income statement by approximately £2m of benefit in the Group costs, meaning that currency had minimal impact on the overall profitability. The main driver for the movement was the movements of pound sterling in comparison to US dollar. In 2017 the average rate through the year was 1.29 compared to a stronger pound, on average, in 2018 of 1.34.

7. **Net Debt:**

Net Debt increased to £64.1m as at 31 December 2017 (2017: £43.0m). This increase principally reflects £4.6m spent on M&A activity and £16.9m on the purchase of own shares in order to satisfy the Group's long term incentive plan.

8. **Loss per share**

Basic loss per share from continuing operations was 9.87 pence per share (2017: loss of 2.12 pence per share). Fully diluted loss per share from continuing operations was 9.87 pence per share (2017: loss of 2.12 pence per share).

On an adjusted basis, the adjusted earnings per share grew from 17.21 pence per share to 21.56 pence, representing 25% growth.

STRATEGIC REPORT

CHIEF FINANCIAL OFFICER'S REPORT (continued)

9. Share based payments

The share based payments charge for 2017 has increased from £5.3m to £5.7m. The key driver for this increase is because of the share price performance during 2018 compared with previous awards.

Currency rate and market risk

The Group's primary objective in managing foreign currency risk is to protect against the risk that the eventual Sterling net cash flows will be affected by changes in foreign currency exchange rates. To do this, the Group enters into foreign exchange contracts that limit the risk from movements in US Dollar, Euro and Indian Rupee exchange rates with Sterling. Whilst commercially and from a cash flow perspective this hedges the Group's currency exposures, it does not meet the requirements for hedge accounting and accordingly any movements in the fair value of the foreign exchange contracts are recognised in the income statement.

Whilst the longer-term implications of the United Kingdom's vote to leave the European Union are unknown, we do know, in the absence of other relevant factors, that a sustained weakening of Sterling should be of benefit as we derive the majority of our revenues in currencies other than Sterling (principally US Dollar and Euro) and have a more limited exposure to non-Sterling costs. The exchange rate movements have had a largely neutral impact on our 2018 results.

As a data and analytics company, we are not currently impacted by cross border tariffs and we do not currently expect the re-negotiation of tariffs to materially impact our business.

Interest rate risk

Interest rate risk is the impact that fluctuations in market interest rates can have on the value of the Group's interest-bearing assets and liabilities and on the interest charge recognised in the income statement. The Group does not manage this risk with the use of derivatives.

Liquidity risk and going concern

The Group's approach to managing liquidity risk is to ensure, as far as possible, that it has sufficient liquidity to meet its liabilities as they fall due with surplus facilities to cope with any unexpected variances in timing of cash flows. The Group meets its day-to-day working capital requirements through free cash flow.

Based on cash flow projections, the Group considers the existing financing facilities to be adequate to meet short-term commitments. The Directors have a reasonable expectation that there are no material uncertainties that cast significant doubt about the Group's ability to continue as a going concern. Accordingly, the Group has prepared the Annual Report and Accounts on a going concern basis. The Directors have prepared a Going Concern and Long-Term Viability statement on page 17, within the Strategic Report.



Graham Lilley

Chief Financial Officer

24 February 2019

Note 1: Adjusted EBITDA: Earnings before interest, tax, depreciation and amortisation, impairment, share based payments, adjusted for costs associated with derivatives, acquisitions, unrealised operating exchange rate movements and restructuring of the Group. Adjusted EBITDA margin is defined as: Adjusted EBITDA as a percentage of revenue.

Note 2: EBITDA: Earnings before interest, tax, depreciation, amortisation and impairment. Includes a non-cash charge of £5.7 million for share based payments (2017: £5.3 million).

Note 3: Adjusted operating cash flow: Adjusted operating cash flow is cash generated from operations adjusted for exceptional cash items. Underlying cash flow conversion is Adjusted operating cash flow divided by Adjusted EBITDA.

STRATEGIC REPORT

RISK AND UNCERTAINTIES

GlobalData’s mission is ‘to help our clients succeed by decoding the future’

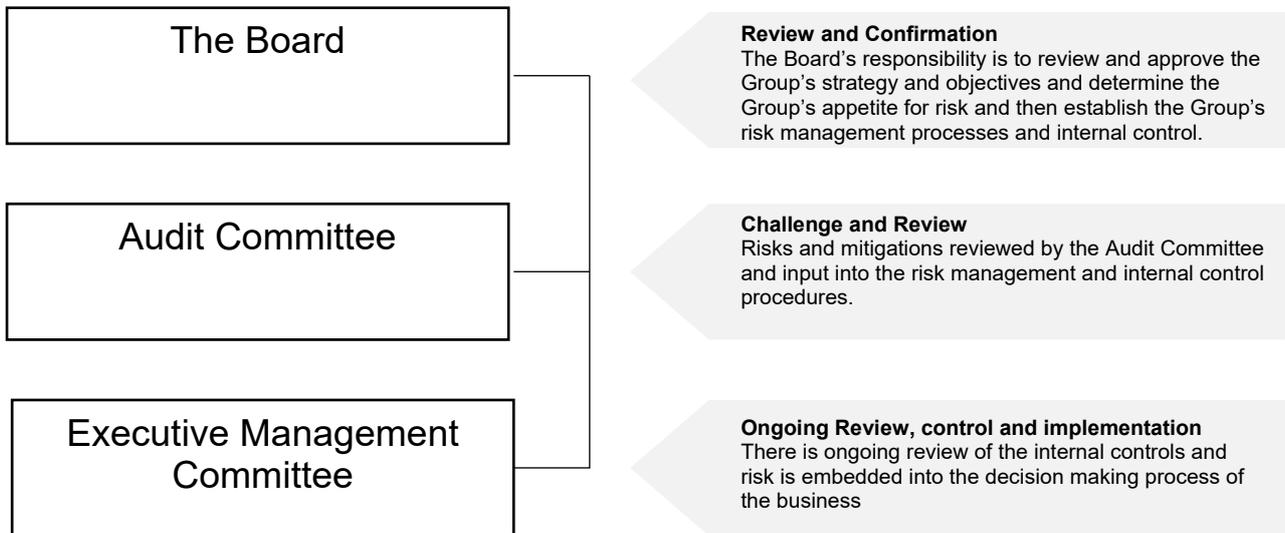
Our vision is to become the Bloomberg of the vertical markets by being the world’s trusted source of strategic industry intelligence.

The Group recognises that in order to be successful, we are required to take risks. The Board and the broader Group understand, however, that risks need to be taken in a controlled environment where our approach is one of responsible risk taking in line with the principles, culture, tolerance and appetite as directed by the Board.

GlobalData’s approach to the identification, evaluation and mitigation of risk and uncertainty is taken seriously. Our internal controls seek to minimise the impact of risks. As Globaldata has grown significantly in the past 18 months, the Board felt it an appropriate point to conduct a detailed review of its approach to risk management.

As a result of this review, a Risk Management Action Plan (RMAP) has been created and agreed actions are currently being delivered. The new Risk Management Framework outlined in the RMAP, will further embed risk management throughout the organisation. The Framework will be overseen and directed by the Board, with day to day delivery provided by all colleagues.

The Board sets the Group’s risk appetite. In doing so, the Board considers our strategic objectives, approves the Group’s principle risks and assesses against the long-term viability of the Group. The Board also considers the views of the Executive Management and Audit Committee as part of its systematic review of internal controls.



During the year we have continued to develop controls in response to risk and ensure that the new acquisitions are embedded and have consistent controls with the rest of the Group. Whilst we have made good progress, throughout the forthcoming year the Group will deliver the RMAP, which will include the introduction of a formal annual risk review, a more detailed assessment of risk appetite and risk tolerance, in addition to regular reviews with members of the Executive Management Committee.

The Audit Committee will continue to monitor the adequacy and effectiveness of internal control and risk management systems and ensure that a robust assessment of the principal risks facing the Group has been undertaken.

STRATEGIC REPORT

RISK AND UNCERTAINTIES

The directors consider that the principal risks and uncertainties facing the Group are:

Risk Description	Potential Impact	Mitigation
<p>Product</p> <p>The success of the Group is dependent on the quality and relevance of our products.</p>	<p>Loss of revenues from new and renewable business if the quality and relevance of our products diminishes.</p>	<p>One of our key strategic priorities is World Class products. The Executive Management Committee regularly review renewal and usage rates of our products which is a key indicator of quality. In order to ensure the highest quality we;</p> <ul style="list-style-type: none"> • Have a robust data integrity platform and processes. • Continue to invest in recruiting and retaining high quality analysts and researchers. • We are continually developing innovative solutions which enhance both the content quality and our client's user interface experience. • Focus on client feedback. • External consultants engaged to review quality control procedures.
<p>People and Succession</p> <p>The Group is a people-based business; failure to attract or retain key employees could seriously impede future growth.</p>	<p>Failure to recruit or retain key staff could lead to reduced innovation and progress in the business.</p>	<p>The Group actively manages its talent and ensures that there are succession plans for its Board and Executive Management Committee.</p> <ul style="list-style-type: none"> • The Group operates a competitive remuneration package, with competitive commission and incentive schemes. • Experienced management team with a robust on boarding programme for sales people which allows talented and motivated employees to flourish. • Long-term incentive schemes with over 100 senior management participants. • The strengthening of the Senior Leadership Team to encourage motivation and engagement with the business.
<p>Competition and Clients</p> <p>The Group operates in highly competitive yet fragmented markets.</p>	<p>Loss of market share due to changing markets and reduced financial performance arising from competitive threats.</p>	<ul style="list-style-type: none"> • The Group routinely reviews the competitive landscape to identify potential threats and acquisition opportunities. • We constantly monitor new technology capabilities and innovation to ensure that our products are always contemporary and relevant, which allows us to respond to new competitive threats as they arise. • Our data sets and technology platforms are both unique and difficult to replicate. • Aim to embed our products and service in client organisations thereby increase switching costs. • Provide improved and best in class client support thereby improving customer satisfaction and retention.
<p>Economic and Global Political Changes</p> <p>The Group's businesses operate in three key geographic markets namely Europe, North America and Asia Pacific.</p>	<p>Economic and political uncertainty could lead to a reduction or delay in client spending on the services offered by the Group and/or restriction on the Group's ability to trade in certain jurisdictions.</p>	<ul style="list-style-type: none"> • The Group provides high quality data and analytics services, which are embedded in the day to day operations of our clients. In times of uncertainty, we aim to provide clarity and insight. • Management of headcount and overheads. • Increased controls over capital expenditure and working capital. • We operate in different geographies and therefore operate in a balanced portfolio of markets.

STRATEGIC REPORT

RISK AND UNCERTAINTIES

Risk Description	Potential Impact	Mitigation
Economic and Global Political Changes (continued)		<ul style="list-style-type: none"> As a data and analytics company, we are not currently impacted by cross border tariffs and we do not expect the re-negotiation of tariffs to impact our business, however we monitor the impact of political change and how this affects the Group.
Financial Currency exchange rate fluctuations could adversely impact the Group's consolidated results.	The Group's reporting currency is Pounds Sterling. Given the Group's significant international operations, fluctuations in currency exchange rates can affect the Group's consolidated results.	<p>A significant mitigation is the natural hedge we have from our global operations. We generate around 60% of revenues from currencies other than sterling, which is predominantly US dollar whilst around 40% of costs derived from non-sterling currencies, which are all primarily linked to movements of US dollar.</p> <p>The net cash flow exposure is then managed by entering into foreign exchange contracts that limit the risk from movements in US Dollar, Euro and Indian Rupee exchange rates with Sterling.</p> <p>The Group does not fully mitigate its exposure to currency movements and around 20% of its net currency cash flow is unhedged each quarter.</p> <p>The Group's treasury position is a recurring agenda item for the Audit Committee.</p>
IT, Cyber, Systems Failure and data integrity.	Significant operational or client disruption caused by a major IT disaster or cyber attack/ databreach.	<ul style="list-style-type: none"> Business continuity plans have been implemented across the Group, including disaster recovery programmes, and plans to minimise business disruption. IT Infrastructure is managed by third party providers with 24 hour management and monitoring with back up and disaster protocols. The Group regularly reviews its cyber security and website security protocols, and has undergone a review from an external third party.
Regulatory Compliance	The Group may be subject to regulations restricting its activities or effecting changes in taxation.	<ul style="list-style-type: none"> The majority of the Group's operations are based in the United Kingdom, United States of America and India. Appropriate advisors are employed in all geographies to ensure the Group remains compliant with local laws and regulations. The Group has an anti-bribery policy that has been distributed amongst staff.
Acquisition and Disposal Risk	The failure to successfully identify and integrate key acquisitions could lead to loss of profits, inefficient business processes, inconsistent corporate culture and weakened brand.	<ul style="list-style-type: none"> All acquisitions are subject to rigorous due diligence and operational review, the findings of which are presented to the main Board as part of the supervision and approval process. Where necessary external advisors with either technical and/or local knowledge are engaged. For smaller acquisitions. A separate investment committee, with delegated responsibility from the Board, review the diligence process.
Brexit	The uncertainty surrounding the UK's exit from the European Union and potential "no-deal" scenario will pose direct and indirect threats and opportunities to the Group.	<p>The Group has performed a detailed risk assessment of the impact of Brexit on our business. Whilst we expect that the majority of the impact will be indirect, due to the service nature of our business model, the Group has assessed the below specific risks to our Group:</p> <ul style="list-style-type: none"> Workforce - The Group employs over 3,000 employees worldwide, of which 886 are based in the UK. Of the 886 employees in the UK, approximately 79% are British citizens, 15% EU (non-British) and 6% are from outside the EU.

STRATEGIC REPORT

RISK AND UNCERTAINTIES

Risk Description	Potential Impact	Mitigation
Brexit (continued)		<p>The Group will act as a support network to our colleagues affected and try to clarify the various processes and documentation that they will need to navigate through in either a “deal” or “no-deal” scenario.</p> <p>The supply of skilled applicants may also fall, particularly in London if EU workers leave the UK. We will continue to monitor the number of applicants for each role and take action where necessary.</p> <ul style="list-style-type: none">• Cross Border Trade – We currently aren’t affected by cross border tariffs because of the service nature of our trade. We will continue to monitor the situation.

STRATEGIC REPORT

GOING CONCERN AND VIABILITY

Going concern

The Group meets its day-to-day working capital requirements through free cash flow. Based on cash flow projections, the Group considers the existing financing facilities to be adequate to meet short-term commitments.

The Directors have a reasonable expectation that there are no material uncertainties that cast significant doubt about the Group's ability to continue as a going concern. Accordingly, the Group has prepared the Annual Report and Accounts on a going concern basis.

Long Term Viability

The Directors have formally assessed the viability of the Group to December 2022, taking account of the Group's current position, its cash flows and the potential impact of the principal risks as outlined on pages 13 to 16 of this Annual Report.

The Group's prospects are assessed primarily through the annual budgeting process. Detailed plans are prepared by the Executive Management Committee and are presented to the Board at the annual away day, which allows a deep dive into various areas of the business and gives opportunity for input and scrutiny by the Board which ensures alignment with the overall Group strategy. Progress against plan is presented to the Board throughout the year, commenting on performance and any newly identified risks. The individual plans are then consolidated into an overall Group plan.

As noted on page 4 of the Annual Report, our business model has strong fundamental attributes; significant recurring and visible revenue streams, strong incremental margins, robust working capital and operational cash flow and scalable opportunity.

The Board feels that the Group's four strategic priorities give the appropriate focus to protect the business from risks, threats and uncertainties as well as giving the agility to pursue opportunities as they arise and to capitalise on the business model attributes. The focus on being client centric, developing world class products, sales excellence and operational agility are the correct focuses aligned with the Group's Mission and Vision.

The Group has a combined facility of £100m with The Royal Bank of Scotland, HSBC and Bank of Ireland. The Board have reviewed cash flows until 2022 which demonstrate ability to trade with headroom on its facilities and to meet ongoing repayments of the term loan. There is a remaining £12 million to draw on the facility.

The directors have also reviewed the forecast against the financial covenants on this facility and over the same period and there are no forecasted breaches of covenants.

The Board are satisfied that the current financial position of the Group, its significant visibility on revenues and other business model fundamentals provide a stable platform for the Group to pursue its mission and vision for the Group. The Board are confident that in pursuing the four stated strategic priorities will protect business interests against threats and allow the Group to pursue opportunities that will drive growth.



Mike Danson

Chief Executive, approving the Strategic Report on behalf of the Board
24 February 2019

DIRECTORS' REPORT

The Directors

Bernard Cragg – Executive Chairman

Bernard Cragg is Executive Chairman of GlobalData Plc. Bernard qualified with Price Waterhouse as a chartered accountant before joining Carlton Communications becoming Chief Financial Officer and Finance Director. Bernard was the Chairman of Datamonitor Plc and during his time there he was an integral part of the executive team that oversaw the rapid growth of the business and its eventual successful sale to Informa in 2007.

Mike Danson - Chief Executive

Mike Danson founded Datamonitor Plc, an online information company, in 1990. In 2000, Datamonitor completed its flotation on the London Stock Exchange and was sold to Informa for £502 million in 2007. GlobalData acquired the Datamonitor Financial, Datamonitor Consumer, MarketLine and Verdict businesses from Informa Plc in 2015.

Graham Lilley – Chief Financial Officer

Graham joined the Group in 2011 and progressed through to Group Finance Director before becoming Chief Financial Officer in January 2018. Graham started his career at PricewaterhouseCoopers, where he qualified as a Chartered Accountant and subsequently joined Datamonitor when it was part of the Informa Group. Graham's involvement and experience in data subscription businesses provides a valuable view on financial performance and understanding of the business model.

Murray Legg - Non-Executive Director

Murray Legg is a Chartered Accountant with over 35 years of audit and advisory experience gained with PricewaterhouseCoopers in the UK where he held a variety of senior management, governance and client roles. As a partner he spent 15 years auditing and advising a number of major UK companies whose operations covered a broad range of industry sectors. Murray is currently also a Non-Executive Director of Sutton and East Surrey Water Plc.

Peter Harkness - Non-Executive Director

Peter Harkness has more than 32 years' experience as a Director or Chairman of several successful businesses, predominantly in the media sector. In addition to leading a number of private equity deals, Peter has also spent a total of 18 years as a Non-Executive Director of 5 quoted companies, including Walker Greenbank Plc and Chrysalis VCT Plc, and has twice been a Plc Chairman. Peter was a Non-Executive Director of Datamonitor until its sale to Informa and was chairman of the Butler Group until its sale to Datamonitor. Peter has also undertaken board roles in the Third Sector and is currently chair of a charitable trust which manages arts and sports facilities in Gloucestershire. Peter's experience and understanding of the media and information subscription sector is an excellent asset for the GlobalData Board, in particularly how we sell and the selling process.

Annette Barnes - Non-Executive Director

Annette joined the Board in February 2017. In her Executive Career, Annette was most recently Managing Director of Wealth & Mass Affluent for Lloyds Banking Group and CEO of Lloyds Bank Private Banking Limited. Prior to that, Annette was Managing Director of Bank of Scotland (Retail). Annette has over 30 years of Financial Services experience, working for Lloyds Banking Group, Bank of America, MBNA Europe Bank Ltd and NWS Bank Ltd. Annette is also a Non-Executive Director of Leeds Building Society. Annette's prior experience has given her an excellent understanding of Technology, product channels to meet customer needs, Operational Management and Risk Management.

Andrew Day - Non-Executive Director

Andrew David Day, is currently employed as Group Chief Data Officer for Pepper Financial Services Group where he is responsible for driving the adoption of data, analytics and machine learning across the group businesses to drive positive commercial and customer outcomes. Prior to joining Pepper Andrew was Group Chief Data Officer at J Sainsbury Plc, Business Intelligence Director at News UK and General Manager of Business Intelligence at Telefonica. With over 25 years' experience of commercially orientated data and analytics experience, Andrew has a successful track record for implementing transformational data driven change across a number of industry sectors.

DIRECTORS' REPORT

Corporate Governance Report

The Board has set out its responsibility for preparing the Annual Report and Accounts on page 31. The Board consider the Annual Report and the Accounts, taken as a whole, is fair balanced and understandable and provides the information necessary for shareholders to assess the company's position and performance, business model and strategy.

The Board is committed to the highest standards of corporate governance and has adopted all requirements of the UK Corporate Governance Code that are applicable to it as a 'smaller company' (defined in the UK Corporate Governance Code as being a company below the FTSE 350). The UK Corporate Governance Code is publically available at:

www.frc.org.uk/directors/corporate-governance-and-stewardship/uk-corporate-governance-code

Details of details of GlobalData's corporate governance practices are publicly available on its website www.globaldata.com.

Responsibility for governance matters lies with the Board, which is accountable to shareholders and wider stakeholders for the activities of the Group. The Board has voluntarily set out its report on Corporate Governance released in 2018 for accounting periods effective after 1 January 2019.

Board Leadership and Company Purpose

The Group is led by the Board. The Executive Directors meet regularly with Investors to discuss the performance and governance of the Group and any feedback is communicated and distributed to the wider Board. The Chair of the Remuneration and Audit Committees make themselves available to discuss with Investors annually at the AGM.

The Board assess the basis on which the company generates and preserves value over the long-term and have prepared a long-term viability statement on page 17. The Board considers the opportunities and threats to the business model and assessment is made on how the Group's strategy is aligned to addressing the Group's mission and protecting the sustainability of the business. The regular challenge and governance provided by the Board keeps the Executive Management Committee and the entire organisation united in achieving the company goals.

The Board have recognised within the long-term viability statement that culture is an important aspect of its four strategic priorities which ultimately drives the Group towards its Mission. The Group is a diverse, global business but we aim to have a common tone across the organisation. We promote agility, innovation, hard work and ethical behaviours underpinned by our framework of ethical codes. We invest in our employees training and development with clear progression and career plans that allow our colleagues to flourish. We deliver consistent training, communication and policy across the company and within different work groups. We recognise that it is advantageous to promote differing cultures within different functions of the organisation which all contribute to the overall culture of the business, for example we have implemented a reward structure within our sales teams which is consistent across the globe and is aimed to get the best out of sales teams, but the reward structures elsewhere in the business differ dependent on performance metrics.

The Company operates a "VOICES" network, which is an employee group working together to drive positive change for GlobalData. We encourage our employees to share their feedback and ideas on the issues that matter to them and their colleagues. This group is the platform to gather and discuss feedback, suggest ideas for improvement, and help to implement them. The results of the initiatives led by VOICES is published to colleagues on the internal intranet. Our colleagues can also raise concerns in confidence and anonymously via our whistle blowing hotline, which is monitored by the Senior Independent Non-Executive Director. The Directors believe that the VOICES and whistleblowing forums give the Board sufficient insight of the view of the workforce and that representation on the Board is not currently required.

DIRECTORS' REPORT

Corporate Governance Report (continued)

Division of Responsibilities

The Board is made up of three Executive Directors and four Non-Executive Directors. The Executive Directors who have served during the year are Bernard Cragg, Mike Danson, and Graham Lilley.

The Executive Chairman is responsible for the running of the Board and together with the Board members, determining the strategy of the Group. The Chief Executive is responsible for the running of the Group's business.

The Code requires that the Chairman should, on appointment, meet the independence criteria set out in code. As the Chairman is an Executive Director and participates in the Company's employee share option scheme he is not considered independent. Nevertheless, the Board considers the Executive nature of his role and his participation in the employee share option scheme (with vesting targets based on time rather than Company performance) does not influence the Chairman's independence of character and judgement within the meaning of the code nor does it influence him or the Board in the proper discharge of their duties and the operation of the business of the Group.

Our non-executive team comprises Peter Harkness, the Senior Independent Director, Annette Barnes, Andrew Day and Murray Legg.

Peter Harkness has served on the Board as non-executive Director since 25 June 2009. The Board and the Nominations Committee have specifically considered Peter's independence and is of the opinion that length of service is not necessarily a complete or accurate measure of a Director's independence. In the Board's opinion, Peter continues to fulfil the requirements of acting as an independent director and he is an important member of the team with experience of the Group's operations and history over his term which is a key asset in assisting the executives in delivering the Group's strategy.

The Non-Executive Directors' shareholdings are detailed in the Directors' Interests table on page 24 of the report. The Board has determined that all the Non-Executive Directors are independent and that their shareholding in the Company does not affect their independence.

In 2018, the Board met 12 times during the year and there is a formal schedule of matters reserved for the consideration of the Board. The Board is responsible to the shareholders for the proper management of the Group. The Board sets and monitors the Group strategy, reviewing trading performance, ensuring adequate funding, examining development possibilities and formulating policy on key issues. The Board is also responsible for monitoring the risk and control environment and has set out its approach to risk on page 13.

The Non-Executive Directors have the opportunity to meet without the Executive Directors in order to discuss the performance of the Board, its committees and individual Directors.

The Company Secretary ensures that the Board and its committees are supplied with papers to enable them to consider matters in good time for meetings and to enable them to discharge their duties. Procedures are in place for the Directors in the furtherance of their duties to take independent professional advice, if necessary at the Company's expense.

Composition, Succession and Evaluation

The Board has established a Nomination Committee to lead the process for appointments and manage succession plans for its executives. The committee is comprised of two Executive Directors and two Non-Executive Directors, with the casting vote going to Peter Harkness, the Non-Executive Chair of the Nominations Committee. Where the Nominations Committee uses an external search agency to appoint a member of the Board, it is disclosed in the Annual Report. No new appointments were made during the year.

The Group benefits from the diversity and variety of its workforce and is fully committed to maintaining and encouraging diversity, including the composition of the Board. The Board is currently made up of 6 male directors and 1 female and the Executive Management Committee had 9 male employees and 2 female employees serve during the year.

DIRECTORS' REPORT

Corporate Governance Report (continued)

All Directors are required to stand for re-election every year. The terms and conditions of appointment of the Non-Executive Directors are available for inspection at our registered office.

The Board conducts an annual evaluation process, which involves the performance appraisal of both the Executive and Non-Executive members of the Board. The review is undertaken by all Directors via an online survey on the overall performance of the Board during the year, which is fed back and debated at the annual Away Day, which then drives the actions and objectives of the Board for the forthcoming year.

Individual Directors are appraised by virtue of their role within the Board, whereby the Chairman appraises the Chief Executive and the Non-Executive Directors, the Chief Executive appraises the Chief Financial Officer and the entire Board appraise the Chairman which is delivered by the Senior Non-Executive Director.

As a 'smaller company' (defined in the UK Corporate Governance Code as being a company below the FTSE 350) the Board have decided that the internal evaluation conducted in the year is sufficient and that external facilitation of the board performance review is not necessary in this financial period.

Audit, Risk and Internal Control

The Board has established Audit, Nomination and Remuneration Committees with mandates to deal with specific aspects of its business. The table below details the membership and attendance of individual Directors at Board and committee meetings held during the year ended 31 December 2018.

Board meetings during the year:

	Board	Audit Committee	Remuneration Committee	Nomination Committee
Number of meetings				
Bernard Cragg	12	N/A	N/A	1
Mike Danson	12	N/A	N/A	1
Graham Lilley	12	N/A	N/A	N/A
Murray Legg	12	4	2	1
Peter Harkness	12	4	2	1
Annette Barnes	12	4	2	N/A
Andrew Day	12	4	2	N/A

The Audit Committee is comprised of the Chairman Murray Legg, Peter Harkness, Annette Barnes and Andrew Day. Murray Legg is a Chartered Accountant with recent and relevant financial experience.

The Committee met four times in the year with the external auditors in attendance.

The Committee is responsible for:

- monitoring the integrity of the financial statements and any formal announcements relating to the company's financial performance, and reviewing significant financial reporting judgements contained in them;
- providing advice on whether the annual report and accounts, taken as a whole, is fair, balanced and understandable, and provides the information necessary for shareholders to assess the company's position and performance, business model and strategy;
- reviewing the company's internal financial controls and internal control and risk management systems;
- considering annually whether there is a need for an internal audit function and reporting its view and findings to the Board;

DIRECTORS' REPORT

Corporate Governance Report (continued)

- conducting the tender process and making recommendations to the Board, about the appointment, reappointment and removal of the external auditor, and approving the remuneration and terms of engagement of the external auditor;
- reviewing and monitoring the external auditor's independence and objectivity;
- reviewing the effectiveness of the external audit process, taking into consideration relevant UK professional and regulatory requirements;
- developing and implementing policy on the engagement of the external auditor to supply non-audit services, ensuring there is prior approval of non-audit services, considering the impact this may have on independence, taking into account the relevant regulations and ethical guidance in this regard, and reporting to the board on any improvement or action required; and

The Audit Committee discharges its responsibilities through receiving reports from management and advisers, working closely with the auditors, carrying out and reviewing risk assessments and taking counsel where appropriate in areas when required to make a judgement.

The Board has overall responsibility for the Group's system of internal controls and for monitoring its effectiveness. Such a system is designed to manage rather than eliminate risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss. The internal controls are considered within the Risk and Uncertainties section of the Strategic Report on page 13.

During the year, the Board set up a separate independent committee to oversee the acquisition of Research Views Limited, a related party acquisition. The committee was comprised of a majority of Non-Executive Directors and did not include Mike Danson, who was not deemed to be independent on the transaction. The committee oversaw the process and received independent advice and reports from advisors on legal, financial and valuation matters.

The Directors review the effectiveness of the Group's system of internal controls. This review extends to all controls including financial, operational, compliance and risk management. Formal risk review is a regular Board agenda item.

The key controls in place have been reviewed by the Board and comprise the following:

- The preparation of comprehensive annual budgets and business plans integrating both financial and operational performance objectives, with an assessment of the associated business and financial risks. The overall Group budget and business plan is subject to approval by the Board.
- Weekly sales reports are produced and reviewed by management.
- Monthly management accounts are prepared and reviewed by the Board. This includes reporting against key performance indicators and exception reporting.
- An organisational structure with formally defined lines of responsibility. Authorisation limits have been set throughout the Group.
- The quarterly preparation and review of management accounting control checklists.

Remuneration

The Remuneration Committee comprises the Chairman Peter Harkness, Murray Legg, Annette Barnes and Andrew Day. The Remuneration Committee is responsible for determining the service contract terms, remuneration and other benefits of the Executive Directors, details of which are set out in the Remuneration Report on pages 29 and 30. The terms of reference of the Remuneration Committee are available for inspection on request.

DIRECTORS' REPORT

Corporate Governance Report (continued)

Going concern

The Group meets its day-to-day working capital requirements through free cash flow. Based on cash flow projections, the Group considers the existing financing facilities to be adequate to meet short-term commitments.

The Directors have a reasonable expectation that there are no material uncertainties that cast significant doubt about the Group's ability to continue as a going concern. Accordingly, the Group has prepared the Annual Report and Accounts on a going concern basis.

Long Term Viability

The Directors have set out a long-term viability statement on page 17 of the Strategic report.

Shareholder relationships

The Company operates a corporate website at www.globaldata.com where information is available to potential investors and shareholders.

The Board will use the Annual General Meeting to communicate with shareholders and seek their participation. The Notice of the Annual General Meeting will be circulated more than 21 working days prior to the meeting.

The directors' interests are disclosed on page 24, which includes the shareholding of Mike Danson who owns 81,028,349 shares, representing 68.6% of the total share capital. There are no other individual shareholders owning more than 10% of the company's issued share capital.

There are no specific restrictions on the size of a holding nor on the transfer of shares, which are both governed by the general provisions of the Articles of Association and prevailing legislation. The Directors are not aware of any agreements between holders of the Company's shares that may result in restrictions on the transfer of securities or on voting rights.

No person has any special rights of control over the Company's share capital and all its issued shares are fully paid.

With regard to the appointment and replacement of Directors, the Company is governed by its Articles of Association, the Companies Act and related legislation. The Articles themselves may be amended by special resolution of the shareholders. The powers of Directors are described in the Board Terms of Reference, copies of which are available on request.

The Company has authority to purchase its own shares. The authority, limits the maximum number of shares which can be purchased to approximately 5% of the Company's current issued share capital. The authority is proposed each year as a resolution at the company's AGM for shareholders to vote on.

Employee policies

The Group places considerable value on the involvement of its employees and keeps them informed on matters affecting them as employees and on the factors affecting the performance of the Group. This is achieved through formal and informal meetings.

The Group benefits from the diversity and variety of its workforce and is fully committed to maintaining and encouraging diversity. It is the Group's policy to give full and fair consideration to the employment of disabled persons, the continuing employment of employees becoming disabled, and to the full development of the careers of disabled employees, having regard to their particular abilities.

The Group does not discriminate on the grounds of gender, race, disability, sexuality, religion, philosophical belief, political belief, trade union membership or age as guided by the Equality Act 2010.

DIRECTORS' REPORT

Corporate Governance Report (continued)

At 31 December 2018, the Group employed the following number of employees of each gender:

	2018 No.	2017 No.
Male	2,011	1,492
Female	1,232	1,064
	3,243	2,556

Health and safety

It is the policy of the Group to conduct all business activities in a responsible manner, free from recognised hazards and to respect the environment, health and safety of our employees, customers, suppliers, partners, neighbours and the community at large.

Political donations

The Group has not made any political donations during the year.

Supplier payments policy

It is the Group's policy to abide by the payment terms agreed with suppliers whenever it is satisfied that the supplier has provided the goods and services in accordance with agreed terms and conditions. At 31 December 2018 the Group had 71 days purchases outstanding (2017: 61 days).

Subsequent events

On 4 January 2019, the Group acquired the entire share capital of the Aroq Limited Group for cash consideration of £6.8m. Aroq provides global business information in the auto, drinks, food and style sectors. Further details is given in Note 31 of the financial statements.

Financial instruments

Use of financial instruments and exposure to various financial risks has been discussed within the Strategic Report (page 12).

Future developments

Future developments have been discussed within the Strategic Report (page 5).

Directors' Interests

Details of the Company's share capital are set out in note 24 to the financial statements. As at 24 February 2019, Mike Danson had a beneficial interest of 68.6 per cent of the issued ordinary share capital of the Company. No other person has notified any interest in the ordinary shares of the Company, in accordance with AIM Rule 17.

The interests of the Directors as at 24 February 2019 in the ordinary shares of the Company were as follows:

	Number of ordinary shares
Bernard Cragg	390,000
Mike Danson	81,028,349
Murray Legg	23,000
Peter Harkness	70,000

DIRECTORS' REPORT

Corporate Social Responsibility

Sustainability is key part of our strategy, and for us at GlobalData it is about safeguarding future growth not only for us as company but also for our employees, clients and shareholders.

When GlobalData was formed in early 2016 we recognised that how we engage with our people, clients, business partners, the wider community and environment is fundamental to the Group's success. The Group is committed to focus on creating and maintaining positive long-term relationships with our broad base of stakeholders.

Sustainability Themes

For us at GlobalData, our sustainability activities are focused around four key themes:



Our People

Our commitment to our people remains paramount as we recognise that the motivation, creativity and engagement of our people is critical to the Group's success. We aim to be an employer of choice and one where our people feel respected, rewarded and engaged. Our success and are future success depends on GlobalData being able to attract and retain the right talent and we operate a "VOICES" network, which is an employee group working together to drive positive change for GlobalData.

Areas of focus:

- Strong internal training scheme
- Enhanced benefits packages available
- Annual performance reviews and internal movement
- Diversity in geographies, languages and experience
- Staff social and charity events, team building across groups and geographies.

Our Clients

Our data, analytics and insight help our clients to "decode the future". Our data and analytical insight allows our clients contextualise the competitive landscape they operate within, helping them make better informed and timelier decisions.

Areas of focus:

- Trust in our data
- Integrity of our research methodologies
- Ethical standards
- Privacy and data protection

DIRECTORS' REPORT

Corporate Social Responsibility (continued)

Social Investment

Social Investment allows GlobalData to contribute to the success of charities and organisations; we help to ensure that they can achieve their aims in a sustainable, long-term way.

Areas of focus:

- Social engagements to raise money for selected charities
- Helping our communities to access basic and improved education

Environment

We are a data and analytics company in which our products are created and distributed digitally. Our carbon footprint is considerably smaller than for many other companies of our size. Despite the structural benefits that we have as a digital company, we are committed to minimising the impact of our operations on the environment.

Areas of focus:

- Energy waste reduced through smart office lighting systems
- Travel and accommodation policies encourage carbon offsetting and minimising the Group's carbon footprint.
- Focus on modern business practices such as video and virtual meetings to reduce the need to travel

CSR Case Study: Creating a brighter future for local children

GlobalData has funded a number of CSR initiatives in India over the last year, supporting education and children in the local community. The projects include a logic, language and life skills program focused on improving reading, logic and life enhancing skills; supporting an orphanage to improve the standard of living and education for children from vulnerable backgrounds; and funding better learning for marginalised groups in government schools.

Our teams in India enjoy the chance to see the benefit of this work first hand, having visited the orphanage to interact with the children, organising games, competitions and a talent show.

These projects are funded through employee generosity and various office fundraising activities, as well as support from the business, which has donated over £18,000 combined to these causes.

DIRECTORS' REPORT

Audit Committee Report

The Audit Committee plays an important role in the governance of the Group and I am pleased to present our report to you for 2018.

As Chairman of the Audit Committee it was my responsibility to ensure that the Committee was rigorous and effective in its role of monitoring and reviewing:

- The integrity of the financial statements of the Group and any formal announcements relating to financial performance
- The effectiveness of the Group's internal controls and risk management framework
- The integrity of the Group's relationship with the external auditors and the effectiveness of the audit process

During the year the Audit Committee met on four occasions and I am satisfied that we were presented with papers of good quality and in a timely fashion.

The Audit Committee consists of the Chairman Murray Legg, Peter Harkness, Annette Barnes and Andrew Day.

The integrity of financial reporting

We reviewed the integrity of the financial statements and all formal announcements relating to financial performance during 2018. As part of the review, we engaged in discussion with the external auditors on whether significant areas of judgement and significant risks were adequately evaluated, reported and disclosed.

During 2018, we focused upon the following areas:

- The Group Going Concern and long term viability of the Group, in discussion with the Board
- Assessing the impact of IFRS 15 'Revenue from Contracts with Customers' and IFRS 9 'Financial Instruments', both were effective 1 January 2018
- Assessing the impact of IFRS16 'Leases', which is effective 1 January 2019
- Fair value review of Research Views Limited
- Review of the appropriateness of the Adjusted EBITDA measure reported for 2018, including the Employee Share Award Target and adjustments made to reported EBITDA.

In accordance with the revised ISA 700, 'Forming an Opinion and Reporting on Financial Statements', our auditor has adopted the enhanced audit report for the 2018 Annual Report and Accounts.

The effectiveness of internal controls and risk management framework

The Committee has a clear process for identifying, evaluating and managing risk. Significant risks faced by the Group are documented in the Group's risk register and considered regularly. The external auditors include a review of the Group's risk register in their audit approach.

External Auditor

The Committee recommends the reappointment of Grant Thornton UK LLP for 2019. We believe that their independence, their objectivity and the effectiveness of the external audit remains strong. This is safeguarded through their continuing challenge, their focused reporting and their discussions with both management and the Audit Committee in planning and concluding their work.

In order to maintain the independence of the external auditors, the Board has determined that non-audit work will not be offered to the external auditors unless there are clear efficiencies and value added benefits to the Group.

The Audit Committee has considered the need for a separate internal audit function but due to the size of the Group and procedures in place to monitor both trading performance and internal controls, it was concluded the costs of a separate internal audit department would outweigh the benefits.

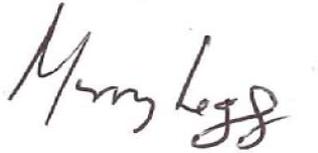
DIRECTORS' REPORT

Audit Committee Report (continued)

The Audit Committee annually reviews the remuneration received by the auditors for audit services and non-audit work. Their audit and non-audit fees are set, monitored and reviewed throughout the year (see note 6 of the financial statements). The non-audit fees in the year were not material in the context of the overall fee and the Committee deemed that no conflict existed between such audit and non-audit work.

Tenure of Auditor

Grant Thornton UK LLP have been the Auditor for the Group since the acquisition of TMN Group Plc in 2009 and were also the Auditor of TMN Group Plc prior to that date. To maintain the objectivity of the audit process the Group actively supports audit partner rotation, which occurred during 2017.

A handwritten signature in black ink that reads "Murray Legg". The signature is written in a cursive style with a large initial 'M' and 'L'.

Murray Legg
Chairman of the Audit Committee
24 February 2019

DIRECTORS' REPORT

Directors' Remuneration Report

Unaudited information

The Remuneration Committee

I am pleased to present the Remuneration Committee's report to you for 2018.

The Remuneration Committee consists of the Chairman Peter Harkness, Murray Legg, Annette Barnes and Andrew Day.

Directors' remuneration policy

The Board is responsible for setting the Group's policy on Directors' remuneration and the Remuneration Committee decides on the remuneration package of each Executive Director.

The primary objectives of the Group's policy on executive remuneration are that it should be structured so as to attract and retain executives of a high calibre with the skills and experience necessary to develop the Company successfully and, secondly, to reward them in a way which encourages the creation of value for the shareholders. The performance measurement of the Executive Directors and the determination of their annual remuneration package is undertaken by the Remuneration Committee. No Director is involved in setting their own remuneration.

The main elements of the Executive Directors' remuneration are:

- Basic annual salary - The salaries of the Executive Directors are reviewed annually and reflect the executives' experience, responsibility and the Group's market value.
- Bonus - Based upon performance.
- Other benefits - Other benefits include medical cover and car allowances.
- Share based payments - Full details of the share option scheme operated by the Group are set out in note 25.

Non-Executive Directors' remuneration

All Non-Executive Directors have letters of appointment with the Company and their remuneration is determined by the Board, having considered the level of fees in similar companies.

Directors' service agreements

It is the Group's policy that Directors should not have service agreements with notice periods capable of exceeding twelve months. The existing service agreements have neither fixed terms nor contractual termination payments but do have fixed notice periods. The details of the service agreements of the Directors as at 24 February 2019 are:

Executive Directors	Contract date	Notice period
Bernard Cragg	12 April 2016	3 months
Mike Danson	1 October 2008	12 months
Graham Lilley	1 November 2018	12 months
Non-Executive Directors		
Murray Legg	23 February 2016	3 months
Peter Harkness	25 June 2009	1 month
Annette Barnes	24 January 2017	3 months
Andrew Day	24 January 2017	3 months

DIRECTORS' REPORT

Directors' Remuneration Report (continued)

Audited Information

Directors' emoluments

	Basic salary £000s	Other benefits £000s	2018 total £000s	2017 total £000s
Executive Directors				
Bernard Cragg	150	-	150	150
Mike Danson	-	50	50	98
Graham Lilley	167	-	167	-
Simon Pyper	-	-	-	122
Non-Executive Directors				
Kelsey van Musschenbroek	-	-	-	10
Mark Freebairn	-	-	-	10
Murray Legg	40	-	40	40
Peter Harkness	40	-	40	40
Annette Barnes	30	-	30	25
Andrew Day	30	-	30	25

The other benefits consist of company cars and health insurance cover.

As at 31 December 2018, Graham Lilley had 200,000 share options in issue (2017: 200,000) and Bernard Cragg had 250,000 share options in issue (2017: 250,000). Further details are given in note 25. No options were exercised during 2018 (2017: nil). No other Directors as at 31 December 2018 had share options.

The Remuneration Committee is currently reviewing the existing long-term incentive for its top executives, including the Chief Executive Officer.

Share options

The Group created a share option scheme during the year ended 31 December 2010 and granted the first options under the scheme on 1 January 2011 to certain senior employees. Each option granted converts to one ordinary share on exercise. A participant may exercise their options (subject to employment conditions) at any time during a prescribed period from the vesting date to the date the option lapses.

In order for the remaining options to be exercised, the Group's earnings before interest, taxation, depreciation and amortisation, as adjusted by the Remuneration Committee for significant or one-off occurrences, must exceed targets of £32 million, £41 million and £52 million respectively (2017: £28 million and £39 million respectively). The targets were revised during 2018 following the acquisition of MEED and Research Views Limited.

The total charge recognised for the scheme during the year ended 31 December 2018 was £5.7 million (2017: £5.3 million). The awards of the scheme are settled with ordinary shares of the Company.

The Remuneration Committee received notification from the Audit Committee that the quality of Adjusted EBITDA in 2018 of £32.2 million was sufficient to satisfy the first target of £32 million. The employees who have share options dependent on the meeting of the £32 million target will therefore get the opportunity to vest their options following the publication of the results.

By order of the Board



Peter Harkness

Chairman of the Remuneration Committee

24 February 2019

DIRECTORS' REPORT

Statement of Directors' responsibilities in respect of the Annual Report and the financial statements

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and profit or loss of the Company and the Group for that period.

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

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

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

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

Auditors

A resolution to reappoint Grant Thornton UK LLP as auditors to the Company will be proposed at the Annual General Meeting.

Disclosure of information to auditors

The Directors confirm that: so far as each Director is aware, there is no relevant audit information of which the Group's auditors are unaware, and the Directors have taken all steps that they ought to have taken in order to make themselves aware of any relevant audit information and establish that the Group's auditors are aware of that information.

Annual General Meeting

The Annual General Meeting will be held on 23 April 2019 at John Carpenter House, John Carpenter Street, London EC4Y 0AN at 10am.

On behalf of the Board



Mike Danson

Chief Executive

24 February 2019

Opinion

Our opinion on the financial statements is unmodified

We have audited the financial statements of GlobalData Plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2018 which comprise the consolidated income statement, the consolidated statement of comprehensive income, the consolidated and company statement of financial position, the consolidated and company statement of changes in equity, the consolidated and company statement of cash flows and notes to the consolidated and company financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in the preparation of the group and company financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2018 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to principal risks, going concern and viability statement

We have nothing to report in respect of the following information in the annual report, in relation to which the ISAs (UK) require us to report to you whether we have anything material to add or draw attention to:

- the disclosures in the annual report¹ set out on page 14 that describe the principal risks and explain how they are being managed or mitigated;
- the directors' confirmation, set out on page 31 of the annual report that they have carried out a robust assessment of the principal risks facing the group, including those that would threaten its business model, future performance, solvency or liquidity;
- the directors' statement, set out on page 31 of the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting in preparing the financial

¹ the term used to describe the annual report should be the same as that used by the directors.

statements and the directors' identification of any material uncertainties to the group's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements;

- whether the directors' statement relating to going concern required under the Listing Rules in accordance with Listing Rule 9.8.6R(3) is materially inconsistent with our knowledge obtained in the audit; or
- the directors' explanation, set out in page 17 of the annual report as to how they have assessed the prospects of the group, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the group will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.



Overview of our audit approach

- Overall group materiality: £1,128,000, which represents 3.5% of the Group's Adjusted EBITDA.
- We performed full scope audit procedures on key business operations in the UK, United Arab Emirates and USA and targeted audit procedures on business operations in the UK and India.
- Key audit matters were identified for the Group as:
 - Revenue recognition;
 - Acquisition accounting of Research Views Limited; and
 - Impairment of intangible assets.
- Key audit matter identified for the parent company as:
 - Impairment of investments.

Key audit matters

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

Key Audit Matter - Group	How the matter was addressed in the audit - Group
<p>Revenue recognition</p> <p>The Group enters into a high volume of revenue transactions and is the first year of adoption of IFRS 15. As such, we identified the occurrence of revenue recognition as a significant risk which was one of the most significant assessed risks of material misstatement.</p>	<p>Our audit work included, but was not restricted to:</p> <ul style="list-style-type: none"> • An assessment of the methodology and the internal control environment relating to revenue recognition. This involved assessing the design and implementation of relevant controls in the revenue business cycle relevant to the audit as well as testing the operating effectiveness of these relevant controls. We tested the operating effectiveness of relevant controls through inquiry, observation and inspection; • We have compared management’s assessment of the IFRS 15 transition analysis against the requirements of the standard. We have obtained a sample of contracts to corroborate the terms and conditions noted in the analysis. • we performed substantive testing on a sample of revenue transactions throughout the year across each of the significant revenue streams to evaluate whether revenue is recognised in accordance with the contract terms, having considered the principles of IFRSs as adopted by the European Union and the commercial substance of the contracts. In addition: <ul style="list-style-type: none"> ○ the occurrence of revenue testing was tested by obtaining signed customer contracts, ensuring that a service was provided by checking the online subscription platform to ensure the customers had access and verifying that the delivery of the products had occurred; ○ whether revenue was recognised in accordance with the group’s revenue accounting policies; ○ whether revenue was recognised in the correct period by checking evidence that verifies when the service was delivered or product was sold; and ○ for a sample of revenue contracts we tested managements’ recognition of income by recalculating revenue recorded with reference to the contractual arrangements and/or contractual project milestone deliveries; <p>The Group's accounting policy on revenue is shown in note 2 to the group financial statements and related disclosures are included in note 3.</p> <p>Key observations</p> <p>Our testing did not identify significant deficiency in the design and operating effectiveness of relevant controls that would have required us to expand the nature or scope of our planned detailed test work. We have not noted any significant issues with respect to the recognition of revenue through the audit work undertaken.</p>
<p>Acquisition accounting of Research Views Limited</p> <p>During March 2018 GlobalData Plc finalised the acquisition of Research Views Limited for £97.3million. Consideration was settled in the form of additional shares within GlobalData Plc.</p> <p>As a result of this acquisition, the Group</p>	<p>Our audit work included, but was not restricted to:</p> <ul style="list-style-type: none"> • Obtaining relevant purchase documents to assess whether management had accounted for the acquisition appropriately; • Challenging the change of control date given the announcement, tax clearances and completion of all resolutions were held on different dates; • Engaging our internal valuations specialists to assist the audit team in assessing the reasonableness of the underlying assumptions used in the management’s valuation models performed by management’s external

Key Audit Matter - Group	How the matter was addressed in the audit - Group
<p>recorded intangible assets and goodwill of £33 million and £90 million respectively as stated in Note 29. Management has made key judgements in determining the allocation of the purchase price to the assets and liabilities acquired.</p> <p>The calculation of the intangible assets and goodwill arising from the acquisition required the application of management's valuation model to determine the fair value of the identifiable intangible assets.</p> <p>We therefore identified the acquisition of Research Views Limited, including the valuation and allocation of the purchase price to the assets and liabilities acquired, as a significant risk, which was one of the most significant assessed risks of material misstatement.</p>	<p>specialists;</p> <ul style="list-style-type: none"> • Challenging the identification of intangible assets by obtaining the acquisition agreement and assessing management's identification of intangible assets; • Challenging the valuation methodology of intangible assets by engaging our internal valuation specialists to assess whether management's valuation models were in line with relevant valuation standards; • Auditing the opening balance sheet on acquisition, for example but not limited to, testing a representative sample for cash after date on trade receivables, post year end payments on creditors and recalculated the deferred income; and • Challenging management's assumptions with reference to historic data, sensitivity analysis, re-computation and benchmarking against industry data available. The assumptions include estimates of future revenue, growth rates, customer retention rates and discount rates. <p>The group's accounting policy on the valuation of the acquired intangible assets is shown in notes 2 to the group financial statements and related disclosures are included in note 13.</p>
<p>Impairment of intangible assets</p> <p>A significant balance on the consolidated statement of financial position is intangible assets of £258.5 million, including goodwill of £212.2 million as detailed in Note 13. The recovery of these assets depends on achieving sufficiently profitable business in the future.</p> <p>In accordance with International Accounting Standard 36: Impairment of Assets ('IAS 36') Goodwill is subject to an annual impairment test.</p> <p>Other intangibles are subject to an impairment test when there is an indication that an asset may be impaired. The process for measuring and recognising impairment under IAS 36 is complex and judgemental. We therefore identified intangibles impairment review as a significant risk which was one of the most significant assessed risks of material misstatement.</p>	<p>Key observations</p> <p>We have noted adjustments relating to the consideration value due to the change of control occurring when the irrevocable undertaking was issued rather than date of the shares being issued and incorrect capitalisation of acquisition related costs. Management has corrected these adjustments in the annual report. No further significant issues were raised on the identification of intangible assets and the purchase price allocation of intangible assets through the audit work undertaken</p> <p>Our audit work included, but was not restricted to:</p> <ul style="list-style-type: none"> • An assessment of the methodology and the internal control environment relating to the intangible assets impairment review. This involved assessing the design and implementation of relevant controls, that changes are monitored, scrutinised by appropriate personnel and the final assumptions used in impairment testing have been appropriately approved; • Challenging the identification of cash generating units identified by management with reference to the guidance set out in IAS 36; • Testing the mathematical accuracy of the impairment calculations; • Testing the accuracy of management's forecasting through comparison of historical budgets and growth rates to actual performance and growth rates. We challenged other key assumptions in the value in use calculations for goodwill and intangible assets such as cash flow projections, discount rates, long term growth rates and sensitivities used; and • Evaluating the disclosures related to impairment test. <p>The group's accounting policy on impairment of intangible assets is shown in note 2 to the group financial statements and related disclosures are included in note 13.</p> <p>Key observations</p> <p>Our testing did not identify significant deficiencies in the design and implementation of relevant controls that would have required us to expand the nature or scope of our planned detailed test work. Based on our audit work there was sufficient headroom in the value in use calculation and hence we concur with management's assessment that there is no impairment.</p>

Key Audit Matter – Parent Impairment of investments

A significant balance on the parent company statement of financial position is investments of £175.1 million as detailed in Note 6 in the Company financial statements. The recovery of these assets depends on the cash generating units achieving sufficiently profitable business in the future.

The investments are subject to an impairment test when there is an indication that an asset may be impaired. The process for measuring and recognising impairment under IAS 36 is complex and judgemental. We therefore identified investment impairment review as a significant risk, which was one of the most significant assessed risks of material misstatement.

How the matter was addressed in the audit – Parent

Our audit work included, but was not restricted to:

- Testing the design and implementation of relevant controls applied by the Company to provide assurance that the assumptions used in preparing the impairment calculations are updated, that changes are monitored, scrutinised by appropriate personnel and that the final assumptions used in impairment testing have been appropriately approved;
- Challenging the methodology and assumptions used by management in conducting the impairment review. This also includes challenging management on their identification of cash generating units due to the interdependence among subsidiaries, with reference to the guidance set out in IAS 36;
- Comparing the net assets in each of the cash generating units to the investment held in the parent company;
- Testing the mathematical accuracy of the impairment calculations;
- Challenging the forecasts prepared by management, we evaluated the forecasts by comparing them to historic performance and growth rates, understanding the key drivers of revenue and comparing these to market expectations. We challenged other key assumptions in the value in use calculations for goodwill and intangible assets such as discount rates, long term growth rates and sensitivities used by recalculating the discount rates and benchmarking against industry data where available; and
- Evaluating the disclosures related to impairment test.

The company's accounting policy on impairment of investments is shown in note 2 to the Company financial statements and related disclosures are included in note 6.

Key observations

Our testing did not identify significant deficiencies in the design and implementation of relevant controls that would have required us to expand the nature or scope of our planned detailed test work. We found no errors in the calculations we tested. Based on our audit work there was sufficient headroom in the value in use calculation and hence we concur with management's assessment that there is no impairment.

Our application of materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or **influenced**. We use materiality in determining the nature, timing and extent of our audit work and in evaluating the results of that work.

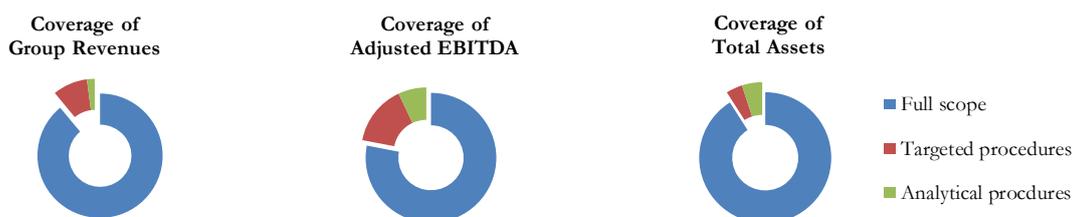
Materiality was determined as follows:

Materiality Measure	Group	Parent
Financial statements as a whole	<p>Materiality was set at £1,128,000 which was 3.5% of the Adjusted EBITDA (Adjusted EBITDA as defined by management on page 41). This benchmark is considered the most appropriate because this is used by readers of the group's financials to judge the performance of the group and is a key performance indicator for management.</p> <p>Materiality for the current year is higher than the level that we determined for the year ended 31 December 2017 to reflect the increase in the Group's Adjusted EBITDA.</p>	<p>Materiality was initially determined using total assets but capped at £800,000 which represents the component materiality (Component materiality was set at 70% of Group materiality). We consider this benchmark to be most appropriate as the parent company is a holding company therefore users would be most interested in its asset base. The benchmark has then been adjusted to an appropriately low level to reduce the probability that the aggregate of uncorrected and undetected misstatements in the group financial statements exceeds materiality for the group financial statements as a whole.</p> <p>Materiality for the current year has been consistently determined and has resulted in an increase in the level that we determined for the year ended 31 Dec 2017 to reflect the increase in the underlying performance and size of the Company.</p>
Performance materiality used to drive the extent of our testing	70% of financial statement materiality	70% of financial statement materiality
Specific materiality	We have determined a lower level of specific materiality for certain areas being directors' remuneration and related party transactions.	We have determined a lower level of specific materiality for certain areas being directors' remuneration and related party transactions.
Communication of misstatements to the audit committee	£57,150 and misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.	£40,000 and misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.

An overview of the scope of our audit

Our audit approach was a risk-based approach founded on a thorough understanding of the group's business, its environment and risk profile and in particular included:

- Evaluation by the group audit team of identified components to assess the significance of that component and to determine the planned audit response based on a measure of materiality;
- Evaluating the design, implementation and operating effectiveness of processes and controls over key financial systems identified as part of our risk assessment. This included gaining an understanding of the general IT controls, the accounts production process and the controls addressing critical accounting matters identified in our risk assessment;
- There has been no significant changes to the scoping of key business operations for the current year Group audit from the scope of that of the prior year;
- The Group is predominately based within the United Kingdom (UK) and comprises a number of UK subsidiaries which are centrally managed and controlled.
- There are a number of overseas subsidiaries. The audit testing for the UK and overseas subsidiaries in respect of the group audit was performed by the Group audit team and Grant Thornton United Arab Emirates who acted as component auditors.
- Our Group scoping ensures we have attained coverage on full scope and targeted procedures of 98% of Group revenues and 93% of Adjusted EBITDA and 95% of Total assets. The balance was tested analytically to Group materiality.



Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report and accounts, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

In this context, we also have nothing to report in regard to our responsibility to specifically address the following items in the other information and to report as uncorrected material misstatements of the other information where we conclude that those items meet the following conditions:

- Fair, balanced and understandable – the statement given on page 31 by the directors that they consider the annual report and financial statements taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the group’s performance, business model and strategy, is materially inconsistent with our knowledge obtained in the audit; or
- Audit committee reporting - the section set out on page 27 to 28 does not appropriately address matters communicated by us to the audit committee; or
- Directors’ statement of compliance with the UK Corporate Governance Code set out on page 19 – the parts of the directors’ statement required under the Listing Rules relating to the company’s compliance with the UK Corporate Governance Code containing provisions specified for review by the auditor in accordance with Listing Rule 9.8.10R(2) do not properly disclose a departure from a relevant provision of the UK Corporate Governance Code.

Our opinion on other matters prescribed by the Companies Act 2006 is unmodified

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors’ report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors’ report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors’ report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors’ remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors for the financial statements

As explained more fully in the Statement of Directors’ responsibilities set out on page 31, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Mark Henshaw

Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants

London

24 February 2019

Consolidated Income Statement

	Notes	Year ended 31 December 2018	Year ended 31 December 2017 <i>Restated</i>
		£000s	£000s
Continuing operations			
Revenue	4	157,553	118,649
Cost of sales		(98,153)	(75,882)
Gross profit		59,400	42,767
Administrative costs		(29,077)	(22,335)
Other expenses	7	(35,500)	(19,783)
Operating (loss)/ profit	6	(5,177)	649
<i>Analysed as:</i>			
Adjusted EBITDA¹		32,230	23,387
Items associated with acquisitions and restructure of the Group	7	(6,842)	(3,347)
Other adjusting items	7	(8,236)	(4,474)
EBITDA²		17,152	15,566
Amortisation		(21,587)	(14,088)
Depreciation		(742)	(829)
Operating (loss)/ profit		(5,177)	649
Finance costs	10	(2,487)	(1,444)
Loss before tax from continuing operations		(7,664)	(795)
Income tax expense	11	(3,408)	(1,371)
Loss for the year from continuing operations		(11,072)	(2,166)
(Loss)/ profit for the year from discontinued operations	28	(1,255)	10
Loss for the year		(12,327)	(2,156)
Attributable to:			
Equity holders of the parent		(12,434)	(2,156)
Non-controlling interest		107	-
Loss per share attributable to equity holders from continuing operations:			
Basic loss per share (pence)	12	(9.87)	(2.12)
Diluted loss per share (pence)		(9.87)	(2.12)
(Loss)/ earnings per share attributable to equity holders from discontinued operations:			
Basic (loss)/ earnings per share (pence)		(1.11)	0.01
Diluted (loss)/ earnings per share (pence)		(1.11)	0.01
Total basic loss per share (pence)		(10.97)	(2.11)
Total diluted loss per share (pence)		(10.97)	(2.11)

The accompanying notes form an integral part of this financial report.

¹ We define Adjusted EBITDA as EBITDA adjusted for costs associated with acquisitions, restructuring of the Group, share based payments, impairment, unrealised operating exchange rate movements, impairment and impact of foreign exchange contracts. See note 7 of the financial statements for details. We present Adjusted EBITDA as additional information because we understand that it is a measure used by certain investors and because it is used as the measure of Group profit or loss. However, other companies may present Adjusted EBITDA differently. EBITDA and Adjusted EBITDA are not measures of financial performance under IFRS and should not be considered as an alternative to operating profit or as a measure of liquidity or an alternative to net income as indicators of our operating performance or any other measure of performance derived in accordance with IFRS.

² EBITDA is defined as earnings before interest, tax, depreciation, amortisation and impairment.

Consolidated Statement of Comprehensive Income

	Year ended 31 December 2018 £000s	Year ended 31 December 2017 £000s
Loss for the year	(12,327)	(2,156)
Other comprehensive income		
Items that will be classified subsequently to profit or loss:		
Net exchange gains/ (losses) on translation of foreign entities	988	(117)
Other comprehensive gain/ (loss), net of tax	988	(117)
Total comprehensive loss for the year	(11,339)	(2,273)
Attributable to:		
Equity holders of the parent	(11,446)	(2,273)
Non-controlling interest	107	-

The accompanying notes form an integral part of this financial report.

Consolidated Statement of Financial Position

	Notes	31 December 2018 £000s	31 December 2017 <i>Restated</i> £000s	31 December 2016 <i>Restated</i> £000s
Non-current assets				
Property, plant and equipment	14	1,314	1,243	1,353
Intangible assets	13	258,492	150,548	133,506
Trade and other receivables	29	2,775	3,700	4,625
Deferred tax assets	18	6,709	4,947	4,137
		269,290	160,438	143,621
Current assets				
Inventories	16	-	6	-
Current tax receivable		-	-	639
Trade and other receivables	17	51,324	42,421	32,851
Short-term derivative assets	15	529	369	94
Cash and cash equivalents		6,268	2,952	6,447
		58,121	45,748	40,031
Total assets		327,411	206,186	183,652
Current liabilities				
Trade and other payables	19	(92,660)	(69,537)	(55,018)
Short-term borrowings	20	(6,000)	(6,000)	(5,737)
Current tax payable		(5,204)	(2,990)	-
Short-term derivative liabilities	15	(1,408)	(98)	(1,089)
Short-term provisions	22	(364)	(160)	(1,364)
		(105,636)	(78,785)	(63,208)
Non-current liabilities				
Long-term provisions	22	(437)	(441)	(223)
Deferred tax liabilities	18	(6,571)	(3,014)	(4,655)
Long-term borrowings	20	(64,341)	(39,955)	(26,162)
		(71,349)	(43,410)	(31,040)
Total liabilities		(176,985)	(122,195)	(94,248)
Net assets		150,426	83,991	89,404
Equity				
Share capital	24	184	173	173
Share premium account		200	200	200
Treasury reserve	24	(19,142)	(2,289)	(960)
Other reserve	24	(37,128)	(37,128)	(37,128)
Merger reserve	24	163,810	66,481	66,481
Foreign currency translation reserve	24	798	(190)	(73)
Retained profit		41,704	56,744	60,711
Equity attributable to equity holders of the parent		150,426	83,991	89,404

These financial statements were approved by the board of directors on 24 February 2019 and signed on its behalf by:



Bernard Cragg
Executive Chairman



Mike Danson
Chief Executive

Company Number 03925319

The accompanying notes form an integral part of this financial report.

Consolidated Statement of Changes in Equity

	Share capital	Share premium account	Treasury reserve	Other reserve	Merger reserve	Foreign currency translation reserve	Retained profit	Equity attributable to the equity holders of the parent	Non-controlling interest	Total equity
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Balance at 1 January 2017	173	200	(960)	(37,128)	66,481	(73)	60,711	89,404	-	89,404
Loss for the year	-	-	-	-	-	-	(2,156)	(2,156)	-	(2,156)
Other comprehensive income:										
Net exchange loss on translation of foreign entities	-	-	-	-	-	(117)	-	(117)	-	(117)
Total comprehensive loss for the year	-	-	-	-	-	(117)	(2,156)	(2,273)	-	(2,273)
Transactions with owners:										
Dividends	-	-	-	-	-	-	(7,134)	(7,134)	-	(7,134)
Share buy back	-	-	(1,329)	-	-	-	-	(1,329)	-	(1,329)
Share based payments charge	-	-	-	-	-	-	5,323	5,323	-	5,323
Balance at 31 December 2017	173	200	(2,289)	(37,128)	66,481	(190)	56,744	83,991	-	83,991
(Loss)/ profit for the year	-	-	-	-	-	-	(12,434)	(12,434)	107	(12,327)
Other comprehensive income:										
Net exchange loss on translation of foreign entities	-	-	-	-	-	988	-	988	-	988
Total comprehensive loss for the year	-	-	-	-	-	988	(12,434)	(11,446)	107	(11,339)
Transactions with owners:										
Acquisition of entity with non-controlling interest	-	-	-	-	-	-	-	-	546	546
Acquisition of non-controlling interest	-	-	-	-	-	-	(579)	(579)	(653)	(1,232)
Issue of share capital	11	-	-	-	97,329	-	-	97,340	-	97,340
Dividends	-	-	-	-	-	-	(9,110)	(9,110)	-	(9,110)
Share buy back	-	-	(16,853)	-	-	-	-	(16,853)	-	(16,853)
Share based payments charge	-	-	-	-	-	-	5,679	5,679	-	5,679
Excess deferred tax on share based payments	-	-	-	-	-	-	1,404	1,404	-	1,404
Balance at 31 December 2018	184	200	(19,142)	(37,128)	163,810	798	41,704	150,426	-	150,426

The accompanying notes form an integral part of this financial report.

Consolidated Statement of Cash Flows

	Year ended 31 December 2018	Year ended 31 December 2017 <i>Restated</i>
	£000s	£000s
Continuing operations		
Cash flows from operating activities		
Loss for the year from continuing operations	(11,072)	(2,166)
Adjustments for:		
Depreciation	742	829
Amortisation	21,587	14,088
Finance costs	2,487	1,444
Taxation recognised in profit or loss	3,408	1,371
Non-trading foreign exchange gain	-	(274)
Share based payments charge	5,679	5,323
Decrease/ (increase) in trade and other receivables	1,606	(1,147)
Increase in inventories	(26)	-
Decrease in trade payables	(703)	(3,020)
Revaluation of short and long-term derivatives	1,150	(1,266)
Movement in provisions	200	(986)
Cash generated from continuing operations	25,058	14,196
Interest paid (continuing operations)	(2,173)	(1,412)
Income taxes paid (continuing operations)	(2,255)	(70)
Net cash from operating activities (continuing operations)	20,630	12,714
Net (decrease)/ increase in cash and cash equivalents from discontinued operations	(912)	267
Total cash flows from operating activities	19,718	12,981
Cash flows from investing activities (continuing operations)		
Acquisitions	(4,607)	(20,338)
Purchase of property, plant and equipment	(724)	(612)
Purchase of intangible assets	(890)	(1,184)
Net cash used in investing activities (continuing operations)	(6,221)	(22,134)
Net decrease in cash and cash equivalents from discontinued operations	(235)	-
Total cash flows used in investing activities	(6,456)	(22,134)
Cash flows from financing activities (continuing operations)		
Repayment of short-term borrowings	(6,000)	(7,356)
Proceeds from long-term borrowings	30,473	51,100
Loan fees	(285)	-
Settlement of long-term borrowings	(8,408)	(29,520)
Dividends paid	(9,110)	(7,134)
Share buy back	(16,853)	(1,329)
Net cash (used in)/ from financing activities (continuing operations)	(10,183)	5,761
Net decrease in cash and cash equivalents from discontinued operations	-	-
Total cash flows (used in)/ from financing activities	(10,183)	5,761
Net increase/ (decrease) in cash and cash equivalents	3,079	(3,392)
Cash and cash equivalents at beginning of year	2,952	6,447
Effects of currency translation on cash and cash equivalents	237	(103)
Cash and cash equivalents at end of year	6,268	2,952

The accompanying notes form an integral part of this financial report.

Notes to the Consolidated Financial Statements

1. General information

Nature of operations

The principal activity of GlobalData Plc and its subsidiaries (together 'the Group') is to provide business information in the form of high quality proprietary data and analytics to clients in multiple sectors.

GlobalData Plc ('the Company') is a company incorporated in the United Kingdom and listed on the Alternative Investment Market (AIM). The registered office of the Company is John Carpenter House, John Carpenter Street, London, EC4Y 0AN. The registered number of the Company is 03925319.

Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRIC interpretations as adopted by the European Union and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

The financial statements have been prepared under the historical cost convention as modified by the revaluation of derivative financial instruments. These financial statements have been prepared in accordance with the accounting policies detailed below. The accounting policies have been applied consistently throughout the Group.

These financial statements are presented in Pounds Sterling (£), which is also the functional currency of the Company. These financial statements have been approved for issue by the Board of Directors.

The 2017 comparatives have been adjusted for the effect of discontinued operations to give a fair comparison of statement of financial position and income statement line items. Details of the discontinued operations are disclosed in note 28 of the financial statements.

Critical accounting estimates and judgements

The Group makes estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

In the future, actual experience may deviate from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year relate to valuation of acquired intangible assets, recoverability of deferred tax assets, provisions for share based payments, provision for doubtful debts, carrying value of goodwill and other intangibles.

Key sources of estimation of uncertainty

Valuation of acquired intangibles

Management identified and valued acquired intangible assets on acquisitions that were made during the periods disclosed in the financial statements. Management has applied judgements in identifying and valuing intangible assets separate from goodwill that consist of assessing the value of software, brands, intellectual property rights and customer relationships. The Board have a policy of engaging professional advisors on acquisitions with a purchase price greater than £10 million to advise and assist in calculating intangible asset values. The Group consistently applies the following methodologies for each class of identified intangible:

- Customer relationships – Net present value of future cash flows
- Intellectual Property – Cost to recreate the asset
- Brands – Royalty relief method

Assumptions are made on the useful life of an intangible and if shortened, would increase the amortisation charge recognised in the income statement. The identified intangibles are set out in note 13.

There are a number of assumptions in estimating the present value of future cash flows including management's expectation of future revenue, renewal rates for subscription customers, costs, timing and quantum of future capital expenditure, long-term growth rates and discount rates.

Recoverability of deferred tax assets

The Group has recognised a deferred income tax asset in its financial statements, which requires judgement for determining the extent of its recoverability at each statement of financial position date. The Group assesses recoverability with reference to Board approved forecasts of future taxable profits. These forecasts require the use of assumptions and estimates. Where the temporary differences are related to losses, relevant tax law is considered to determine the availability of the losses to offset against the future taxable profits. A deferred tax asset additionally exists in relation to the temporary tax and accounting difference in relation to the share based payment scheme. Additional disclosures on the calculation of share based payments are provided in note 25.

Share based payments

The Group operates a share based compensation plan under which the entity receives services from employees as consideration for equity instruments (options) of the Group. The fair value of the employee services received in exchange for the grant of the options and awards is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted, excluding the impact of any non-market service and performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period). Non-market vesting conditions are included in assumptions about the number of options and awards that are expected to vest. The total amount expensed is recognised over the vesting period, which is the period over which all of the specified existing conditions are to be satisfied. At each reporting date, the entity revises its estimates of the number of options and awards that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to equity. The significant judgements involved in calculating the share based payments charge are the fair value at the date of grant which is determined by using the Black-Scholes model, the senior management retention rate which is determined with reference to historical churn and the estimated vesting periods which are determined with reference to the Group's forecasts. Additional disclosures on the calculation of share based payments are provided in note 25.

Provision for doubtful debts

The Group is required to judge when there is sufficient objective evidence to require the impairment of individual trade receivables. It does this on the basis of the age of the relevant receivables, external evidence of the credit status of the customer entity and the status of any disputed amounts. The Group will also review the previous payment profile of the customer and liaise with the customers' management team before concluding on whether a provision is required. The provision for doubtful debts and the ageing of overdue trade receivables are included in note 17 to the financial statements. Additional disclosures on the assumptions behind the provision are provided in note 21 within the section on credit risk.

Carrying value of goodwill and other intangibles

The carrying value of goodwill and other intangibles is assessed at least annually to ensure that there is no need for impairment. Performing this assessment requires management to estimate future cash flows to be generated by the related cash generating unit, which entails making judgements including the expected rate of growth of sales, margins expected to be achieved, the level of future capital expenditure required to support these outcomes and the appropriate discount rate to apply when valuing future cash flows. See note 13 for further details on intangibles and goodwill.

Critical accounting judgements

Segmental reporting

IFRS 8 "Operating Segments" requires the segment information presented in the financial statements to be that which is used internally by the chief operating decision maker to evaluate the performance of the business and to decide how to allocate resources. The Group has identified the Executive Directors as its chief operating decision maker. Business information is provided to customers through one single brand via multiple channels by a dedicated content team that is centrally managed by Research Directors who report directly to the Executive Directors. Business information is therefore considered to be the operating segment of the Group.

Acquisition accounting

On 28 March 2018, the Group took control of the entire share capital of Research Views Limited. Although the acquisition was subject to shareholder vote at a general meeting on 24th April, HMRC had approved the commercial aspects of the transaction and Mike Danson had signed an irrevocable undertaking to vote in favour of the acquisition. Therefore, at this stage the Group was certain the deal would be approved and started to integrate and manage the acquired business and hence it is management's judgement that the date of acquisition was 28 March 2018.

Management has determined it is most appropriate to follow the principles of IFRS 3 “Business Combinations”, and apply acquisition accounting for acquisitions of entities under common control. As the Group paid over and above the book value of Research Views Limited, this allows for the recognition of these intangibles and reflects the fact that the rights of the minority interest shareholders have been affected. Irrespective of both Globaldata Plc and Research Views Limited being under common control, management’s judgement is that the transaction was a combination of two businesses and the Group is expected to benefit from the synergies of combining the two businesses.

Defined benefit pension asset

As part of the acquisition of Research Views Limited and its subsidiaries, the Group acquired a defined benefit pension scheme. As at 31 December 2018 the scheme is in surplus, however management’s judgement is that the surplus should not be recognised in the statement of financial position. IFRIC14 came into effect on 1 January 2018 and applies to pension schemes reporting under IAS19. Under IFRIC14, recognition of a surplus should be considered in the context of whether a scheme sponsor has a future unconditional right to a refund of a scheme surplus that may arise. Management have considered the scheme rules which state that receipt of any refund would be conditional on how the trustees determine the overall surplus should be distributed. Management have therefore taken the view that the Group does not have an unconditional right to a refund and as such have not recognised the surplus as an asset.

Going concern

The Group meets its day-to-day working capital requirements through free cash flow. Based on cash flow projections the Group considers the existing financing facilities to be adequate to meet short-term commitments.

The finance facilities were issued with debt covenants which are measured on a quarterly basis. Management have reviewed forecasted cash flows and there is no indication that there will be any breach in the next 12 months.

The Directors have a reasonable expectation that there are no material uncertainties that cast significant doubt about the Group’s ability to continue as a going concern. Accordingly, the Group has prepared the annual report and financial statements on a going concern basis

2. Accounting policies

a) Basis of consolidation

The consolidated financial statements include the accounts of the Company and all of its subsidiary undertakings.

- Subsidiaries are those entities controlled by the Group. Control exists when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.
- Intra-group transactions, balances and unrealised gains on transactions between Group companies are eliminated. Where necessary, accounting policies of subsidiaries have been changed to ensure consistency with the Group’s accounting policies.
- The results and cash flows relating to a business are included in the consolidated income statement and the consolidated statement of cash flows from the date of acquisition or are excluded from the date of disposal as appropriate.

b) Change to accounting policies

This report has been prepared based on the accounting policies detailed in the Group’s financial statements for the year ended 31 December 2018 and is consistent with the policies applied in the previous year, except for the new standard now effective, IFRS 15 and IFRS 9.

IFRS15: Revenue from contracts with customers

IFRS 15 (effective from 1 January 2018) provides a single, principles based five-step model to be applied to all sales contracts, based on the transfer of control of goods and services to customers. The major change is the requirement to identify and assess the satisfaction of delivery of each performance obligation in contracts in order to recognise revenue.

Following an assessment of the financial impact of the changes required from the adoption of this new standard, there is no material change to the Consolidated Income Statement of the Group. The change only

affects the recognition of bespoke research revenue, where we are no longer able to recognise revenue over the course of a contract on a completion basis, but instead must recognise revenue once performance obligations have been delivered. Materially, the delivery on a completion basis was very much aligned to delivery of key milestone in our contracts and therefore does not differ in materially when compared with the provisions of the new standard.

The Consolidated Statement of Financial Position has been adjusted by the requirement to net down deferred income against trade receivables for amounts that have been invoiced but the service had not started at the 31 December 2018 and are not yet due. This adjustment has not affected the net assets of the Group. The Group has adopted IFRS 15 on 1 January 2018 using the 'full' retrospective approach. As a result, the prior period Consolidated Statement of Financial Position have been restated as detailed in note 5.

IFRS9: Financial Instruments

On 1 January 2018, IFRS9 'Financial Instruments' also came into effect. The new standard is based on the concept that financial assets should be classified and measured at fair value, with changes in fair value recognized in profit and loss as they arise ("FVPL"), unless restrictive criteria are met for classifying and measuring the asset at either Amortized Cost or Fair Value through Other Comprehensive Income ("FVOCI"). The financial assets which the Group holds are loans and receivables, for which changes to the fair value are posted to the income statement. Similarly, any changes to the fair value of the forward contracts in place at the period end are also posted to the income statement.

c) International Financial Reporting Standards ("Standards") in issue but not yet effective

The Group has not applied the following new and revised IFRSs that have been issued but are not yet effective:

- IFRS 16 Leases (Issued on 13 January 2016 and effective for periods on or after 1 January 2019)
- IFRIC Interpretation 23 Uncertainty over Income Tax Treatments (Issued in June 2017 and effective for periods on or after 1 January 2019)
- Amendments to IAS 19: Plan Amendment, Curtailment or Settlement (issued on 7 February 2018 and effective for periods on or after 1 January 2019)
- Amendments to IFRS 3: Business Combinations (issued on 22 October 2018 and effective for periods on or after 1 January 2020)
- Amendments to References to the Conceptual Framework in IFRS Standards (issued on 29 March 2018 and effective for periods on or after 1 January 2020)
- Annual improvements to IFRS 2014-2016 Cycle (Issued 8 December 2016) - Relating to IFRS 12 Disclosure of interest in other entities
- Annual Improvements to IFRS 2015-2017 Cycle (issued on 12 December 2017) – Relating to IAS 12 Income taxes, IAS 23 Borrowing costs, IFRS 3 Business combinations and IFRS 11 Joint Arrangements

None of the above standards are effective and therefore have not been applied in the financial statements.

It is anticipated that there will be minimal impact on the financial statements from the adoption of these new and revised standards with the exception of IFRS16 'Leases' (effective 1 January 2019) which will have the following effect:

- The total value of the Company's future non-cancellable operating building lease commitments will be capitalised into property, plant and equipment
- A corresponding finance lease liability will be recognised within liabilities
- Operating lease costs in the income statement will be replaced by depreciation of the capitalised asset and interest cost of the finance lease liability. It is anticipated that these revised costs will be materially similar to the operating lease charge which would have been recognised if the changes to IFRS16 had not been enacted

d) Revenue recognition

Revenue is measured at the fair value of consideration received or receivable and comprises amounts derived from services performed by the Group during the year in the normal course of business net of discounts, VAT and sales taxes, and provisions for cancellations and non-payment.

- Subscription income for online services, data and analytics is normally received at the beginning of the services and is therefore recognised as a contract liability, "invoiced forward revenues", on the balance sheet. Revenue is recognised evenly over the period of the contractual term as the performance obligations are satisfied evenly over the term of subscription.

- Revenue from single copy reports are recognised upon delivery. The client pays for a single static report and the company meets its contract obligation at the point in time the report is delivered to the client.
- Revenue from the provision of bespoke research services is recognised once contractual performance obligations have been delivered. Bespoke projects can have a single or series of different deliverables from reports, presentations or delivery of data workbooks. Revenue is recognised as each contractual obligation is satisfied.
- Event revenue is recognised when the event is held in line with the contract obligations.
- Other revenue is recognised in reference to performance obligations as contracted.

Where amounts have been invoiced in advance of services performed and the amounts are due, this is included within invoiced forward revenue as a contract liability.

e) Property, plant and equipment

Property, plant and equipment is stated at historic cost, including expenditure that is directly attributable to the acquired item, less accumulated depreciation and impairment losses.

Depreciation is calculated on a straight line basis over the estimated useful life of an asset and is applied to the cost less any residual value. The asset classes are depreciated over the following periods:

- Fixtures, fittings and equipment – over 3 to 5 years
- Leasehold improvements – over 3 to 10 years

The useful life, the residual value and the depreciation method are reassessed at each reporting date.

Where there is an indication of impairment, the carrying value of the property, plant and equipment is compared to the higher of value in use and the fair value less costs to sell. If the carrying value exceeds the higher of the value in use and fair value less the costs to sell the asset then the asset is impaired and its value reduced.

f) Intangible assets

Goodwill

Goodwill is recognised to the extent that it arises through a business combination and represents the difference between the consideration transferred and the fair value of net identifiable assets acquired.

Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to appropriate cash generating units (those expected to benefit from the business combination) and is tested annually for impairment. In testing for impairment, the recoverable amount of a CGU based on value-in-use calculations is compared to the carrying value of goodwill. These calculations use pre-tax cash flow projections based on five-year financial budgets approved by management. Cash flows beyond the five year period are extrapolated using estimated long term growth rates. Any impairment losses in respect of goodwill are not reversed.

Acquired intangible assets

Acquired intangible assets include software, customer relationships, brands and intellectual property (IP) rights. Intangible assets acquired in material business combinations are capitalised at their fair value as determined by reference to the methodologies, judgements and policies disclosed on page 46. Intangible assets are amortised on a straight-line basis over their estimated useful lives of three to ten years for brands and customer relationships and twenty years for IP rights. Amortisation charges are accounted for within the other expenses category within the income statement. Impairment charges are accounted for within the other expenses category within the income statement. Within note 7, the Group separates out amortisation of acquired intangibles from other group amortisation charges.

Computer software and websites

Non-integral computer software purchases are capitalised at cost as intangible assets. The Group also capitalises development costs associated with new products in accordance with the development criteria prescribed within IAS 38 "Intangible Assets". These costs are amortised over their estimated useful lives of 3 years. Costs associated with implementing or maintaining computer software programmes are recognised as an expense. Amortisation and impairment charges are accounted for within the administrative costs category within the income statement.

Impairment of intangible assets

Assets that have an indefinite useful life are not subject to amortisation but are reviewed for impairment annually or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

g) Taxation

Income tax on the profit or loss for the year comprises current and deferred tax.

Current tax is the expected tax payable on the taxable income for the year, using rates substantively enacted at the reporting date, and any adjustments to the tax payable in respect of previous years.

Deferred taxation is provided in full on temporary differences between the carrying amount of the assets and liabilities in the financial statements and the tax base. Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax is determined using the tax rates that have been enacted or substantially enacted by the reporting date, and are expected to apply when the deferred tax liability is settled or the deferred tax asset is realised.

Deferred tax is provided on temporary differences arising on investments in subsidiaries except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is not provided on temporary differences arising on the initial recognition of goodwill or on assets and liabilities other than in a business combination.

Tax is recognised in the income statement, except where it relates to items recognised as other comprehensive income, in which case it is recognised in the statement of other comprehensive income, and tax which related to items recognised in equity is recognised in equity.

h) Foreign currencies

The results are presented in Pounds Sterling (£) which is the presentation currency of the Company and Group.

Foreign currency transactions are translated into Sterling at the rates of exchange ruling at the date of the transaction, and if still in existence at the year end the balance is retranslated at the rates of exchange ruling at the reporting date. Differences arising from changes in exchange rates during the year are taken to the income statement.

The assets and liabilities of entities with a functional currency other than Sterling are expressed in Sterling using exchange rates prevailing on the reporting date. Income and expense items and cash flows are translated at the average exchange rates for the period and exchange differences arising are recognised in other comprehensive income. Additionally, opening reserves of entities with a functional currency other than Sterling are stated at the rate prevalent at the date of acquisition and differences arising are recognised in other comprehensive income. Such translation differences are recognised in the income statement in the period in which a foreign operation is disposed of.

i) Pensions

The Group contributes to defined contribution pension schemes. Contributions to these schemes are charged to the income statement as incurred.

The Group also operates a small defined benefit scheme, inherited from the Research Views Limited acquisition in 2018. The scheme is closed for future accrual. The cost of providing this benefit is determined using the Projected Unit Credit Method, with actuarial valuations carried out on a triennial basis. Net interest is calculated by applying a discount rate to the opening net defined benefit liability or asset and shown in finance costs, and the administration costs are shown as a component of operating expenses. Actuarial gains and losses are recognised in full in the period in which they occur, outside of the Consolidated Income Statement and in the Consolidated Statement of Comprehensive Income. The retirement benefit obligation recognised in

the Consolidated Statement of Financial Position represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

j) Provisions

A provision is recognised in the statement of financial position when the Group has a legal obligation or constructive obligation as a result of a past event, it is more likely than not that an outflow of resources will be required to settle that obligation, and a reliable estimate of the amount can be made. Provisions are discounted if the time value of money is material.

k) Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held on call, together with other short term highly liquid investments that are readily convertible to known amounts of cash which are subject to an insignificant risk of changes in value.

l) Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership do not transfer to the lessee are charged to the income statement on a straight line basis over the period of the lease. Rental income from sub-leasing property space is recognised on a straight line basis over the period of the relevant lease.

m) Financial instruments

The Group has derivative and non-derivative financial instruments which comprise foreign currency contracts, receivables, cash, loans and borrowings, and trade payables.

Financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit and loss, any directly attributable transaction costs.

A financial instrument is recognised if the Group becomes a party to the contractual provisions of the instrument. Financial assets are de-recognised if the contractual rights to the cash flows from the financial assets expire or if the Group transfers the financial asset to another party without retaining control of substantially all risks and rewards of the asset. Financial liabilities are de-recognised if the Group's obligations specified in the contract expire or are discharged or cancelled.

Cash comprises cash balances and highly liquid call deposits. Bank overdrafts that form an integral part of the Group's cash management are included as a component of cash for the purpose of the statement of cash flows.

Derivative financial instruments

The Group uses derivative financial instruments to reduce its exposure to fluctuations in foreign currency exchange rates. Derivatives are measured at fair values and any movement in fair value is recognised in the income statement.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These assets are carried at amortised cost using the effective interest method, less any impairment losses. Accounts receivable are recorded initially at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment due to bad and doubtful accounts. The provision for doubtful debts is based on management's assessment of amounts considered uncollectible for specific customers or groups of customers based on age of debt, history of payments, account activity, economic factors and other relevant information. The amount of the provision is the difference between the asset's unamortised cost and the present value of estimated future cash flows, discounted at an effective interest rate. The provision expense is recognised in the income statement.

Bad debts are written off against the provision for doubtful debts in the period in which it is determined that the debts are uncollectible. If those debts are subsequently collected then a gain is recognised in the income statement.

Trade and other payables

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

n) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using a weighted average method.

o) Borrowings and borrowing costs

Borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months from the reporting date.

Borrowing costs, being interest and other costs incurred in connection with the servicing of borrowings, are recognised as an expense when incurred.

p) Share based payments

The Group operates a share based compensation plan under which the entity receives services from employees as consideration for equity instruments (options) of the Group. The fair value of the employee services received in exchange for the grant of the options and awards is recognised as an expense in the income statement. The total amount to be expensed is determined by reference to the fair value of the options granted (fair value at the date of grant determined using the Black-Scholes model), excluding the impact of any non-market service and performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period). Non-market vesting conditions are included in assumptions about the number of options and awards that are expected to vest. The total amount expensed is recognised over the vesting period, which is the period over which all of the specified existing conditions are to be satisfied. At each reporting date, the entity revises its estimates of the number of options and awards that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to the share based payments reserve within equity.

q) Dividends

Dividends on the Group's ordinary shares are recognised as a liability in the Group's financial statements, and as a deduction from equity, in the period in which the dividends are declared. Where such dividends are proposed subject to the approval of the Group's shareholders, the dividends are only declared once shareholder approval has been obtained.

r) Employee Benefit Trust

The assets and liabilities of the Employee Benefit Trust have been included in the Group's financial statements because the Employee Benefit Trust is controlled by the Group.

The cost of purchasing own shares held by the Employee Benefit Trust are shown as a deduction in arriving at total shareholders' equity.

3. Segmental analysis

The principal activity of GlobalData Plc and its subsidiaries (together 'the Group') is to provide business information in the form of high quality proprietary data and analytics to clients in multiple sectors.

IFRS 8 "Operating Segments" requires the segment information presented in the financial statements to be that which is used internally by the chief operating decision maker to evaluate the performance of the business and to decide how to allocate resources. The Group has identified the Executive Directors as its chief operating decision maker.

Business information is provided to customers through multiple channels by a dedicated content team that is centrally managed by Research Directors who report directly to the Executive Directors. Business information is therefore considered to be the operating segment of the Group. The Group profit or loss is reported to the Executive Directors on a monthly basis and consists of earnings before interest, tax, depreciation, amortisation, central overheads and other adjusting items. The Executive Directors also monitor revenue within the operating segment.

A reconciliation of Adjusted EBITDA to loss before tax from continuing operations is set out below:

	Year ended 31 December 2018	Year ended 31 December 2017
	£000s	<i>Restated</i> £000s
Business Information	157,553	118,649
Total Revenue	157,553	118,649
Adjusted EBITDA	32,230	23,387
Other expenses (see note 7)	(35,500)	(19,783)
Depreciation	(742)	(829)
Amortisation (excluding amortisation of acquired intangible assets)	(1,165)	(2,126)
Finance costs	(2,487)	(1,444)
Loss before tax from continuing operations	(7,664)	(795)

Geographical analysis

Our primary geographical markets are serviced by our global sales teams which are organised into European Key Accounts, Global Business Development, US and Asia Pacific. The below disaggregated revenue is derived from the geographical location of our customer rather than the team structure we are organised by.

From continuing operations

Year ended 31 December 2018	UK	Europe	Americas ¹	Asia Pacific	MENA ²	Rest of World	Total
	£000s	£000s	£000s	£000s	£'000	£000s	£000s
Revenue from external customers	25,322	42,848	54,263	14,967	14,662	5,491	157,553
Year ended 31 December 2017	UK	Europe	Americas ¹	Asia Pacific	MENA ²	Rest of World	Total
	£000s	£000s	£000s	£000s	£'000	£000s	£000s
Revenue from external customers	20,847	33,381	45,067	12,428	3,544	3,382	118,649

1. Americas includes revenue to the United States of America of £51.4m (2017: £42.4m)

2. Middle East & North Africa

Intangible assets held in the US and Canada were £23.2 million (2017: £13.1 million), of which £18.1 million related to Goodwill (2017: £11.6 million). Intangible assets held in the UAE were £17.5m (2017: £18.1 million) of which £11.4m related to Goodwill (2017: £10.3 million). All other non-current assets are held in the UK. The largest customer represented less than 2% of the Group's consolidated revenue.

4. Revenue

The Group generates revenue from services provided over a period of time such as recurring subscription and other services which are deliverable at a point in time such as reports, events and custom research.

Subscription income for online services, data and analytics (typically 12 month) is normally received at the beginning of the services and is therefore recognised as a contract liability, "invoiced forward revenues", on the balance sheet. Revenue is recognised evenly over the period of the contractual term as the performance obligations are satisfied evenly over the term of subscription.

The revenue on services delivered at a point in time is recognised when our contractual obligation is satisfied, such as delivery of a static report or delivery of an event. The obligation on these types of contracts is a discreet obligation, which once met satisfies the group performance obligation under the terms of the contract.

Any invoiced contracted amounts which are still subject to performance obligations and where the payment has been received or is contractually due, is recognised within invoiced forward revenue at the statement of financial position date. Typically, the Group receives settlement of cash at the start of each contract and standard terms are zero days.

	Revenue recognised in Consolidated Income Statement		Invoiced Forward Revenue recognised within the Consolidated Statement of Financial Position	
	Year ended 31 December 2018	Year ended 31 December 2017	As at 31 December 2018	As at 31 December 2017
	£000s	£000s	£000s	£000s
Services transferred:				
Over a period of time	116,807	83,021	55,490	38,706
Immediately on delivery	40,746	35,628	11,670	13,587
Total	157,553	118,649	67,160	52,293

The impact of IFRS 15 reduced the invoiced forward revenue balance at 31 December 2018 for services transferred over a period of time from £69,759,000 to £55,490,000 which was a result of reducing the balance for contracted amounts whereby the service has not started and the payment is not contractually due. All service obligations are due within 1 year.

At 31 Dec 2018, total 2019 revenue already invoiced totalled £81,429,000 (2017: £60,598,000) comprising the above amounts due and additional amounts not recognised in the statement of financial position which are contracted for receipt later in 2019.

On a like for like basis the underlying growth of invoiced 2019 revenue (excluding the IFRS 15 adjustment) was 9%, with the additional amounts being added through businesses acquired in the year.

The Group determines each contract value in negotiation with each client depending on the list price of each service and number and type of licence or delivery. The Group's sales team are compensated in part by fixed salary and part by commission compensation based upon sales performance, the commission cost is recognised in full at the point of sale and is for contracts no longer than 1 year in length.

5. Restatement

IFRS 15 came into effective from 1 January 2018 and following an assessment of the financial impact of the changes required from the adoption of this new standard, there is no material change to the Consolidated Income Statement of the Group. The change only affects the recognition of bespoke research revenue, where we are no longer able to recognise revenue over the course of a contract on a completion basis, but instead must recognise revenue once performance obligations have been delivered. Materially, the delivery on a completion basis was very much aligned to delivery of key obligation milestone within our contracts and therefore does not differ in materially when compared with the provisions of the new standard.

The Consolidated Statement of Financial Position has been adjusted by the requirement to net down deferred income against trade receivables for amounts that have been invoiced but the service had not started at the 31 December 2018 and are not yet due. This adjustment has not affected the net assets of the Group.

Effect on Statement of Financial Position as at 31 December 2018

	31 December 2018 As reported	IFRS 15 Adjustments Net down	31 December 2018 excluding IFRS 15 adj
	£000s	£000s	£000s
Non-current assets			
Property, plant and equipment	1,314	-	1,314
Intangible assets	258,492	-	258,492
Trade and other receivables	2,775	-	2,775
Deferred tax assets	6,709	-	6,709
	269,290	-	269,290
Current assets			
Trade and other receivables	51,324	(14,269)	65,593
Short-term derivative assets	529	-	529
Cash and cash equivalents	6,268	-	6,268
	58,121	(14,269)	72,390
Total assets	327,411	(14,269)	341,680
Current liabilities			
Trade and other payables	(92,660)	14,269	(106,929)
Short-term borrowings	(6,000)	-	(6,000)
Current tax payable	(5,204)	-	(5,204)
Short-term derivative liabilities	(1,408)	-	(1,408)
Short-term provisions	(364)	-	(364)
	(105,636)	14,269	(119,905)
Non-current liabilities			
Long-term provisions	(437)	-	(437)
Deferred tax liabilities	(6,571)	-	(6,571)
Long-term borrowings	(64,341)	-	(64,341)
	(71,349)	-	(71,349)
Total liabilities	(176,985)	14,269	(191,254)
Net assets	150,426	-	150,426
Equity			
Share capital	184	-	184
Share premium account	200	-	200
Treasury reserve	(19,142)	-	(19,142)
Other reserve	(37,128)	-	(37,128)
Merger reserve	163,810	-	163,810
Foreign currency translation reserve	798	-	798
Retained profit	41,704	-	41,704
Equity attributable to equity holders of the parent	150,426	-	150,426

The Group has adopted IFRS 15 on 1 January 2018 using the full retrospective approach. As a result, the Consolidated Statement of Financial Position at 31 December 2017 has been restated as detailed in the table below.

	31 December 2017 As reported	IFRS 15 Adjustments Net down	31 December 2017 excluding IFRS 15 adj
	£000s	£000s	£000s
Non-current assets			
Property, plant and equipment	1,243	-	1,243
Intangible assets	150,548	-	150,548
Trade and other receivables	3,700	-	3,700
Deferred tax assets	4,947	-	4,947
	160,438	-	160,438
Current assets			
Inventories	6	-	6
Trade and other receivables	42,421	(8,305)	50,726
Short-term derivative assets	369	-	369
Cash and cash equivalents	2,952	-	2,952
	45,748	(8,305)	54,053
Total assets	206,186	(8,305)	214,491
Current liabilities			
Trade and other payables	(69,537)	8,305	(77,842)
Short-term borrowings	(6,000)	-	(6,000)
Current tax payable	(2,990)	-	(2,990)
Short-term derivative liabilities	(98)	-	(98)
Short-term provisions	(160)	-	(160)
	(78,785)	8,305	(87,090)
Non-current liabilities			
Long-term provisions	(441)	-	(441)
Deferred tax liabilities	(3,014)	-	(3,014)
Long-term borrowings	(39,955)	-	(39,955)
	(43,410)	-	(43,410)
Total liabilities	(122,195)	8,305	(130,500)
Net assets	83,991	-	83,991
Equity			
Share capital	173	-	173
Share premium account	200	-	200
Treasury reserve	(2,289)	-	(2,289)
Other reserve	(37,128)	-	(37,128)
Merger reserve	66,481	-	66,481
Foreign currency translation reserve	(190)	-	(190)
Retained profit	56,744	-	56,744
Equity attributable to equity holders of the parent	83,991	-	83,991

Additionally, the Consolidated Income Statement for the year ending 31 December 2017 has been restated to reflect the discontinued operations (see note 28).

6. Operating (loss)/ profit

Operating (loss)/ profit is stated after the following expenses relating to continuing operations:

	Year ended 31 December 2018	Year ended 31 December 2017
	£000s	£000s
Depreciation of property, plant and equipment	742	829
Amortisation of intangible assets	21,587	14,088
Loss on foreign exchange	365	1,230
Operating lease expense – land and buildings	4,746	3,013
Operating lease expense – other	41	100
Auditor's remuneration	383	253

Auditor's remuneration

	Year ended 31 December 2018	Year ended 31 December 2017
	£000s	£000s
Audit of the Company's and the consolidated financial statements	83	77
Audit of subsidiary companies' financial statements	263	147
Audit-related assurance services	34	26
Other non-audit services	3	3
	383	253

7. Other expenses

	Year ended 31 December 2018	Year ended 31 December 2017
	£000s	£000s
Restructuring costs	3,661	2,436
M&A costs	3,181	911
Items associated with acquisitions and restructure of the Group	6,842	3,347
Share based payments charge	5,679	5,323
Revaluation of short and long-term derivatives	1,150	(1,266)
Unrealised operating foreign exchange loss	1,407	417
Amortisation of acquired intangibles	20,422	11,962
Total other expenses	35,500	19,783

During the year the Group has undergone significant M&A activity, particularly the acquisition of Research Views Limited therefore costs associated with the M&A has been adjusted from Adjusted EBITDA.

Furthermore, the Group's M&A and expansion over the past three years meant the Group underwent some significant restructuring, principally as a result of the Research Views Limited, but also to remove duplicated costs from prior acquisitions and to align the Group's cost base to its strategy and needs going forward.

The adjustments made are as follows:

- The M&A costs relate to due diligence and corporate finance activity.
- Restructuring costs relates to redundancies and other restructuring.
- The share based payments charge relates to the share option scheme (see note 25).
- The revaluation of short and long-term derivatives relates to movement in the fair value of the short and long-term derivatives detailed in note 15.
- Unrealised operating foreign exchange losses relate to non-cash exchange losses made on operating items.

8. Particulars of employees

Employee benefit expense

From continuing operations

	Year ended 31 December 2018	Year ended 31 December 2017
	£000s	Restated £000s
Wages and salaries	90,218	71,321
Social security costs	5,200	5,058
Pension costs	1,208	893
Share based payments charge (note 25)	5,679	5,323
	102,305	82,595

Pension costs represents payments made into defined contribution schemes.

Number of employees

The average monthly number of persons, including Executive Directors, employed by the Group during the year was as follows:

	Year ended 31 December 2018	Year ended 31 December 2017
	No.	No.
Sales and admin	1,419	1,238
Researchers & Analysts	1,900	1,166
	3,319	2,404

9. Key management compensation

	Year ended 31 December 2018	Year ended 31 December 2017
	£000s	£000s
Short-term employee benefits	2,812	2,139
Long-term employee benefits	76	57
Share based payments	1,113	946
	4,001	3,142

Information regarding Directors' remuneration, share options, bonuses and pension contributions are set out in the Directors' Remuneration Report on pages 29 to 30.

10. Finance income and costs

	Year ended 31 December 2018	Year ended 31 December 2017
	£000s	£000s
Bank interest charge	76	40
Loan interest	2,514	1,513
Other interest receivable	(103)	(109)
	2,487	1,444

11. Income tax

	Year ended 31 December 2018 £000s	Year ended 31 December 2017 £000s
Income statement		
Current income tax:		
Current income tax	(4,379)	(3,124)
Adjustments in respect of prior years	56	(698)
	(4,323)	(3,822)
Deferred income tax:		
Excess of depreciation over capital allowances on property, plant and equipment and intangible assets	(281)	(93)
Deferred tax on acquired intangibles	3,126	1,628
Deferred tax movement on losses	(1,878)	(176)
Change in corporate tax rate	(214)	(1,274)
Deferred tax on share based payments	(107)	1,863
Adjustments in respect of prior years	269	503
	915	2,452
Total income tax charge in income statement	(3,408)	(1,371)

The tax charge is reconciled to the standard corporation tax rate applicable in the UK as follows:

	Year ended 31 December 2018 £000s	Year ended 31 December 2017 £000s
Loss on ordinary activities before tax	(7,664)	(795)
Tax at the UK corporation tax rate of 19% (2017: 19.25%)	1,456	153
Effects of:		
Adjustments in respect of prior years	324	(195)
Adjustments in respect of prior years – share based payments	(1,031)	-
Income not taxable	1,178	-
Timing differences for which deferred tax is not provided	17	-
Deferred tax movement on losses	(2,624)	(70)
Permanent difference on IFRS2 charge	(139)	838
Expenses not deductible for tax	(1,711)	(506)
Overseas tax not at standard rate	(664)	(317)
Change in corporation tax rate	(214)	(1,274)
	(3,408)	(1,371)

12. Earnings per share

The calculation of the basic earnings per share is based on the earnings attributable to ordinary shareholders of the parent company divided by the weighted average number of shares in issue during the year. The Group also has a share options scheme in place and therefore the Group has calculated the dilutive effect of these options. The below table shows earnings per share for both continuing and discontinued operations:

	Year ended 31 December 2018	Year ended 31 December 2017 <i>Restated</i>
Continuing operations		
Basic		
Loss for the period attributable to ordinary shareholders (£000s)	(11,072)	(2,166)
Less: non-controlling interest	107	-
Loss for the period attributable to ordinary shareholders of the parent company (£000s)	(11,179)	(2,166)
Weighted average number of shares (000s)	113,319	102,346
Basic loss per share (pence)	(9.87)	(2.12)
Diluted		
Loss for the period attributable to ordinary shareholders (£000s)	(11,072)	(2,166)
Less: non-controlling interest	107	-
Loss for the period attributable to ordinary shareholders of the parent company (£000s)	(11,179)	(2,166)
Weighted average number of shares* (000s)	113,319	102,346
Diluted loss per share (pence)	(9.87)	(2.12)
Discontinued operations		
Basic		
(Loss)/ profit for the year attributable to ordinary shareholders of the parent company (£000s)	(1,255)	10
Weighted average number of shares (000s)	113,319	102,346
Basic (loss)/ profit per share (pence)	(1.11)	0.01
Diluted		
(Loss)/ profit for the year attributable to ordinary shareholders of the parent company (£000s)	(1,255)	10
Weighted average number of shares* (000s)	113,319	112,968
Diluted (loss)/ profit per share (pence)	(1.11)	0.01
Total		
Basic		
Loss for the period attributable to ordinary shareholders (£000s)	(12,327)	(2,156)
Less: non-controlling interest	107	-
Loss for the period attributable to ordinary shareholders of the parent company (£000s)	(12,434)	(2,156)
Weighted average number of shares (000s)	113,319	102,346
Basic loss per share (pence)	(10.97)	(2.11)
Diluted		
Loss for the period attributable to ordinary shareholders (£000s)	(12,327)	(2,156)
Less: non-controlling interest	107	-
Loss for the period attributable to ordinary shareholders of the parent company (£000s)	(12,434)	(2,156)
Weighted average number of shares* (000s)	113,319	102,346
Diluted loss per share (pence)	(10.97)	(2.11)

Reconciliation of basic weighted average number of shares to the diluted weighted average number of shares:

	31 December 2018	31 December 2017
	No'000s	No'000s
Basic weighted average number of shares	113,319	102,346
Share options in issue at end of year	10,809	10,622
Diluted weighted average number of shares	124,128	112,968

* Where the share options in issue are anti-dilutive in respect of the diluted loss per share calculation in 2018 and 2017, the options have not been included in the calculation.

13. Intangible assets

	Software	Customer relationships	Brands	IP rights and Database	Goodwill	Total
	£000s	£000s	£000s	£000s	£000s	£000s
Cost						
As at 1 January 2017	7,577	25,575	10,695	22,529	111,455	177,831
Additions: Business Combinations	117	7,180	1,596	4,356	16,779	30,028
Additions: Separately Acquired	1,036	-	148	-	-	1,184
Foreign currency retranslation	(47)	-	-	-	-	(47)
Disposals	(1)	-	-	-	-	(1)
As at 31 December 2017	8,682	32,755	12,439	26,885	128,234	208,995
Additions: Business Combinations	371	9,921	3,268	21,465	94,120	129,145
Additions: Separately Acquired	890	-	-	-	-	890
Fair value adjustment	(177)	(65)	-	-	406	164
Foreign currency retranslation	7	-	-	-	-	7
Disposals	(48)	-	-	(1,287)	-	(1,335)
As at 31 December 2018	9,725	42,611	15,707	47,063	222,760	337,866
Amortisation						
As at 1 January 2017	(5,716)	(13,559)	(2,597)	(13,093)	(9,360)	(44,325)
Additions: Business Combinations	(73)	-	-	-	-	(73)
Charge for the year	(1,118)	(3,097)	(1,290)	(8,583)	-	(14,088)
Foreign currency retranslation	38	-	-	-	-	38
Disposals	1	-	-	-	-	1
As at 31 December 2017	(6,868)	(16,656)	(3,887)	(21,676)	(9,360)	(58,447)
Additions: Business Combinations	(199)	-	-	-	-	(199)
Charge for the year	(1,115)	(4,197)	(4,280)	(11,343)	(652)	(21,587)
Impairment of goodwill	-	-	-	-	(535)	(535)
Fair value adjustment	85	-	-	-	-	85
Foreign currency retranslation	(14)	(2)	(6)	(4)	-	(26)
Disposals	48	-	-	1,287	-	1,335
As at 31 December 2018	(8,063)	(20,855)	(8,173)	(31,736)	(10,547)	(79,374)
Net book value						
As at 31 December 2018	1,662	21,756	7,534	15,327	212,213	258,492
As at 31 December 2017	1,814	16,099	8,552	5,209	118,874	150,548

Additions as a result of business combinations in the year have been disclosed in further detail in note 29.

The impairment charge of £535,000 related to discontinued operations. Further details of discontinued operations have been disclosed in note 28.

As at 31 December 2018, the carrying value and remaining amortisation period of the Brand assets were as follows:

	Carrying Value	Remaining Amortisation Period
	£000s	
GlobalData	4,619	12 years
Verdict	2,132	12 years
MEED	745	2 years
Global Ad Source	38	1 year
	7,534	

Impairment tests for goodwill and intangible assets

Goodwill and intangibles are allocated to the cash generating unit (CGU) that is expected to benefit from the use of the asset.

The Group tests goodwill at each reporting date for impairment and whenever events or changes in circumstances indicate that the carrying value may not be recoverable. The recoverable amount of a CGU is determined based on value in use calculations. These calculations use pre-tax cash flow projections based on five year financial budgets approved by management. Cash flows beyond the five year period are extrapolated using estimated long term growth rates.

The Group operates within a single operating segment, being Business Information. However, in accordance with IAS 36, Impairment of assets, the Group has to consider impairment indicators for goodwill and intangible assets on the value of the cash generating units. The cash generating units identified are Healthcare, Technology, Consumer, Construction, Energy and Financial Services.

Overall, the Group has significant headroom on its goodwill and intangibles carrying value and the assumptions used in the assessment are of an insensitive nature.

Assumptions

The recoverable amounts of the CGUs are determined from value in use calculations, which are based on the cash flow projections for each CGU. Value in use projections are based on Board approved forecasts, which cover the period 2019 - 2023. A terminal value calculation has been determined post 2023. The key assumptions are set out below:

Increase in revenue (for years 1 to 5)		Increase in costs (for years 1 to 5)		Discount rate		Terminal growth rate	
2018	2017	2018	2017	2018	2017	2018	2017
3.00%*	3.00%	2.00%	2.00%	9.69%	8.70%	2.00%	2.00%

* 7% for Construction and Energy

The value in use for each CGU is summarised below.

All values in the table are in £ million

	Goodwill	Other Intangible assets	Value-in-use	Headroom
Consumer	34.6	6.7	151.0	109.7
Technology	17.2	1.9	28.6	9.5
Healthcare	79.3	17.9	247.4	150.2
Construction	36.2	10.8	115.0	68.0
Energy	29.2	5.5	40.8	6.1
Financial Services	15.7	2.3	27.1	9.1
Total	212.2	45.1	609.9	352.6

Management has undertaken sensitivity analysis taking into consideration the impact on key impairment test assumptions arising from a range of possible future trading and economic scenarios on each CGU. The following scenarios would need to occur before impairment is triggered within the Group:

	Revenue Growth Falls To	Discount Rate Rises To
Consumer	(3.4%)	29.1%
Technology	2.2%	13.2%
Healthcare	(3.9%)	21.3%
Construction	(0.5%)	19.5%
Energy	5.7%	10.9%
Financial Services	0.9%	13.4%

No indication of impairment was noted from management's review, there is headroom in each CGU. The sensitivity analysis supports the headroom and it would require a significant change in the trading environment for an impairment loss to be realised within the Group.

Amortisation

Amortisation for purchased intangible assets is accounted for within the administrative costs category within the income statement. Amortisation for acquired intangible assets is accounted for within other expenses within the income statement.

14. Property, plant and equipment

	Fixtures, fittings & equipment £000s	Motor vehicles £000s	Leasehold Improvements £000s	Total £000s
Cost				
As at 1 January 2017	4,992	15	234	5,241
Additions: Business Combinations	298	-	61	359
Additions: Separately Acquired	612	-	-	612
Foreign currency retranslation	(51)	-	(2)	(53)
Disposals	(116)	(15)	-	(131)
As at 31 December 2017	5,735	-	293	6,028
Additions: Business Combinations	585	-	3	588
Additions: Separately Acquired	575	-	149	724
Foreign currency retranslation	10	-	4	14
Disposals	(1)	-	-	(1)
As at 31 December 2018	6,904	-	449	7,353
Depreciation				
As at 1 January 2017	(3,820)	(15)	(53)	(3,888)
Additions: Business Combinations	(231)	-	(18)	(249)
Charge for the year	(805)	-	(24)	(829)
Foreign currency retranslation	48	-	2	50
Disposals	116	15	-	131
As at 31 December 2017	(4,692)	-	(93)	(4,785)
Additions: Business Combinations	(491)	-	(3)	(494)
Charge for the year	(703)	-	(39)	(742)
Foreign currency retranslation	(17)	-	(2)	(19)
Disposals	1	-	-	1
As at 31 December 2018	(5,902)	-	(137)	(6,039)
Net book value				
As at 31 December 2018	1,002	-	312	1,314
As at 31 December 2017	1,043	-	200	1,243

15. Derivative assets and liabilities

	31 December 2018	31 December 2017
	£000s	£000s
Short-term derivative assets	529	369
Short-term derivative liabilities	(1,408)	(98)
Net derivative (liability)/ asset	(879)	271

Classification is based on when the derivatives mature. The fair values of derivatives are expected to impact the income statement over the next year, dependant on movements in the fair value of the foreign exchange contracts. The movement in the year was a £1,150,000 charge to the income statement (2017: credit of £1,266,000).

The Group uses derivative financial instruments to reduce its exposure to fluctuations in foreign currency exchange rates. The notional values of contract amounts outstanding are:

	Euro €'000	US Dollar \$'000	Indian Rupee INR'000
Expiring in the year ending: 31 December 2019	4,664	20,953	852,004

16. Inventories

	31 December 2018	31 December 2017
	£000s	£000s
Raw materials	-	6
	-	6

17. Trade and other receivables

	31 December 2018	31 December 2017
	£000s	£000s
Trade receivables	43,594	34,950
Prepayments	3,329	3,527
Other receivables and accrued income	3,563	3,017
Related party receivables (note 30)	838	927
	51,324	42,421

The contractual value of trade receivables is £47.7 million (2017 Restated: £37.2 million). Their carrying value is assessed to be £43.6 million (2017 Restated: £35.0 million) after assessing recoverability. The contractual value and the carrying value of other receivables are considered to be the same.

Amounts owed by related parties are repayable on demand and are non-interest bearing.

The ageing analysis of these trade receivables showing fully performing and past due but not impaired is as follows:

	31 December 2018	31 December 2017
	£000s	£000s
Not overdue	33,021	27,137
Not more than 3 months overdue	5,718	5,028
More than 3 months but not more than 1 year	4,855	2,785
	43,594	34,950

The ageing analysis of trade receivables which have been impaired is as follows:

	31 December 2018	31 December 2017
	£000s	£000s
Not overdue	7	13
Not more than 3 months overdue	-	4
More than 3 months but not more than 1 year	4,106	2,228
	4,113	2,245

The contractual amounts of the Group's trade receivables are denominated in the following currencies:

	31 December 2018	31 December 2017
	£000s	<i>Restated</i> £000s
Pounds Sterling	20,816	23,216
US Dollar	22,739	9,806
Euro	3,649	3,884
Australian Dollar	503	289
	47,707	37,195

Movement on the Group's provision for doubtful debts is as follows:

	31 December 2018	31 December 2017
	£000s	£000s
Balance brought forward	2,245	1,670
Provision for doubtful debts	2,341	855
Receivables written off during the year as uncollectable	(473)	(280)
Balance carried forward	4,113	2,245

The creation and release of the provision for doubtful debts have been included within revenue in the income statement. Provisions are created and released on a specific customer level on a monthly basis when management assesses for possible impairment. At each year and half end, management will assess for further impairment based upon expected credit loss over and above the specific impairments noted through the year.

The other classes within trade and other receivables do not contain impaired assets.

The maximum exposure to credit risk at 31 December 2018 is the carrying value of each class of receivable mentioned above. The Group does not hold any collateral as security. Before accepting any new customer, the Group uses a credit scoring system to assess the potential customer's credit quality. The trade receivables outstanding at year end have acceptable credit scores. There are no customers who represent more than 5% of turnover. Further details on credit risk have been disclosed within note 21.

18. Deferred income tax

	31 December 2018 £000s	31 December 2017 £000s
Balance brought forward	1,933	(518)
Created upon acquisition of subsidiary	(3,629)	-
Credited to profit and loss account (continuing operations)	1,129	3,725
Prior year adjustment not impacting tax charge	(464)	-
Deferred tax recognised directly in reserves in relation to share based payments	1,383	-
Change in rate	(214)	(1,274)
Balance carried forward	138	1,933

The provision for deferred taxation consists of the tax effect of temporary differences in respect of:

Intangible assets purchased	(6,570)	(3,014)
Excess of tax allowances over depreciation on fixed assets	127	187
Deferred tax on share based payments	4,263	2,966
Trading losses	2,318	1,794
Balance carried forward	138	1,933

	31 December 2018 £000s	31 December 2017 £000s
Deferred tax asset	6,709	4,947
Deferred tax liability	(6,571)	(3,014)
Net position	138	1,933

As at 31 December 2018, the utilisation of the deferred tax asset relating to tax losses is dependent on future taxable profits of approximately £13.6 million and is subject to compliance with taxation authority requirements. The Group has continued to recognise these deferred tax assets as it is probable that there will be available taxable profits to offset these losses based on current forecasts and recent taxable profits in certain subsidiaries. As at 31 December 2018 the Group has unrecognised potential deferred tax assets of £1.1 million. These tax losses may be available to be carried forward to offset against future taxable income. However, their utilisation is contingent on the relevant subsidiaries producing taxable profits over a significant period of time and is subject to compliance with the relevant taxation authority requirements. As at 31 December 2018 these subsidiaries have not made a taxable profit and there is not convincing other evidence that sufficient taxable profit will be available in the future.

19. Trade and other payables

	31 December 2018 £000s	31 December 2017 <i>Restated</i> £000s
Trade payables	8,809	6,780
Other taxation and social security	1,747	1,422
Invoiced forward revenue	67,160	52,293
Accruals	14,944	9,042
	92,660	69,537

20. Borrowings

	31 December 2018 £000s	31 December 2017 £000s
Current		
Loans due within one year	6,000	6,000
Non-current		
Long-term loans	64,341	39,955

Term loan and RCF

In April 2017, the Group refinanced its debt position. The facility consists of a £30.0 million term loan to replace the previous facilities held with The Royal Bank of Scotland. This is repayable in quarterly instalments over 5 years, with total repayments due in the next 12 months of £6.0 million. The outstanding balance as at 31 December 2018 was £19.5 million.

In addition to the term loan, the Group also has a revolving capital facility (RCF) of £70.0 million. As at 31 December 2018, the Group had a total draw down against the RCF facilities of £51.6 million.

These facilities have been provided by The Royal Bank of Scotland, HSBC and Bank of Ireland.

Interest is charged on the term loan and drawn down RCF at a rate of 2.5% over the London Interbank Offered Rate.

Borrowings can be reconciled as follows:

	31 December 2018 £000s	31 December 2017 £000s
Term loan	19,500	25,500
RCF	51,573	21,100
Capitalised fees, net of amortised amount	(732)	(645)
	70,341	45,955

21. Financial assets and liabilities

The Group is exposed to foreign currency, interest rate, liquidity, credit and equity risks. Each of these risks, the associated financial instruments and the management of those risks are detailed below.

The Group's financial instruments are classified under IFRS as follows:

	Fair value (through profit or loss)	Loans and receivables	Amortised cost	Total
	£000s	£000s	£000s	£000s
31 December 2018				
<i>Non-current assets</i>				
Related party receivables	-	2,775	-	2,775
	-	2,775	-	2,775
<i>Current assets</i>				
Cash	-	6,268	-	6,268
Short-term derivative assets	529	-	-	529
Trade receivables	-	43,594	-	43,594
Other receivables and accrued income	-	3,563	-	3,563
Related party receivables	-	838	-	838
	529	54,263	-	54,792
<i>Current liabilities</i>				
Trade payables	-	-	(8,809)	(8,809)
Short-term derivative liabilities	(1,408)	-	-	(1,408)
Short-term borrowings	-	-	(6,000)	(6,000)
Accruals	-	-	(14,944)	(14,944)
	(1,408)	-	(29,753)	(31,161)
<i>Non-current liabilities</i>				
Long-term borrowings	-	-	(64,341)	(64,341)
	-	-	(64,341)	(64,341)

	Fair value (through profit or loss)	Loans and receivables	Amortised cost	Total
	£000s	£000s	£000s	£000s
31 December 2017				
<i>Non-current assets</i>				
Related party receivables	-	3,700	-	3,700
	-	3,700	-	3,700
<i>Current assets</i>				
Cash	-	2,952	-	2,952
Short-term derivative assets	369	-	-	369
Trade receivables	-	34,950	-	34,950
Other receivables and accrued income	-	3,017	-	3,017
Related party receivables	-	927	-	927
	369	41,846	-	42,215
<i>Current liabilities</i>				
Short-term borrowings	-	-	(6,000)	(6,000)
Short-term derivative liabilities	(98)	-	-	(98)
Trade payables	-	-	(6,780)	(6,780)
Accruals	-	-	(9,042)	(9,042)
	(98)	-	(21,822)	(21,920)
<i>Non-current liabilities</i>				
Long-term borrowings	-	-	(39,955)	(39,955)
	-	-	(39,955)	(39,955)

Maturity analysis

	Less than one month £000s	One to three months £000s	3 months to 1 year £000s	1 to 5 years £000s	Total £000s
<i>Non-current assets</i>					
Related party receivables	-	-	-	2,775	2,775
<i>Current assets</i>					
Cash	6,268	-	-	-	6,268
Short-term derivative assets	32	77	420	-	529
Trade receivables	14,757	23,077	5,760	-	43,594
Other receivables and accrued income	-	3,563	-	-	3,563
Related party receivables	838	-	-	-	838
<i>Current liabilities</i>					
Short-term borrowings	-	(2,061)	(6,185)	-	(8,246)
Short-term derivative liabilities	-	(664)	(744)	-	(1,408)
Trade accounts payable	(3,866)	(4,943)	-	-	(8,809)
Accruals	-	(14,944)	-	-	(14,944)
<i>Non-current liabilities</i>					
Long-term borrowings	-	-	-	(71,734)	(71,734)
	18,029	4,105	(749)	(68,959)	(47,574)

The long term borrowing's contractual features are detailed in note 20 and it is not expected that those loans will be repaid within a year or until replaced with equivalent debt or equity financing. The debt shown in the table above is inclusive of the projected interest payments in accordance with IFRS 7 (interest on short and long-term borrowings £9,369,000).

Reclassifications

There have been no reclassifications between financial instrument categories during the years ended 31 December 2018 and 31 December 2017.

Fair value of financial instruments

Financial instruments are either carried at amortised cost, less any provision for impairment, or fair value. The fair value of long-term borrowings is the same as the carrying value of long-term borrowings as at 31 December 2018. The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;
- Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and
- Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

As at 31 December 2018, the only financial instruments measured at fair value were derivative financial assets/liabilities and these are classified as Level 2.

Type of Financial Instrument at Level 2	Measurement technique	Main assumptions	Main inputs used
Derivative assets and liabilities	Present-value method	Determining the present value of financial instruments as the current value of future cash flows, taking into account current market exchange rates	Observable market exchange rates

Cash, trade receivables and trade accounts payable

The carrying amounts of these balances are approximately equivalent to their fair value because of the short term to maturity.

Market risk

The Group is exposed to market risk primarily from changes in foreign currency exchange rates and interest rates.

Currency risk

The Group's primary objective in managing foreign currency risk is to protect against the risk that the eventual Sterling net cash flows will be adversely affected by changes in foreign currency exchange rates. Due to the Group's operations in India, the Group has entered into foreign exchange contracts that limit the risk from movements in the Indian Rupee exchange rate with Sterling. The Group additionally enters into foreign exchange contracts that limit the risk from movements in US Dollars and Euros with Sterling.

The Group's exposure to foreign currencies arising from financial instruments is:

31 December 2018	USD £000s	EUR £000s	Other £000s	Total £000s
Exposures				
Cash	3,749	690	2,326	6,765
Short and long-term derivative assets/(liabilities)	(1,278)	(129)	467	(940)
Trade receivables	22,739	3,649	503	26,891
Trade accounts payable	(114)	1	(154)	(267)
Net exposure	25,096	4,211	3,142	32,449

31 December 2017	USD £000s	EUR £000s	Other £000s	Total £000s
Exposures				
Cash	2,389	427	1,767	4,583
Short and long-term derivative assets/(liabilities)	225	(80)	126	271
Trade receivables	9,806	3,884	289	13,979
Trade accounts payable	(141)	(12)	(38)	(191)
Net exposure	12,279	4,219	2,144	18,642

Forecast sales and purchases in foreign currencies have not been included in the table above as they are not financial instruments.

As at 31 December 2018 a movement of 10% in Sterling would impact the income statement as detailed in the table below:

	10% decrease		10% increase	
	2018 £000s	2017 £000s	2018 £000s	2017 £000s
Impact on Net earnings before income tax:				
USD	2,788	1,608	(2,281)	(1,315)
EUR	468	565	(383)	(462)
	3,256	2,173	(2,664)	(1,777)

This analysis assumes a movement in Sterling across all currencies and only includes the effect of foreign exchange movements on financial instruments. All other variables remain constant.

Interest rate risk

The Group is exposed to interest rate risk on its overdraft and the outstanding syndicated loans. The Group does not manage this risk with the use of derivatives. No other liabilities accrue interest. The table below shows how a movement in interest rates of 100 basis points would impact the income statement based on the additional interest expense for the year then ended:

	100 basis point decrease		100 basis point increase	
	2018	2017	2018	2017
	£000s	£000s	£000s	£000s
Impact on:				
Net earnings before income tax	703	460	(703)	(460)

This analysis assumes all other variables remain constant.

Liquidity risk

Liquidity risk represents the Group's ability to meet its contractual obligations. The Group evaluates its liquidity requirements on an ongoing basis. In general, the Group generates sufficient cash flows from its operating activities to meet its financial liabilities.

The Group's main source of financing for its working capital requirements is free cash flow.

The Group's exposure to liquidity risk arises from trade accounts payable and syndicated loans. All contractual cash flows from trade accounts payable are the same as the carrying value of the liability due to their short-term nature.

At 31 December 2018, the Group has a revolving credit facility of £51.6 million and a £30.0 million term loan (of which £19.5 million is outstanding as at 31 December 2018) outstanding. See note 20 for further details.

Credit risk

In the normal course of its business, the Group incurs credit risk from cash and trade and other receivables. The Group's financial instruments do not have significant concentration of risk with any related parties.

£57.6 million of the Group's assets are subject to credit risk (31 December 2017: £45.9 million). The Group does not hold any collateral over these amounts. See note 17 for further details of the Group's receivables.

The Group operates a credit risk management process within the finance and credit control teams. The process starts prior to a contract being entered into, whereby factors such as company size, location and payment history are taken into account before the contract is signed. Following the commencement of contract, which are usually signed on a zero day payment policy unless other agreements are reached, the credit control team will monitor debt in reference to the due date. When the credit control team start to assess that the debt is becoming more of a credit risk (usually around 90 days after due date or sooner if escalated) it is then escalated to our internal debt recovery team. At this point it the debt recovery team will review on a debt by debt basis taking into to consideration:

- The responses received back from the client
- Internal responses from the client service and account management team
- The status of the transfer of services, such as delays and disputes
- A re-assessment of credit worthiness

The debt recovery team and credit manager will then decide whether an impairment is made, but the team will continue to pursue the debt and also use means such as legal advice to further advance the process. Contract errors or delivery disputes, whereby we are either at fault or a commercial decision to appease the client has been made, credit notes are issued.

Following the detailed line by line review of debts and potential impairment, an overall review will be made for the reasonableness of provision for potential credit write off based upon the write off as a percentage of revenue which guides management as to the general trend of credit write-off. The write-off history, including 2018, is shown as below

	2018	2017	2016	2015	2014	2013
Revenue	157,553	118,649	100,013	60,466	63,161	54,342
Provision added for bad debt	2,341	855	912	841	2,280	824
% of revenue	1.5%	0.7%	0.9%	1.4%	3.6%	1.5%

Management have provided for all debts greater than 1 year, except for instances whereby there is sufficient reasonable grounds of recovery. This will be assessed by the nature of the debts and communication between the Group and the clients involved.

Once the debt recovery team have explored all particular avenues of recovery, including legal advice and professional recovery services and the debt is deemed completely unrecoverable, the amount is fully written off from the debt ledger and from within the provision.

At each year and half end, management will assess for further impairment based upon expected credit loss over and above the specific impairments noted through the year.

The Group considers the current level of its allowance for doubtful debts to be adequate to cover expected credit losses on trade receivables. Bad debt expenses are reported in the income statement.

The Group's financial instruments do not have significant concentration of risk with any related parties.

Equity risk

It is the Group's policy to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain the development of the business. See note 24 for further details of the Group's equity. The impact of the sensitivity analysis noted in the various risk categories above would impact the income statement for the year.

22. Provisions

The movement in the provisions is as follows:

	Onerous leases	Dilapidations	Other	Total
	£000s	£000s	£000s	£000s
At 1 January 2017	34	292	1,261	1,587
Increase in provision	380	235	153	768
Foreign exchange	(3)	(18)	-	(21)
Utilised	(344)	-	(1,319)	(1,663)
Release of unutilised provision	(4)	(59)	(7)	(70)
At 31 December 2017	63	450	88	601
Increase in provision	758	140	-	898
Foreign exchange	2	13	-	15
Utilised	(582)	-	-	(582)
Release of unutilised provision	-	(43)	(88)	(131)
At 31 December 2018	241	560	-	801
<i>Current:</i>	241	123	-	364
<i>Non-current:</i>	-	437	-	437

Onerous leases

Provision has been made for the net present value of future residual leasehold commitments. This provision has been calculated making assumptions on future rental income, market rents, insurance and rates. This provision is expected to be utilised over the period of each specific lease.

Dilapidations

Provision has been made for the net present value of future dilapidations that are owed due to legal or constructive obligations under the Group's operating leases of office premises. The provision is expected to be utilised over the period to the end of each specific lease.

Other

The other provision relates to the Group's obligations to pay commission to survey respondents.

23. Operating lease commitments

As at 31 December 2018 the Group had outstanding commitments for future minimum lease payments under non-cancellable leases, which fell due as follows:

	31 December 2018 £000s	31 December 2017 £000s
Land and Buildings		
Within 1 year	5,560	3,985
Within 2 to 5 years	14,718	8,526
Over 5 years	21,406	17,243
	41,684	29,754
Other		
Within 1 year	3	24
Within 2 to 5 years	-	16
	3	40

The Group sub-lets certain areas of its property portfolio. As at 31 December 2018, the Group had contracts with sub-tenants for the following future minimum lease rentals:

	31 December 2018 £000s	31 December 2017 £000s
Land and Buildings		
Within 1 year	824	230
Within 2 to 5 years	3,241	623
Over 5 years	3,204	799
	7,269	1,652

24. Equity

Share capital

Allotted, called up and fully paid:

	31 December 2018		31 December 2017	
	No'000	£000s	No'000	£000s
Ordinary shares at 1 January (1/14 th pence)	102,346	73	102,346	73
Issue of shares: Consideration Research Views Limited	15,957	11	-	-
Ordinary shares c/f 31 December (1/14 th pence)	118,303	84	102,346	73
Deferred shares of £1.00 each	100	100	100	100
	118,403	184	102,446	173

Share Buyback

As detailed in note 25, during the period the Group purchased an aggregate amount of 2,869,289 shares at a total market value of £16,853,000. The purchased shares will be held in treasury for the purpose of satisfying the exercise of share options under the Company's Employee Share Option Plan.

Capital management

The Group's capital management objectives are:

- To ensure the Group's ability to continue as a going concern
- To fund future growth and provide an adequate return to shareholders and, when appropriate, distribute dividends

The capital structure of the Group consists of net debt, which includes borrowings (note 20) and cash and cash equivalents, and equity.

The Company has two classes of shares. The ordinary shares carry no right to fixed income and each share carries the right to one vote at general meetings of the Company.

The deferred shares do not confer upon the holders the right to receive any dividend, distribution or other participation in the profits of the Company. The deferred shares do not entitle the holders to receive notice of or to attend and speak or vote at any general meeting of the Company. On distribution of assets on liquidation or otherwise, the surplus assets of the Company remaining after payments of its liabilities shall be applied first in repaying to holders of the deferred shares the nominal amounts and any premiums paid up or credited as paid up on such shares, and second the balance of such assets shall belong to and be distributed among the holders of the ordinary shares in proportion to the nominal amounts paid up on the ordinary shares held by them respectively.

There are no specific restrictions on the size of a holding nor on the transfer of shares, which are both governed by the general provisions of the Articles of Association and prevailing legislation. The Directors are not aware of any agreements between holders of the Company's shares that may result in restrictions on the transfer of securities or on voting rights.

No person has any special rights of control over the Company's share capital and all its issued shares are fully paid.

With regard to the appointment and replacement of Directors, the Company is governed by its Articles of Association, the Companies Act and related legislation. The Articles themselves may be amended by special resolution of the shareholders. The powers of Directors are described in the Board Terms of Reference, copies of which are available on request.

Dividends

The final dividend for 2017 was 5.0p per share and was paid in April 2018. The total dividend for the current year was 11.0 pence per share, with an interim dividend of 3.5 pence per share paid on 3 October 2018 to shareholders on the register at the close of business on 31 August 2018 and a final dividend of 7.5 pence per

share will be paid on 26 April 2019 to shareholders on the register at the close of business on 22 March 2019. The ex-dividend date will be on 21 March 2019.

Merger reserve

The merger reserve was created to account for the premium on the shares issued in consideration for the purchase of GlobalData Holding Limited in 2016. The premium on the shares issued in consideration for the purchase of Research Views Limited and its subsidiaries (note 29) of £97.3 million was recognised in the merger reserve in the period ending 30 June 2018.

Treasury reserve

The treasury reserve contains shares held in treasury by the Group and in the Group's Employee Benefit Trust for the purpose of satisfying the exercise of share options under the Company's Employee Share Option Plan.

Other reserve

Other reserves consist of a reserve created upon the reverse acquisition of the TMN Group Plc in 2009. The parent company reserve differs from this due to the restatement of consolidated reserves at the time of the reverse acquisition. The parent company other reserve was generated in 2008 upon the issue of shares to fund acquisitions.

The disclosures above are for both the Group and the Company.

Foreign currency translation reserve

The foreign currency translation reserve contains the translation differences that arise upon translating the results of subsidiaries with a functional currency other than Sterling. Such exchange differences are recognised in the income statement in the period in which a foreign operation is disposed of.

During the year, there is a reclassification of £1.4m, which debits the corporation tax charge in the year ended 31 December 2018 and credits Retained Earnings within equity, in relation to deferred tax on share based payments. Further information is given in note 25.

25. Share based payments

The Group created a share option scheme during the year ended 31 December 2010 and granted the first options under the scheme on 1 January 2011 to certain senior employees. Each option granted converts to one ordinary share on exercise. A participant may exercise their options (subject to employment conditions) at any time during a prescribed period from the vesting date to the date the option lapses. For these options to be exercised the Group's earnings before interest, taxation, depreciation and amortisation, as adjusted by the Remuneration Committee for significant or one-off occurrences, must exceed certain targets. The fair values of options granted were determined using the Black-Scholes model. The inputs used in the model were:

- share price at date of grant
- exercise price
- time to maturity
- annual risk-free interest rate and;
- annualised volatility

The following assumptions were used in the valuation:

Award Tranche	Grant Date	Fair Value of Share Price at Grant Date	Exercise Price (Pence)	Estimated Forfeiture rate p.a.	Weighted Average of Remaining Contractual Life (Years)
Award 1	1 January 2011	£1.09	0.0714p	7.5%	1.3
Award 3	1 May 2012	£1.87	0.0714p	10%	1.4
Award 4	7 March 2014	£2.55	0.0714p	10%	1.4
Award 6	22 September 2014	£2.525	0.0714p	0%	1.3
Award 7	9 December 2014	£2.075	0.0714p	10%	1.5
Award 8	31 December 2014	£2.025	0.0714p	10%	1.5
Award 9	21 April 2015	£2.040	0.0714p	10%	1.5
Award 10	28 September 2015	£2.490	0.0714p	10%	1.3
Award 11	17 March 2016	£2.064	0.0714p	0%	2.0
Award 12	17 March 2016	£2.064	0.0714p	10%	1.6
Award 13	21 October 2016	£4.425	0.0714p	10%	1.6
Award 14	21 March 2017	£5.465	0.0714p	20%	1.6
Award 15	21 March 2017	£5.465	0.0714p	20%	1.7
Award 16	21 March 2017	£5.465	0.0714p	20%	1.3
Award 17	21 September 2017	£5.740	0.0714p	20%	1.8
Award 18	20 March 2018	£3.070	0.0714p	20%	1.8
Award 19	20 March 2018	£3.070	0.0714p	20%	2.0
Award 20	23 October 2018	£2.720	0.0714p	20%	1.7
Award 21	23 October 2018	£2.720	0.0714p	20%	1.7
Award 22	23 October 2018	£2.720	0.0714p	0%	1.3

Awards 2 and 5 have been fully forfeited.

The estimated forfeiture rate assumption is based upon management's expectation of the number of options that will lapse over the vesting period. The assumptions were determined when the scheme was set up in 2011 and are reviewed annually. Management believe the current assumptions to be reasonable based upon the rate of lapsed options.

The risk free interest rate and annualised volatility for awards granted in October 2018 were 1.2% and 17% respectively. The risk free interest rate and annualised volatility for awards granted in March 2018 were 1.4% and 23% respectively.

Each of the awards are subject to the vesting criteria set by the Remuneration Committee. In order for the remaining options to be exercised, the Group's earnings before interest, taxation, depreciation and amortisation, as adjusted by the Remuneration Committee for significant or one-off occurrences, must exceed targets of £32 million, £41million and £52 million respectively (2017: £28 million and £39 million respectively). The targets were revised during 2018 following the acquisition of Research Views Limited and MEED (2017: revised following the acquisition of the Pharmsource and Infinata businesses).

	Group Achieves £10m EBITDA	Group Achieves £32m EBITDA	Group Achieves £41m EBITDA
Award 1-4	20% Vest	25% Vest	25% Vest
Award 6	N/a	25% Vest	25% Vest
Award 7	N/a	20% Vest	20% Vest
Award 8	N/a	20% Vest	20% Vest
Award 9	N/a	20% Vest	20% Vest
Award 10	N/a	25% Vest	25% Vest
Award 12	N/a	18% Vest	18% Vest
Award 13	N/a	18% Vest	18% Vest
Award 14	N/a	18% Vest	18% Vest
Award 15	N/a	13% Vest	13% Vest
Award 16	N/a	25% Vest	25% Vest
Award 17	N/a	10% Vest	10% Vest
Award 18	N/a	10% Vest	10% Vest
Award 19	N/a	0% Vest	0% Vest
Award 20	N/a	10% Vest	10% Vest
Award 21	N/a	10% Vest	10% Vest
Award 22	N/a	25% Vest	25% Vest

Award 11 relates to options awarded to Executive Chairman, Bernard Cragg during 2016. The options will vest on 31 January 2019 and 31 January 2021 in equal tranches.

The total charge recognised for the scheme during the twelve months to 31 December 2018 was £5,679,000 (2017: £5,323,000). The awards of the scheme are settled with ordinary shares of the Company.

During the period the Group purchased an aggregate amount of 2,869,289 shares at a total market value of £16,853,000. The purchased shares will be held in treasury and in the Group's Employee Benefit Trust for the purpose of satisfying the exercise of share options under the Company's Employee Share Option Plan.

Reconciliation of movement in the number of options is provided below.

	Option price (pence)	Number of options
31 December 2017	1/14th	10,621,857
Granted	1/14th	1,428,400
Forfeited	1/14th	(1,241,396)
31 December 2018	1/14th	10,808,861

The following table summarises the Group's share options outstanding at each year end:

Reporting date	Options outstanding	Option price (pence)	Remaining life (years)
31 December 2011	5,004,300	1/14th	3.7
31 December 2012	4,931,150	1/14th	4.3
31 December 2013	4,775,050	1/14th	3.3
31 December 2014	8,358,880	1/14th	2.5
31 December 2015	7,557,840	1/14th	2.5
31 December 2016	9,450,183	1/14th	3.2
31 December 2017	10,621,857	1/14 th	2.2
31 December 2018	10,808,861	1/14th	1.4

During 2018 the Group identified that in years prior to 2017 the share based Payment charge in the Group profit and loss account had been overstated by an aggregate £3.6m, as the charge had not been appropriately trued up each year for leavers. Because the annual charge is reversed each year in the Retained profit reserve, there has been no annual or cumulative misstatement of the Groups net assets or reserves. The error in 2017 was immaterial and accordingly the share based payment charge for that year has not been restated. The basis of calculation of the charge has been corrected for 2018 and future years.

The impact of the above has meant that there is a reclassification of £1.4m, which debits the corporation tax charge in the year ended 31 December 2018 and credits Retained Earnings within equity, in relation to deferred tax on share based payments.

The Remuneration Committee received notification from the Audit Committee that the quality of Adjusted EBITDA in 2018 of £32.2 million was sufficient to satisfy the first target of £32 million. The employees who have share options dependent on the meeting of the £32 million target will therefore get the opportunity to vest their options following the publication of the results.

26. Capital commitments

There were no capital commitments at 31 December 2018 (2017: £nil).

27. Retirement benefit schemes

As a result of the Research Views Limited acquisition, the Group has a final salary defined benefit pension scheme, the Progressive Media Markets Limited Pension Scheme.

The scheme operates within the standard UK regulatory framework for employer-sponsored pension schemes. Funding rates are agreed between the scheme's trustees and the Company, based on a prudent assessment of the scheme liabilities. The scheme is no longer open to future accrual, closing on 31 August 2017. The Trustees are required to carry out an actuarial valuation every three years. An actuarial valuation was carried out for IAS 19 purposes as at 31 December 2018.

The Group's contribution to the scheme since acquisition was £nil. As the scheme is now closed to future accrual, it is not expected that the Group will contribute to the scheme over the accounting year to 31 December 2019.

The scheme is exposed to a number of risks and sensitivities, including:

- Investment risk: movement of discount rate used against the return from plan assets
- Interest rate risk: decreases/increases in the discount rate used will increase/decrease the defined benefit obligation
- Longevity risk: changes in the estimation of mortality rates of current and former employees.

Net interest income of £24,000 has been incurred on the assets of the scheme in the year with a past service cost of £51,000. The net pension expense of £27,000 has not been recognised in the Income Statement of the Group on the basis that the corresponding gain of £27,000 in the Other Comprehensive Income Statement has also not been recognised.

The Group is working with the Trustees to de-risk any future gains or losses by aligning the investment strategy to the nature of the scheme's liabilities.

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

	31 December 2018 £000s
Defined benefit obligation at acquisition	(5,287)
Interest expense on defined benefit obligation	(130)
Benefits paid	213
Past service cost	(51)
Re-measurement	153
Closing defined benefit obligation	(5,102)

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

	31 December 2018 £000s
Fair value of plan assets at acquisition	6,262
Interest income on plan assets	154
Re-measurement	(210)
Benefits paid	(213)
Closing fair value of scheme assets	5,993

The closing assets represent £5,949,000 Gilts and £44,000 cash.

	31 December 2018 £000s
Defined benefit obligation	(5,102)
Fair value of plan assets	5,993
Net defined benefit asset	891

The asset had not been recognised on the Statement of Financial Position as the Group does not have an unconditional right to a refund.

The assumptions which have the most significant effect on the result of the IAS 19 valuation for the scheme are those relating to the discount rate, the rates of increases in price inflation and pensions and life expectancy. The main assumptions adopted are:

	31 December 2018 % pa
Discount rate	2.8%
RPI inflation rate	3.6%
CPI inflation rate	2.6%
Increases to pensions in deferment:	
- Non-GMP accrued before 6 April 2009	2.6%
- Non-GMP accrued on or after 6 April 2009	2.5%
Increases to pensions in payment:	
- Pre 88 GMP	Nil
- Post 88 GMP	3.0%
- Pre 97 Excess	3.0%
- Post 97	3.0%
Life expectancy:	
- Male currently aged 65	87
- Female currently aged 65	89
- Male currently aged 45	89
- Female currently aged 45	91

GMP: Guaranteed minimum pension

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are:

Assumption	Change in assumption	Impact on scheme liabilities
Discount rate	0.5% decrease	Increase by £390,000
Price inflation	0.5% increase	Increase by £90,000
Mortality rate	0.5% increase	Increase by 85,000

28. Discontinued operations

On 1 October 2018 the Group sold Dewberry Redpoint Limited, a wholly owned indirect subsidiary of GlobalData Plc. As part of our strategy to become a world leading data and analytics provider, over the past 2-3 years, the Group has discontinued and disposed of several non-core assets, which were mainly focused on lower margin print and web media that traditionally have a more transactional revenue base. The disposal of Dewberry Redpoint Limited is a continuation of this strategy. The principal activity of Dewberry Redpoint Limited was the publication of trade journals and the production and organisation of trade events and conferences.

The results of the discontinued operations are as follows;

	Year ended 31 December 2018 £000s	Year ended 31 December 2017 £000s
Discontinued operations		
Revenue	1,933	3,029
Cost of sales	(1,976)	(1,776)
Gross (loss)/ profit	(43)	1,253
Distribution costs	-	(65)
Administrative costs	(1,381)	(1,178)
(Loss)/ profit before tax from discontinued operations	(1,424)	10
Income tax	169	-
Loss/ profit for the year from discontinued operations	(1,255)	10

a) (Loss)/ profit before tax

	Year ended 31 December 2018 £000s	Year ended 31 December 2017 £000s
This is arrived at after charging:		
Impairment	535	-

b) Cash flows from discontinued operations

	Year ended 31 December 2018 £000s	Year ended 31 December 2017 £000s
Cash outflows from operating activities	912	267
Total cash outflows from discontinued operations	912	267

Dewberry Redpoint Limited was sold for consideration of £75,000, settled in cash amounts of £30,000 and deferred payment of £45,000. The Group made a loss on disposal of £1.1m

29. Acquisitions

Research Views Limited

On 28 March 2018, the Group took control of the entire share capital of Research Views Limited. Although the acquisition was subject to shareholder vote at a general meeting on 24th April, HMRC had approved the commercial aspects of the transaction and Mike Danson (68.6% majority shareholder at the time) had signed an irrevocable undertaking to vote in favour of the acquisition. Therefore, at this stage the Group was certain the deal would be approved and started to integrate and manage the acquired business.

The transaction was effected by a share for share exchange, in which GlobalData Plc issued 15,957,447 shares to the shareholders of Research Views Limited. Based on GlobalData's share price of £6.10 on 28 March 2018 (the date of transfer of control), the acquisition value was £97.3 million.

The amounts recognised for each class of assets and liabilities at the acquisition date were as follows:

	Carrying Value	Fair Value Adjustments	Fair Value
	£000s	£000s	£000s
Intangible assets consisting of:			
Brand	-	3,089	3,089
Customer relationships	-	9,319	9,319
Intellectual property and content	-	20,430	20,430
Net liabilities acquired consisting of:			
Property, plant and equipment	95	-	95
Intangible assets	3,187	(3,028)	159
Cash and cash equivalents	585	-	585
Trade and other receivables	4,159	(151)	4,008
Trade and other payables	(25,454)	(261)	(25,715)
Corporation tax payable	(161)	-	(161)
Deferred tax	373	(4,821)	(4,448)
Fair value of net (liabilities)/ assets acquired	(17,216)	24,577	7,361

Attributable to:

Equity holders of the parent	6,815
Non-controlling interest	546

The goodwill recognised in relation to the acquisition is as follows:

	Fair Value
	£000s
Consideration	97,340
Less net assets acquired (equity holders of the parent)	(6,815)
Goodwill	90,525

In line with the provision of IFRS 3, further fair value adjustments may be required within the 12-month period from the date of acquisition. Any fair value adjustments will result in an adjustment to the goodwill balance reported above.

The goodwill that arose on the combination can be attributed to the assembled workforce, know-how and expertise. The intangible asset valuations are provisional as at the interim reporting date.

The Group incurred legal and professional costs of £1.2 million in relation to the acquisition, which were recognised in other expenses. The group additionally incurred £0.5 million of stamp duty payable upon the acquisition which was recognised within other expenses.

In the year ended 31 December 2017 the trade of Research Views Limited and its subsidiaries generated revenues of £26.0 million and EBITDA of £2.7 million. The business has generated revenues of £19.9 million from the period from acquisition to 31 December 2018. If the acquisition had occurred on 1 January 2018, the Group revenue for 2018 would have been £163.0 million and the Group loss before tax from continuing operations would have been £5.0 million.

Research Views Limited and its subsidiaries were entities under common control at the time of acquisition, by virtue of being controlled by Mike Danson. IFRS 3 scopes out combinations of entities under common control. The Group has therefore applied IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' and used management judgement in developing and applying an accounting policy that results in information which is reliable and relevant. Management have determined it is most appropriate to follow the principles of IFRS3, and apply acquisition accounting for acquisitions of entities under common control.

Sportcal Global Communications Limited, an indirect subsidiary of Research Views Limited, has a minority shareholder owning 26% of the shares of the Company. As such, the Group has allocated a portion of the acquisition date values to non-controlling interests and recognised non-controlling interest in relation to the Company's profit for the period. The Group took control of the remaining part of the share capital on 24 December 2018 when the Minority Interest exercised a put option for us to acquire the remaining shares for £1.2m. The exercise notice was irrevocable and the Group had the obligation to purchase. As a result, the Group considered the acquisition of the remaining 24% of share capital on 24 December 2018. The consideration was paid on 28 January 2019 and was when the share transfer legally took place.

Other acquisitions

The Group also made three small acquisitions in the period for a total consideration of £4.4 million, on which goodwill of £2.8 million has been recognised. The goodwill that arose on the combinations can be attributed to the assembled workforce, know-how and research methodology which the Group is now utilising across all of our data and analytics products.

The Group incurred legal and professional costs of £112,000 in relation to the acquisitions, which were recognised in other expenses.

Cash Cost of Acquisitions

The cash cost of acquisitions comprises:

	Year ended 31 December 2018 £000s	Year ended 31 December 2017 £000s
Acquisition of CHM Research Limited	(1,499)	-
Acquisition of Competenet	(869)	-
Acquisition of Research Views Limited:		
Cash acquired as part of opening balance sheet	585	-
Acquisition of Global Ad Source	(2,037)	-
Acquisition of Ascential Jersey Holdings:		
Cash consideration	(787)	(13,158)
Cash acquired as part of opening balance sheet	-	524
Acquisition of Infinata	-	(7,704)
	(4,607)	(20,338)

30. Related party transactions

Mike Danson, GlobalData Plc's Chief Executive, owns 68.6% of the Company's ordinary shares as at 24 February 2019. Mike Danson owns a number of businesses that interact with GlobalData Plc. The principal transactions, which are all conducted on an arm's length basis, are as follows:

Accommodation

GlobalData Plc occupies buildings which are owned by Estel Property Investments Limited, a company wholly owned by Mike Danson. The total rental expense, including service and management fees, in relation to the buildings owned by Estel Property Investments for the year ended 31 December 2018 was £2,551,900 (2017: £2,061,600).

Corporate support services

Corporate support services are provided to and from other companies owned by Mike Danson, principally finance, human resources, IT and facilities management. These are recharged to companies that consume these services based on specific drivers of costs, such as proportional occupancy of buildings for facilities management, headcount for human resources services, revenue or gross profit for finance services and headcount for IT services. The net recharge made from GlobalData Plc to these companies for the year ended 31 December 2018 was £490,400 (2017: £874,600).

Loan to Progressive Trade Media Limited

As part of the 2016 disposal of non-core B2B print businesses to a related party, the Group agreed to issue a loan to Progressive Trade Media Limited to fund the purchase consideration. This loan is for £4.5m and repayable in 5 instalments, with the next instalment due in January 2020 (following payment received in

January 2019). Interest of 2.25% above LIBOR is charged on the loan, with £117,000 charged in the year ended 31 December 2018 (2017: £112,000).

Directors and Key Management Personnel

The remuneration of Directors is discussed within the Directors' Remuneration Report on pages 29 and 30. Remuneration of key management personnel is detailed in note 9.

Acquisitions

As detailed in note 29, Research Views Limited and its subsidiaries were acquired during the period. The entities were under common control at the time of acquisition, by virtue of being controlled by Mike Danson. Refer to note 29 for further details.

Amounts outstanding

The Group has taken advantage of the exemptions contained within IAS 24 - Related Party Disclosures from the requirement to disclose transactions between Group companies as these have been eliminated on consolidation. The amounts outstanding for other related parties were:

Non-Trading Balances

Amounts due in greater than one year:

	31 December 2018	31 December 2017
	£000s	£000s
Progressive Trade Media Limited	2,775	3,700
	2,775	3,700

Amounts due within one year:

	31 December 2018	31 December 2017
	£000s	£000s
Progressive Trade Media Limited	925	925
	925	925

Trading Balances

Amounts due within one year:

	31 December 2018	31 December 2017
	£000s	£000s
Estel Property Group Limited	-	(523)
Progressive Media Ventures (and subsidiaries)	-	94
Compelo Group (and subsidiaries)	(1)	71
Research Views Group (and subsidiaries)	-	360
	(1)	2

The parent company's balances with related parties are disclosed on pages 99 and 100 of the annual report. The Group has right of set off over these amounts.

In addition, the Group has a related party relationship with 3KSC, a Company owned by a Director of a subsidiary of the Group. At 31 December 2018 the Group had a loan balance due to 3KSC of £86,000. The loan was repaid in January 2019 and the Director is no longer a Director of the subsidiary Company.

31. Subsequent events

On 4 January 2019, the Group acquired the entire share capital of the Aroq Limited Group for cash consideration of £6.8m. Aroq provides global business information in the auto, drinks, food and style sectors. The business incurred legal expenses of £0.1m which will be recognised in the period ending 31 December 2019. In accordance with IFRS3.B66, management has not been able to estimate the fair value of goodwill and intangible assets acquired as the acquisition occurred in close proximity of the year end. No revenues or profits are included in the Group's results for the year ended 31 December 2018. For the year ended 31 March 2018 the acquired Aroq business had revenues of £2.9 million and profits before tax of £0.4 million.

Principal subsidiary undertakings

The Group has a large number of subsidiaries because of the companies inherited through M&A. The Group is currently going through corporate simplification process and reducing the number of its subsidiaries and focussing operations through its main subsidiaries in its main territories.

Subsidiary undertaking	Country of registration	Holding	%	Principal activity
Adfinitum Networks Inc*	Canada	Ordinary shares	100%	Data and analytics
Attentio Inc*	United States of America	Ordinary shares	100%	Data and analytics
Attentio Research Centre Private Limited*	India	Ordinary shares	100%	Data and analytics
Attentio Research Limited*	England & Wales	Ordinary shares	100%	Data and analytics
Canadean Limited	England & Wales	Ordinary shares	100%	Data and analytics
Canadean Mexico Y Centro America, F. De R.L. De C.V.*	Mexico	Ordinary shares	100%	Data and analytics
Current Analysis SAS*	France	Ordinary shares	100%	Data and analytics
Current Analysis, Inc*	United States of America	Ordinary shares	100%	Data and analytics
Digital Insights and Research Private Limited*	India	Ordinary shares	100%	Data and analytics
Financial News Publishing Limited	England & Wales	Ordinary shares	100%	Data and analytics
GD Research Centre Private Limited*	India	Ordinary shares	100%	Data and analytics
GlobalData Australia Pty Limited	Australia	Ordinary shares	100%	Data and analytics
GlobalData Brasil, serviços e informações empresariais Ltda.*	Brazil	Ordinary shares	100%	Data and analytics
GlobalData Canada Inc*	Canada	Ordinary shares	100%	Data and analytics
GlobalData Holding Limited	England & Wales	Ordinary shares	100%	Holding company
GlobalData Japan KK*	Japan	Ordinary shares	100%	Data and analytics
GlobalData Pte Limited*	Singapore	Ordinary shares	100%	Data and analytics
Global Data Publications, Inc*	United States of America	Ordinary shares	100%	Data and analytics
GlobalData UK Limited*	England & Wales	Ordinary shares	100%	Data and analytics
Internet Business Group Limited	England & Wales	Ordinary shares	100%	Performance advertising
Kable Business Intelligence Limited	England & Wales	Ordinary shares	100%	Data and analytics
MEED Media FZ LLC*	United Arab Emirates	Ordinary shares	100%	Data and analytics
Progressive Digital Media (Holdings) Limited	England & Wales	Ordinary shares	100%	Holding company
Progressive Digital Media Holdings, Inc	United States of America	Ordinary shares	100%	Holding company
Progressive Digital Media Inc	United States of America	Ordinary shares	100%	Data and analytics
Progressive Digital Media Limited	England & Wales	Ordinary shares	100%	Data and analytics
Progressive Digital Media Pvt Ltd	India	Ordinary shares	100%	Data and analytics
Progressive Media Group Limited*	England & Wales	Ordinary shares	100%	Data and analytics
Progressive Media International Middle East FZ LLC*	United Arab Emirates	Ordinary shares	100%	Data and analytics
Progressive Media Korea Limited*	South Korea	Ordinary shares	100%	Data and analytics
Progressive Media Ventures Limited*	England & Wales	Ordinary shares	100%	Holding company
Progressive Ventures Limited*	England & Wales	Ordinary shares	100%	Holding company
Research Views Limited*	England & Wales	Ordinary shares	100%	Holding company
Sociable Data Limited*	England & Wales	Ordinary shares	100%	Data and analytics
Sportcal.com Limited*	England & Wales	Ordinary shares	100%	Non-trading
GlobalData Singapore Pte Limited (formerly VRL Publishing Singapore Pte Limited)*	Singapore	Ordinary shares	100%	Data and analytics
World Market Intelligence Inc*	United States of America	Ordinary shares	100%	Data and analytics
World Market Intelligence Limited*	England & Wales	Ordinary shares	100%	Data and analytics
World Market Intelligence Pty Limited*	Australia	Ordinary shares	100%	Data and analytics

*indirectly held

Company Statement of Financial Position

	Notes	31 December 2018 £000s	31 December 2017 £000s
Non-current assets			
Property, plant and equipment	5	873	794
Intangible assets	4	933	1,167
Investments	6	175,121	169,442
		176,927	171,403
Current assets			
Trade and other receivables	7	169,574	41,494
Short-term derivative assets	8	-	241
		169,574	41,735
Total assets		346,501	213,138
Current liabilities			
Bank overdraft		(448)	(3,014)
Trade and other payables	9	(91,134)	(53,363)
Short-term derivative liabilities	8	(1,408)	(96)
Short-term provisions	10	-	(25)
Short-term borrowings	11	(6,000)	(6,000)
		(98,990)	(62,498)
Non-current liabilities			
Long-term provisions	10	(199)	(186)
Long-term borrowings	11	(64,341)	(39,955)
		(64,540)	(40,141)
Total liabilities		(163,530)	(102,639)
Net assets		182,971	110,499
Equity			
Share capital		184	173
Share premium account		200	200
Treasury reserve		(19,142)	(2,289)
Other reserve		7,174	7,174
Merger reserve		163,810	66,481
Retained earnings		30,745	38,760
Equity attributable to equity holders		182,971	110,499

These financial statements were approved by the board of directors on 24 February 2019 and signed on its behalf by:



Bernard Cragg
Executive Chairman



Mike Danson
Chief Executive

The accompanying notes form an integral part of this financial report.

Company loss for the year: £4,584,000 (2017: loss of £2,983,000)

Company number: 03925319

Company Statement of Changes in Equity

	Share capital £000s	Share premium account £000s	Treasury reserve £000s	Other reserve £000s	Merger reserve £000s	Retained earnings £000s	Total equity £000s
Balance at 1 January 2017	173	200	(960)	7,174	66,481	43,554	116,622
Loss for the year	-	-	-	-	-	(2,983)	(2,983)
Transactions with owners:							
Dividends	-	-	-	-	-	(7,134)	(7,134)
Share buyback	-	-	(1,329)	-	-	-	(1,329)
Share based payments charge	-	-	-	-	-	5,323	5,323
Balance at 31 December 2017	173	200	(2,289)	7,174	66,481	38,760	110,499
Loss for the year	-	-	-	-	-	(4,584)	(4,584)
Transactions with owners:							
Issue of share capital	11	-	-	-	97,329	-	97,340
Dividends	-	-	-	-	-	(9,110)	(9,110)
Share buyback	-	-	(16,853)	-	-	-	(16,853)
Share based payments charge	-	-	-	-	-	5,679	5,679
Balance at 31 December 2018	184	200	(19,142)	7,174	163,810	30,745	182,971

The accompanying notes form an integral part of this financial report.

Company Statement of Cash Flows

	Year ended 31 December 2018 £000s	Year ended 31 December 2017 £000s
Cash flows from operating activities		
Loss after taxation	(4,584)	(2,983)
Adjustments for:		
Depreciation	455	564
Amortisation	807	921
Finance expense	(1,055)	1,544
Revaluation of foreign currency loan	-	(274)
Movement in provision	(12)	103
Revaluation of derivatives	1,553	(1,180)
Decrease/ (increase) in trade and other receivables	141	(776)
Increase/ (decrease) in trade and other payables	2,163	(777)
Cash used in operations	(532)	(2,858)
Interest received/ (paid)	1,368	(1,489)
Net cash generated from/ (used in) operating activities	836	(4,347)
Cash flows from investing activities		
Purchase of property, plant and equipment	(534)	(310)
Purchase of intangible assets	(573)	(546)
Net cash used in investing activities	(1,107)	(856)
Cash flows from financing activities		
Proceeds from long-term borrowings	30,473	51,100
Loan fees	(285)	-
Settlement of long-term borrowings	(8,408)	(29,519)
Repayment of short-term borrowings	(6,000)	(7,356)
Share Buyback	(16,853)	(1,329)
Dividends paid	(9,110)	(7,134)
Net inflow/ (outflow) from inter-company loans	13,020	(5,704)
Net cash generated from financing activities	2,837	58
Net increase/ (decrease) in cash and cash equivalents	2,566	(5,145)
Cash and cash equivalents at beginning of year	(3,014)	2,131
Cash and cash equivalents at end of year	(448)	(3,014)

The accompanying notes form an integral part of this financial report.

Notes to the Company Financial Statements

1. General information

Nature of operations

The principal activity of GlobalData Plc is as a holding company of subsidiary entities which are engaged in providing business information in the form of high quality proprietary data and analytics to clients in multiple sectors.

GlobalData Plc ('the Company') is a company incorporated in the United Kingdom and listed on the Alternative Investment Market. The registered office of the Company is John Carpenter House, John Carpenter Street, London, EC4Y 0AN. The registered number of the Company is 03925319.

Going concern

The Company meets its day-to-day working capital requirements through free cash flow. Based on cash flow projections the Company considers the existing financing facilities to be adequate to meet short-term commitments.

The existing finance facilities were issued with debt covenants, which are measured on a quarterly basis. Management have reviewed forecasted cash flows and there is no indication that there will be any breach in the next 12 months.

The Directors have a reasonable expectation that there are no material uncertainties that cast significant doubt about the Company's ability to continue as a going concern. Accordingly, the Company has prepared the annual report and financial statements on a going concern basis.

Critical accounting estimates and judgements

The Company makes estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

In the future, actual experience may deviate from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year relate to carrying value of investments and provisions for share based payments.

Carrying value of investments

The carrying value of investments is assessed at least annually to ensure that there is no need for impairment. Performing this assessment requires management to estimate future cash flows to be generated by the related investment, which may entail making judgements including the expected rate of growth of sales, margins expected to be achieved, the level of future capital expenditure required to support these outcomes and the appropriate discount rate to apply when valuing future cash flows.

Share based payments

The Group operates a share based compensation plan under which the entity receives services from employees as consideration for equity instruments (options) of the Group. The fair value of the employee services received in exchange for the grant of the options and awards is recognised as an expense in the Group income statement. The total amount to be expensed is determined by reference to the fair value of the options granted, excluding the impact of any non-market service and performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period). Non-market vesting conditions are included in assumptions about the number of options and awards that are expected to vest. The total amount expensed is recognised over the vesting period, which is the period over which all of the specified existing conditions are to be satisfied. At each reporting date, the entity revises its estimates of the number of options and awards that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in the Group income statement, with a corresponding adjustment to the share based payments reserve within equity. The significant judgements involved in calculating the share based payments charge are the fair value at the date of grant which is determined by using the Black-Scholes model, the senior management retention rate which is determined with reference to historical churn and the estimated vesting periods which are determined with reference to the Group's forecasts.

The Company does not directly employ those participating in the share based payments scheme as they are employed by other Group companies. The issue of share incentives by the Company to employees of its subsidiaries represents additional capital contributions. An addition to the Company's investment in Group undertakings is reported with a corresponding increase in shareholders' funds.

2. Accounting policies

a) Basis of preparation

The parent company financial statements have been prepared in accordance with applicable IFRS as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006.

As permitted by section 408 of the Companies Act 2006, the income statement of the Company is not presented. The Company's loss for the year ended 31 December 2018 is £4.6 million (year ended 31 December 2017: loss £3.0 million).

b) Change to accounting policies

This report has been prepared based on the accounting policies detailed in the Group's financial statements for the year ended 31 December 2018. The company accounts are unaffected by the impact of IFRS 15 as it does not have revenue contract obligations. The company was impacted by the introduction of IFRS 9.

IFRS9: Financial Instruments

On 1 January 2018, IFRS9 'Financial Instruments' also came into effect. The new standard is based on the concept that financial assets should be classified and measured at fair value, with changes in fair value recognized in profit and loss as they arise ("FVPL"), unless restrictive criteria are met for classifying and measuring the asset at either Amortized Cost or Fair Value through Other Comprehensive Income ("FVOCI"). The financial assets which the Group holds are loans and receivables, for which changes to the fair value are posted to the income statement. Similarly, any changes to the fair value of the forward contracts in place at the period end are also posted to the income statement.

c) Property, plant and equipment

Property, plant and equipment is stated at historic cost, including expenditure that is directly attributable to the acquired item, less accumulated depreciation and impairment losses.

Depreciation is calculated on a straight line basis over the deemed useful life of an asset and is applied to the cost less any residual value. The asset classes are depreciated over the following periods:

- Computer and equipment – over 3 to 5 years
- Leasehold improvements – over 3 to 10 years

The useful life, the residual value and the depreciation method is assessed annually.

Where there is an indication of impairment, the carrying value of the property, plant and equipment is compared to the higher of value in use and the fair value less costs to sell. If the carrying value exceeds the higher of the value in use and fair value less the costs to sell then the asset is impaired and an impairment loss recognised in profit or loss.

d) Intangible assets

Computer software

Non-integral computer software purchases are capitalised at cost as intangible assets. The Company also capitalises development costs associated with new products in accordance with the development criteria prescribed within IAS 38 "Intangible Assets". These costs are amortised over their estimated useful lives of 3 years. Costs associated with implementing or maintaining computer software programmes are recognised as an expense.

e) Investments

Investments in subsidiaries are stated at cost less any provision for impairment.

f) Taxation

Income tax on the profit or loss for the year comprises current and deferred tax.

Current tax is the expected tax payable on the taxable income for the year, using rates substantively enacted at the reporting date, and any adjustments to the tax payable in respect of previous years.

Deferred taxation is provided in full on temporary differences between the carrying amount of the assets and liabilities in the financial statements and the tax base. Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax is determined using the tax rates that have been enacted or substantially enacted by the reporting date, and are expected to apply when the deferred tax liability is settled or the deferred tax asset is realised.

Deferred tax is provided on temporary differences arising on investments in subsidiaries except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Tax is recognised in the income statement, except where it relates to items recognised as other comprehensive income, in which case it is recognised in the statement of other comprehensive income.

Tax relating to items recognised in equity is recognised directly in equity.

g) Foreign currencies

The results are presented in Pounds Sterling (£), which is the functional currency of the Company.

Foreign currency transactions are translated into Sterling at the rates of exchange ruling at the date of the transaction, and if still in existence at the year end the balance is retranslated at the rates of exchange ruling at the reporting date. Differences arising from changes in exchange rates during the year are taken to the income statement.

h) Provisions

A provision is recognised in the Statement of Financial Position when the Company has a legal obligation or constructive obligation as a result of a past event, it is more likely than not that an outflow of resources will be required to settle that obligation, and a reliable estimate of the amount can be made. Provisions are discounted if the time value of money is material.

i) Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held on call, together with other short term highly liquid investments that are readily convertible to known amounts of cash, which are subject to an insignificant risk of changes in value.

j) Dividends

Dividends on the Company's ordinary shares are recognised as a liability in the Company's financial statements, and as a deduction from equity, in the period in which the dividends are declared. Where such dividends are proposed subject to the approval of the Company's shareholders, the dividends are only declared once shareholder approval has been obtained.

k) Financial instruments

The Company has derivative and non-derivative financial instruments which comprise foreign currency contracts, receivables, cash, loans and borrowings, and trade payables.

Financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit and loss, any directly attributable transaction costs.

A financial instrument is recognised if the Company becomes a party to the contractual provisions of the instrument. Financial assets are de-recognised if the contractual rights to the cash flows from the financial assets expire or if the Company transfers the financial asset to another party without retaining control of substantially all risks and rewards of the asset. Financial liabilities are de-recognised if the Company's obligations specified in the contract expire or are discharged or cancelled.

Cash comprises cash balances and highly liquid call deposits. Bank overdrafts that form an integral part of the Company's cash management are included as a component of cash for the purpose of the statement of cash flows.

Derivative financial instruments

The Group uses derivative financial instruments to reduce its exposure to fluctuations in foreign currency exchange rates. Derivatives are measured at fair values and any movement in fair value is recognised in the income statement.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These assets are carried at amortised cost using the effective interest method, less any impairment losses. Accounts receivable are recorded initially at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment due to bad and doubtful accounts. The provision for doubtful debts is based on management's assessment of amounts considered uncollectible for specific customers or groups of customers based on age of debt, history of payments, account activity, economic factors and other relevant information. The amount of the provision is the difference between the asset's unamortised cost and the present value of estimated future cash flows, discounted at an effective interest rate. The provision expense is recognised in the income statement.

Bad debts are written off against the provision for doubtful debts in the period in which it is determined that the debts are uncollectible. If those debts are subsequently collected then a gain is recognised in the income statement.

Trade and other payables

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

l) Borrowings and borrowing costs

Borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months from the reporting date.

Borrowing costs, being interest and other costs incurred in connection with the servicing of borrowings, are recognised as an expense when incurred.

m) Share based payments

The Group operates a share based compensation plan under which the entity receives services from employees as consideration for equity instruments (options) of the Group. The fair value of the employee services received in exchange for the grant of the options and awards is recognised as an expense in the Group income statement. The total amount to be expensed is determined by reference to the fair value of the options granted (fair value at the date of grant determined using the Black-Scholes model), excluding the

impact of any non-market service and performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period). Non-market vesting conditions are included in assumptions about the number of options and awards that are expected to vest. The total amount expensed is recognised over the vesting period, which is the period over which all of the specified existing conditions are to be satisfied. At each reporting date, the entity revises its estimates of the number of options and awards that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in the Group income statement, with a corresponding adjustment to the share based payments reserve within equity.

The Company does not directly employ those participating in the share based payments scheme as they are employed by other Group companies. The issue of share incentives by the Company to employees of its subsidiaries represents additional capital contributions. An addition to the Company's investment in Group undertakings is reported with a corresponding increase in shareholders' funds.

3. Dividends

The final dividend for 2017 was 5.0p per share and was paid in April 2018. The total dividend for the current year was 11.0 pence per share, with an interim dividend of 3.5 pence per share paid on 3 October 2018 to shareholders on the register at the close of business on 31 August 2018 and a final dividend of 7.5 pence per share will be paid on 26 April 2019 to shareholders on the register at the close of business on 22 March 2019. The ex-dividend date will be on 21 March 2019.

4. Intangible assets

	Computer software £000s	Brand £000s	Total £000s
Cost			
As at 1 January 2017	3,682	-	3,682
Additions	398	148	546
As at 31 December 2017	4,080	148	4,228
Additions	573	-	573
As at 31 December 2018	4,653	148	4,801
Amortisation			
As at 1 January 2017	(2,140)	-	(2,140)
Charge for the year	(884)	(37)	(921)
As at 31 December 2017	(3,024)	(37)	(3,061)
Charge for the year	(758)	(49)	(807)
As at 31 December 2018	(3,782)	(86)	(3,868)
Net book value			
As at 31 December 2018	871	62	933
As at 31 December 2017	1,056	111	1,167

5. Property, plant and equipment

	Leasehold improvements £000s	Computer equipment £000s	Total £000s
Cost			
As at 1 January 2017	225	2,891	3,116
Additions	-	310	310
As at 31 December 2017	225	3,201	3,426
Additions	114	420	534
As at 31 December 2018	339	3,621	3,960
Depreciation			
As at 1 January 2017	(44)	(2,024)	(2,068)
Charge for the year	(23)	(541)	(564)
As at 31 December 2017	(67)	(2,565)	(2,632)
Charge for the year	(28)	(427)	(455)
As at 31 December 2018	(95)	(2,992)	(3,087)
Net book value			
As at 31 December 2018	244	629	873
As at 31 December 2017	158	636	794

6. Investments

	Group undertakings £000s
Cost	
As at 1 January 2017	174,396
Share based payments to employees of subsidiaries	5,323
As at 31 December 2017	179,719
Share based payments to employees of subsidiaries	5,679
As at 31 December 2018	185,398
Impairment	
As at 31 December 2017 and 2018	(10,277)
Net book value	
As at 31 December 2018	175,121
As at 31 December 2017	169,442

Share based payments to employees of subsidiaries

The issue of share incentives by the Company to employees of its subsidiaries represents additional capital contributions. An addition to the Company's investment in Group undertakings is reported with a corresponding increase in shareholders' funds.

Impairment indicators

Management have performed an assessment to identify whether there are any indicators of impairment to the investment balances. As the Company's net assets exceeded the Group assets there is an indication of impairment. Sufficient evidence has been obtained to support that there is no impairment as the value in use forecasts have sufficient headroom over the carrying amount of the investments.

7. Trade and other receivables

	31 December 2018 £000s	31 December 2017 £000s
Prepayments	1,966	1,616
Other receivables	1,031	94
Amounts owed by group undertakings	166,227	38,004
Amounts owed by related parties	-	1,235
Other taxation and social security	350	545
	169,574	41,494

The carrying values are considered to be a reasonable approximation of fair value.

8. Derivative assets and liabilities

	31 December 2018 £000s	31 December 2017 £000s
Short-term derivative assets	-	241
Short-term derivative liabilities	(1,408)	(96)
Net derivative (liability)/ asset	(1,408)	145

Classification is based on when the derivatives mature. The fair values of derivatives are expected to impact the income statement over the next year, dependant on movements in the fair value of the foreign exchange contracts. The movement in the year was a cost of £1,553,000 (2016: credit of £1,180,000).

The Group uses derivative financial instruments to reduce its exposure to fluctuations in foreign currency exchange rates. The notional values of contract amounts outstanding are:

	Euro €'000	US Dollar \$'000
Expiring in the year ending: 31 December 2019	4,664	20,953

9. Trade and other payables

	31 December 2018 £000s	31 December 2017 £000s
Trade payables	723	174
Other payables	143	11
Accruals	3,301	648
Amounts owed to group undertakings	86,967	51,472
Amounts owed to related parties	-	1,058
	91,134	53,363

The directors consider the carrying amount of trade payables approximates to their fair value. The effect of discounting trade and other payables has been assessed and is deemed to be immaterial to the Company's results.

10. Provisions

	Dilapidations
	£000s
At 1 January 2018	211
Increase in provision	13
Release of unutilised provision	(25)
At 31 December 2018	199
<i>Current:</i>	-
<i>Non-current:</i>	199

11. Borrowings

	31 December	31 December
	2018	2017
	£000s	£000s
Current		
Loans due within one year	6,000	6,000
Non-current		
Long-term loans	64,341	39,955

Term loan and RCF

In April 2017, the Group refinanced its debt position. The facility consists of a £30.0 million term loan to replace the previous facilities held with The Royal Bank of Scotland. This is repayable in quarterly instalments over 5 years, with total repayments due in the next 12 months of £6.0 million. The outstanding balance as at 31 December 2018 was £19.5 million.

In addition to the term loan, the Group also has a revolving capital facility (RCF) of £70.0 million. As at 31 December 2018, the Group had a total draw down against the RCF facilities of £51.6 million.

These facilities have been provided by The Royal Bank of Scotland, HSBC and Bank of Ireland.

Interest is charged on the term loan and drawn down RCF at a rate of 2.5% over the London Interbank Offered Rate.

12. Financial assets and liabilities

The Company's financial instruments are classified under IFRS as follows:

	Fair Value (through profit or loss) £000s	Loans and receivables £000s	Amortised cost £000s	Total £000s
31 December 2018				
<i>Current assets</i>				
Other receivables	-	1,031	-	1,031
Amounts owed by group undertakings	-	166,227	-	166,227
	-	167,258	-	167,258
<i>Current liabilities</i>				
Bank overdraft			(448)	(448)
Short-term derivative liabilities	(1,408)	-	-	(1,408)
Trade accounts payable	-	-	(723)	(723)
Other payables	-	-	(143)	(143)
Accruals	-	-	(3,301)	(3,301)
Amounts owed to group undertakings	-	-	(86,967)	(86,967)
Short-term borrowings	-	-	(6,000)	(6,000)
	(1,408)	-	(97,582)	(98,990)
<i>Non-current liabilities</i>				
Long-term borrowings	-	-	(64,341)	(64,341)
	-	-	(64,341)	(64,341)

	Fair Value (through profit or loss) £000s	Loans and receivables £000s	Amortised cost £000s	Total £000s
31 December 2017				
<i>Current assets</i>				
Short-term derivative assets	241	-	-	241
Other receivables	-	94	-	94
Amounts owed by related parties	-	1,235	-	1,235
Amounts owed by group undertakings	-	38,004	-	38,004
	241	39,333	-	39,574
<i>Current liabilities</i>				
Bank overdraft	-	-	(3,014)	(3,014)
Short-term derivative liabilities	(96)	-	-	(96)
Trade accounts payable	-	-	(174)	(174)
Other payables	-	-	(11)	(11)
Accruals	-	-	(648)	(648)
Amounts owed to group undertakings	-	-	(51,472)	(51,472)
Amounts owed to related parties	-	-	(1,058)	(1,058)
Short-term borrowings	-	-	(6,000)	(6,000)
	(96)	-	(62,377)	(62,473)
<i>Non-current liabilities</i>				
Long-term borrowings	-	-	(39,955)	(39,955)
	-	-	(39,955)	(39,955)

Maturity analysis

	Less than one month £000s	One to three months £000s	3 months to 1 year £000s	1 to 5 years £000s	Total £000s
<i>Current assets</i>					
Other receivables	-	-	1,031	-	1,031
Amounts owed by group undertakings	-	-	-	79,260	79,260
<i>Current liabilities</i>					
Bank overdraft	(448)	-	-	-	(448)
Short-term derivative liabilities	-	(664)	(744)	-	(1,408)
Trade accounts payable	(120)	(267)	(336)	-	(723)
Other payables	-	(143)	-	-	(143)
Accruals	-	(3,301)	-	-	(3,301)
Short-term borrowings	-	(2,061)	(6,185)	-	(8,246)
<i>Non-current liabilities</i>					
Long-term borrowings	-	-	-	(71,734)	(71,734)
	(568)	(6,436)	(6,234)	7,526	(5,712)

The long-term borrowing's contractual features are detailed in note 20 of the Group accounts and it is not expected that those loans will be repaid within a year or until replaced with equivalent debt or equity financing. The debt shown in the table above is inclusive of the projected interest payments in accordance with IFRS 7 (interest on short and long-term borrowings £9,369,000).

Reclassifications

There have been no reclassifications between financial instrument categories during the year ended 31 December 2018 and year ended 31 December 2017.

Please refer to note 21 of the Group accounts on financial assets and liabilities for the Group's exposure to risk.

Credit risk

In the normal course of its business, the Company incurs credit risk from cash and other receivables. The Group has a credit policy that is used to manage this exposure to credit risk, including credit checking prior to contracts being signed.

£80.3 million of the Company's assets are subject to credit risk (31 December 2017: £39.6 million). The Company does not hold any collateral over these amounts. Note 7 of the Company accounts give further details of the Company's receivables, which are mainly amounts receivable from Group undertakings.

13. Related party transactions

Directors

The remuneration of the Directors of the Group and Company is set out on page 30 in the consolidated accounts of the Group within the Directors Remuneration Report.

Corporate support services

Corporate support services are provided to and from other companies owned by Mike Danson, principally finance, human resources, IT and facilities management. These are recharged to companies that consume these services based on specific drivers of costs, such as proportional occupancy of buildings for facilities management, headcount for human resources services, revenue or gross profit for finance services and headcount for IT services. The net recharge made from GlobalData Plc to these companies for the year ended 31 December 2018 was £490,400 (2017: £874,600).

Amounts outstanding to and from group undertakings

The amounts outstanding from group undertakings were:

	31 December 2018 £000s	31 December 2017 £000s
<i>Amounts owed by group undertakings:</i>		
Progressive Capital Limited	9,989	9,989
GlobalData UK Limited	128,993	16,072
Progressive Digital Media Limited	-	3,270
Progressive Digital Media (Holdings) Limited	981	4,170
Current Analysis Inc	4,141	555
Current Intelligence & Analysis Limited	2,223	2,225
Dewberry Redpoint Limited	-	500
SPG Media Group Limited	246	246
GlobalData Japan KK	-	69
GlobalData Pte Limited	1,177	175
GlobalData Australia Pty Limited	1,034	733
GlobalData Brasil, serviços e informações empresariais Ltda.	322	-
Canadean Mexico Y Centro America, F. De R.L. De C.V	357	-
GlobalData Canada Ltd	663	-
Progressive Media International Middle East FZ LLC	628	-
Progressive Media Ventures Limited	7,854	-
Attentio Research Limited	2,671	-
TMN Media Ltd	1,495	-
GlobalData Singapore Pte Limited (formerly VRL Publishing Singapore Pte Ltd)	2,135	-
World Market Intelligence Pty Limited	321	-
World Market Intelligence Limited	814	-
Research Views Limited	183	-
	166,227	38,004

Amounts owed to group undertakings:

Internet Business Group Limited	(5,270)	(2,213)
Progressive Media Group Limited	(59,757)	(40,983)
Verdict Media Limited (formerly Kable Intelligence Limited)	(24)	(24)
Kable Business Intelligence Limited	(2,006)	(456)
Cornhill Publications Limited	(2,263)	(2,263)
Progressive Media International Middle East FZ LLC	-	(357)
TMN Media Limited	-	(466)
Electronic Direct Response Limited	-	(847)
Global Data Publications Inc	(5,182)	(914)
Progressive Digital Media Inc	(2,243)	(1,447)
Progressive Digital Media Pvt Limited	(1,692)	(1,502)
CHM Research Ltd	(70)	-
Canadean Limited	(347)	-
Current Analysis Inc	(1,463)	-
GlobalData Japan KK	(456)	-
Financial News Publishing Limited	(1,831)	-
ICD Research Limited	(878)	-
MEED Media FZ LLC	(1,656)	-
Progressive Media UK Limited	(704)	-
Sociable Data Limited	(864)	-
Sportcal Global Communications Limited	(201)	-
World Market Intelligence Inc	(26)	-
Attentio Inc	(34)	-
	(86,967)	(51,472)

Amounts outstanding to and from related parties

The amounts outstanding for related parties were:

	31 December 2018 £000s	31 December 2017 £000s
<i>Amounts owed by related parties:</i>		
Estel Properties Investments Limited	-	297
Compelo Group (and subsidiaries)	-	938
	-	1,235
<i>Amounts owed to related parties:</i>		
Progressive Media Ventures (and subsidiaries)	-	(149)
Research Views Group (and subsidiaries)	-	(909)
	-	(1,058)

Advisers**Company Secretary**

Graham Lilley

Head Office and Registered Office

John Carpenter House
John Carpenter Street
London
EC4Y 0AN
Tel: + 44 (0) 20 7936 6400

Nominated Adviser and Broker

N+1 Singer Advisory LLP
1 Bartholomew Lane
London
EC2N 2AX

Solicitors

ReedSmith
20 Primrose Street
London, England
EC2A 2RS

Auditor

Grant Thornton UK LLP
30 Finsbury Square
London
EC2A 1AG

Registrars

Link Asset Services
Northern House
Woodsome Park
Fenay Bridge
Huddersfield
West Yorkshire
HD8 0GA

Bankers

The Royal Bank of Scotland Plc
280 Bishopsgate
London
EC2M 4RB

Registered number

Company No. 03925319