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DMGT

Daily Mail and General Trust plc

Satisfying the need to know

Annual Report

2020

Financial Highlights

Statistical Results†

Revenue
£1,203m
2019: £1,337m

Operating profit
£15m
2019: £67m

Profit before tax
£52m
2019: £134m

Profit for the year
£189m
2019: £91m

Earnings per share
83.1p
2019: 30.7p

Dividend per share
24.1p
2019: 23.9p

Adjusted Measures

Revenue
£1,211m
2019: £1,411m

Operating margin*
7%
2019: 10%

Profit before tax*
£72m
2019: £145m

Earnings per share*
26.1p
2019: 38.6p

Cash operating income*
£110m
2019: £162m

Net cash§:EBITDA
1.4x
2019: 1.2x

£ million	FY 2020	FY 2019	Explanation
Statutory profit before tax	52	134	
Discontinued operations	147	(33)	i
Exceptional operating costs	24	36	ii
Intangible impairment and amortisation	31	69	iii
Profit on sale of assets	(177)	(67)	iv
Pension finance (credit)	(4)	(7)	v
Other adjustments	(1)	13	vi
Adjusted profit before tax	72	145	

For explanations i to vi and more detailed tables please refer to pages 28 and 31.

† Statutory revenue, operating profit and profit before tax figures are for continuing operations only (excluding Energy Information).
* Before exceptional items, other gains and losses, impairment of goodwill and intangible assets, amortisation of intangible assets arising on business combinations, pension finance credits and fair value adjustments; see Consolidated Income Statement on page 107 and the reconciliation in Note 13 to the Accounts. Adjusted figures also exclude discontinued operations (Energy Information).
§ See Note 16 for details of net cash. The actual net cash and net cash:EBITDA ratio as at 30 September 2020 were £185 million and 1.3. However, £117 million of net cash has been made available to the pension schemes and there were £100 million of lease liabilities in respect of the adoption of IFRS 16, the lease accounting standard. The lease liabilities largely reflect the future operating costs of renting office space and are not considered a component of net debt when the Board reviews the Group's available capital. Consequently, they are excluded from pro forma net cash. The 2020 pro forma net cash of £168 million and net cash:EBITDA ratio of 1.4 are stated after adjusting net cash, to exclude both the £117 million cash and the £100 million lease liabilities, and after adjusting EBITDA to include lease costs. Similarly, the actual 2019 ratio was 0.4 and the ratio of 1.2 includes £282 million of gross proceeds from the disposal of the Energy Information business, which were received in November 2019, and excludes £117 million made available to the pension schemes.

Go online to www.dmgt.com to find out more

Strategic Report
Governance
Financial Statements
Shareholder Information

DMGT is an international business built on entrepreneurism and innovation.

DMGT manages a portfolio of companies that provide businesses and consumers with compelling information, analysis, insight, events, news and entertainment. The Group takes a long-term approach to investment and has market-leading positions in consumer media, insurance risk, property information, education technology and events & exhibitions. In total, DMGT generates revenues of around £1.2 billion.

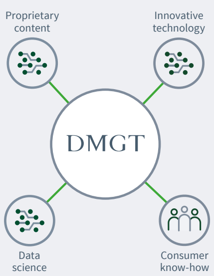
02 Chairman's Statement

Maintaining a strong portfolio of businesses

10 CEO Review

Delivering against clear strategic priorities

06 Our Business Model



16 Operating Business Reviews

Navigating through turbulence

Chairman's Statement

We have managed our businesses prudently to ensure we are well positioned for recovery.

The Viscount Rothermere
Chairman

> "DMGT has responded both constructively and resiliently to the coronavirus disruption."

The 12 months covered by our 2020 Annual Report have been among the most challenging that DMGT has faced since our business was founded more than a century ago. Our Group and the wider business world are grappling with disruption caused by a global Covid-19 pandemic, for which the only precedent was the Spanish Influenza of 1918–20.

DMGT, which was first created to manage my family's newspaper assets, has demonstrated in the intervening century the value of long-term patient capital. Over that period, we have traded and continued to grow through a world war, through economic recessions, multiple changes of government, the onset of the digital age, globalisation, market volatility and dramatically changing consumer and business demand. Throughout, we have deployed capital, managed our assets and developed a strategy to deliver sustained shareholder value.

These have been our guiding principles for many years and they have been a consistent backdrop in addressing the headwinds faced in the 12 months to 30 September 2020, the year of Covid-19. As Paul Zwillenberg, your CEO, outlines on pages 10 to 13, DMGT has responded both constructively and resiliently to the disruption.

At the business, employee and community levels, DMGT has demonstrated the breadth and depth of its operations. Our range of businesses, from B2B information to one of the world's highest-reach online news platforms, helped us to offset weakness in some parts of the Group with strong performances elsewhere. Although we have not been immune to pandemic volatility, our results show that DMGT is well placed to benefit from the economic recovery that we expect to materialise in due course.

Ahead of that anticipated recovery, we have worked hard to stabilise your Group in a period when the global economy has been shaken by Covid-19. Throughout, the health and wellbeing of our employees and their families around the world has been a priority and we have endeavoured to safeguard jobs. In parallel, we also implemented measures to secure the health of DMGT. This saw a significant investment of management time and capital to strengthen areas of growth while also seeking additional efficiency savings across the Group.

DMGT benefits from a strong balance sheet, with a net cash position, that allows us to continue to invest in both our B2B and Consumer Media operations and to consider meaningful acquisitions when opportunities arise.

Group revenue	Pro forma net cash§	MailOnline's average daily audience
-10% underlying growth^	£168 million	17 million

^ See footnote shown on page 15.
§ See footnote shown on inside front cover.

The underlying financial strength of your Group enabled us to avoid the pronounced cutbacks that have impacted some of our peers. Although some headcount reduction was unavoidable, we strove to minimise job losses in our businesses. We also implemented a temporary salary substitution plan at some businesses where trading was particularly affected by Covid-19, compensating our staff with share awards.

Alongside the business and financial discipline that is a hallmark of DMGT, we played our part in supporting the UK's pandemic response efforts. The newly established Mail Force Charity provided vital medical supplies to frontline workers and other essential staff. Mail Force sourced personal protective equipment internationally to supplement official UK medical procurement, organising airlifts to fill the gap as the pandemic threatened to overwhelm health and social care providers. The efforts of the Charity were hailed by Sir Simon Stevens, Chief Executive of the NHS, who said: "It's been an enormous boost, coming on top of the Government's efforts to get us the kit we in the NHS need. It's helped our doctors, nurses, porters, therapists, cleaners, scientists and countless other staff to so brilliantly care for 90,000 hospital patients desperately ill with Covid-19, as well as continuing to provide essential services such as cancer, A&E and mental health care."

Such proactive steps, agreed wholeheartedly by your Board, reflect the shared values of this Group. I take pride in what has been achieved, but I know that our businesses and our people face continued uncertainty in the months ahead. We have taken a number of measures to mitigate this uncertainty and we have managed our businesses prudently to ensure we are well positioned for recovery.

Business highlights

Metaphorically, the 2020 financial year was 'a game of two halves'. For most of the first half, we traded successfully and delivered sustained growth. In March 2020, however, the financial impact of Covid-19 began to bite. This included the cancellation or postponement of events, a weaker advertising market, reduced newspaper circulation volumes and a significant slowdown in the UK property markets.

We saw relative resilience in areas such as our subscription businesses, Insurance Risk, US Property Information and EdTech, together representing about a third of our Group revenues. This could not compensate, however, for the sharply reduced performance of our consumer print businesses, where there were substantial declines in advertising revenues, and our UK Property Information and Events and Exhibitions businesses.

Although we traded strongly in the first five months of the financial year, our generally robust renewal rates and new subscription sales were not enough to prevent reduced revenues as some of the markets were effectively shut down due to Covid-19. Nevertheless, we continued to launch new products and services across our B2B operations, aiming to benefit from the digitisation of our sectors.

The online operations of our Consumer Media division remained relatively resilient, with declines in digital advertising being significantly less marked than in print. I am pleased to report that MailOnline, one of our flagship media platforms, continued to grow its revenues and profits, as well as extending its market presence.

As we reported during the course of the financial year, our teams worked extraordinarily hard to adapt to pandemic trading conditions, which gives me confidence that our businesses will be both resilient and agile in a post-Covid-19 environment. This resilience is not fully reflected by the financial results for the 12-month period, which show revenues down by an underlying 10% at £1,211 million and adjusted earnings per share decreasing to 26.1 pence. The results include the benefit of a diversified portfolio, with businesses in Insurance Risk, US Property Information and EdTech helping to offset volatility elsewhere.

Similarly, we have come through this period with a strong balance sheet, having disposed of assets and increased the focus of the portfolio over the past few years. These measures, combined with other aspects of the strategy being executed by Paul Zwillenberg and his team, including improving operational execution and maintaining financial flexibility, have positioned DMGT to be able to capitalise on rising demand when it returns.

For these reasons, your Board is able to recommend an increase in the total dividend for the year to 24.1 pence per share, reaffirming our commitment to generating returns for our shareholders and reflecting DMGT's long-term approach to capital management and allocation.

Governance

DMGT is overseen by a strong and experienced Board that remains committed to the high governance standards its shareholders expect. The Board and its committees ensure that the Group is governed with sound planning, strong internal control systems, proper accounting and compliance with statutory and regulatory obligations. At the meetings throughout the financial year, and in regular interactions between the Board and management, we have continued to review DMGT's performance in light of the Group's strategic aims, objectives, business plans and changing economic conditions.

The Board has continued to prioritise the competent and prudent management strategy led by Paul Zwillenberg, your CEO, and Tim Collier, your Group Chief Financial Officer. We are fortunate to have Directors with experience of an extensive range of businesses and international markets, which supports rigorous and high-quality debate of DMGT's strategic opportunities.

The Board reconsidered the dividend policy carefully during the year and resolved to leave it unchanged. The policy aims to deliver a reliable and predictable dividend growth trajectory, unaffected by fluctuations in earnings or capital gains, while also being sufficiently prudent to retain the flexibility to make significant investments in the long-term future growth of the business.

Navigating through turbulence

Chairman’s Statement

I would like to thank Tessa Keswick who stood down from the DMGT Board on 1 October 2020.

Filippa Wallestam joined DMGT’s Board as an Independent Non-Executive Director in November 2020. Filippa brings extensive knowledge and experience in the fields of broadcasting and digital media strategy.

Read more in the Governance report, pages 48 to 67

People and culture

In more than two decades as your Chairman, I have been proud of the investments we have made in the people and the culture that represent the beating heart of DMGT. Our people share a common passion for the entrepreneurism and innovation that shapes our different business units. The success and growth of those businesses depend crucially on the quality of people that work for them, which requires the provision of opportunities for continued learning, training and the development of new skills. We have also continued to refresh our complement of people with apprenticeships and graduate intakes, ensuring that our human capital continues to evolve and grow.

Culturally, we balance an absolute commitment to business performance and competitiveness with a readiness to go the extra mile for the communities and markets that we serve. In this financial year, that extensive community commitment included the Mail Force Charity, discussed above, through to volunteering by many of our staff to help the disadvantaged. These efforts have been made possible, in part, due to the effectiveness of our Corporate Responsibility Champions network. I want to thank everyone at DMGT who has supported this vital work in the past year.

So, while we will maintain a business culture of continually seeking to improve commercial performance, we will also preserve a wider cultural commitment to extending DMGT’s values of teamwork and civic service through charitable activities in the UK and around the world.

Read more in Our Stakeholders, pages 32 to 39

Remuneration

DMGT aims to reward senior management appropriately for the performance of the Group, its businesses and the individuals concerned, in light of the international marketplace for executive talent. We are conscious that remuneration remains an issue of importance for DMGT’s shareholders and the wider community of stakeholders that we serve. Our remuneration policy mandates that no Director or manager shall be involved in any decisions as to their own remuneration.

Read more in Remuneration Report, pages 68 to 91

Outlook

The past financial year was defined by challenges and uncertainty. Fortunately, we were able to navigate this turbulence due to both the quality of our businesses and the quality of the people working in them.

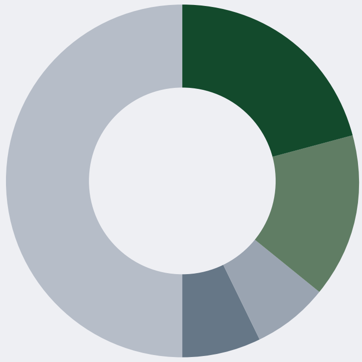
We also ended the year with strong pro forma net cash of £168 million and £373 million of committed undrawn bank facilities. Notwithstanding this financial strength, the continued disruption caused by Covid-19 has weighed on both our B2B and Consumer Media operations. At a business and at a personal level, your Board very much hopes the worst is behind us and that further waves of the pandemic can be avoided in the coming winter. I know, however, that DMGT has the core strength to address these challenges, even if precise guidance on our likely financial performance in FY 2021 is difficult to provide.

We have entered the new financial year with strong foundations in place and I remain confident that DMGT can withstand a sustained period of global economic uncertainty to emerge resilient and able to deliver continued shareholder value.

The Viscount Rothermere
Chairman

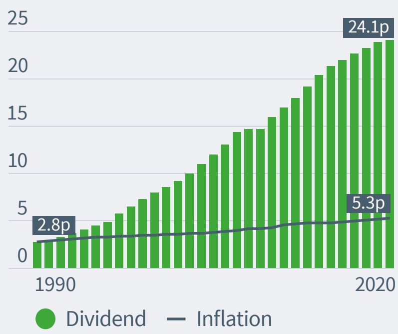
Adjusted revenue by business FY 2020 (%)

Insurance Risk	21
Property Information	15
EdTech	7
Events and Exhibitions	7
Consumer Media	50



Dividend per share

The Board’s policy is to grow the dividend in real terms and, in the medium term, to aim to distribute around one-third of the Group’s adjusted earnings.



Who we are

DMGT at a Glance

DMGT's portfolio of companies operates across B2B and consumer markets and has become more focused, positioning the Group for long-term growth and value creation.

Our sectors

B2B

Insurance Risk

RMS produces risk models and software applications, and provides analytical data services used by the global risk and insurance industry to quantify and manage catastrophe risk.

Read more, page 17

Property Information

Our Property Information companies provide technology, data and workflow solutions to clients involved in commercial and residential property markets as well as risk and valuation services to the Commercial Mortgage-Backed Securities market. The disposal of BuildFax occurred in October 2019.

Read more, page 17

EdTech

Hobsons is the leading provider of student success solutions in the US through its Naviance, Intersect and Starfish platforms.

Read more, page 18

Events and Exhibitions

dmg events is an international B2B exhibitions and conference organiser, focusing on the energy, construction, interiors, hotel, hospitality and leisure sectors, operating across several geographies.

Read more, page 19

Consumer

Consumer Media

dmg media is a modern news media company with two of the UK's most-read paid-for newspapers and one of the world's most popular free newspapers. It includes MailOnline, whose readers spend a total 145 million minutes on the site and apps each day. In November 2019, the 'i', the UK national newspaper and website, was added to the portfolio.

Read more, page 20

JVs, associates and dmg ventures

dmg ventures invests in disruptive consumer propositions that need to scale and which can leverage DMGT's assets to do so. These include Cazoo, which aims to change the way people buy used cars in the UK, and Yopa, the UK hybrid estate agent. The Group also invests in B2B businesses, including Praedicat in the Insurance Risk sector.

Read more, page 22

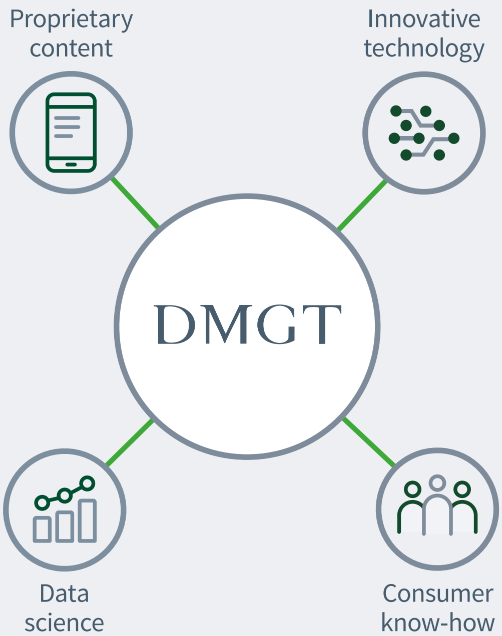
Go online to www.dmgt.com for more information about our businesses

How we create value

Our Business Model

Satisfying the need to know

DMGT's market-leading businesses deliver products and solutions with engaging content, combining data, technology and consumer know-how. We provide businesses and consumers with compelling information, analysis, insight, events, news and entertainment.



Read more about our operating companies' business models in Operating Business Reviews, pages 16 to 22

Which we monetise through five revenue models

Subscription
Our B2B operating companies have a strong subscription revenue component with a track record of delivering growth and high renewal rates, demonstrating the strength of our customer relationships.

RMS Trepp HOBSONS

Circulation
Circulation revenues are generated from sales of the Daily Mail, The Mail on Sunday and 'i' newspapers, with the Mail titles continuing to hold market-leading positions and gain market share in a declining market.

dmg::media

Advertising
Our Consumer Media business generates advertising revenue both in print and digital formats. Growth in our digital advertising revenues usually helps to offset structural declines in print advertising. Enhanced user engagement drives advertiser interest in increasingly sophisticated advertising formats.

dmg::media

Events attendance and sponsorship
Exhibitor fees, sponsorship revenues and delegate fees are earned from the portfolio of B2B shows run by dmg events.

dmg::events

Transactions
Our Property Information revenues are influenced by UK residential and commercial property transaction volumes.

Landmark INFORMATION

Read more in Financial Review, pages 23 to 31

Drawing upon

Culture and values

DMGT has developed a performance management culture underpinned by core values that we believe are integral to the Group's identity:

Entrepreneurism

As a home for entrepreneurs, working at the cutting edge of technology, DMGT fosters constant innovation, growth and talent development across our international businesses.

Purpose

Long-term perspective and businesses with a clear sense of purpose for their customers and society.

Excellence

Commitment to quality, craftsmanship and delivering excellence. We seek the best talent, leadership and expertise.

People

The expertise and passion of our employees.

Technology

Technology enables DMGT's businesses to provide compelling products and solutions.

Customer relationships

DMGT values the relationships we have fostered with our customers, consistent with our long-term approach.

Read more in Our Stakeholders, pages 32 to 39

Enabling us to create value for our stakeholders

For our shareholders

We have a track record of investing for the long term to deliver value creation across a diversified portfolio of entrepreneurial operating companies. Our strategy aims to achieve sustainable long-term earnings and dividend growth.

Total shareholder return FY 1990 – FY 2020

9% CAGR

For our employees

We nurture entrepreneurial talent and encourage our people to make their own mark on DMGT, a diverse international portfolio with over 120 years of heritage.

Employees worldwide

5,698

For our customers

Our deep understanding of customer needs enables us to innovate constantly and create content, products and solutions that provide our operating companies with a competitive edge and make us even more relevant to our customers.

Organic investment as a percentage of revenues FY 2020

10%

For our communities

DMGT operating companies have helped establish, and developed strategic partnerships with a number of charitable organisations, most recently Mail Force Charity. These initiatives focus on making a difference in the communities where our people work and live.

Amount donated to charity FY 2020 including employee volunteering hours

£1.6 million

DMGT Cares

Read more in Our Stakeholders, pages 32 to 39

Adapting to continuous change

Market Overview

DMGT comprises a portfolio of businesses working across diverse markets. While each sector has its own individual characteristics, some common features exist:

- Content and information-driven
- Fast-paced and evolving to adopt new technology and business models
- Technology-enabled with high degrees of innovation
- Enduring and resilient over the long term

Increased volatility

Context to DMGT

- **As a provider of proprietary, hard-to-obtain information, DMGT benefits from growing uncertainty in the world as its customers rely more heavily on data and analysis to inform critical decisions.**

Market trend

- Global economic uncertainty, political tensions and supply and demand disruptions continue to influence our customers and their markets. There is uncertainty about the impact on economies globally of Covid-19, the measures to control it and the management of national debt levels. The UK economy continues to be unsettled by uncertainty about the impact of Brexit.
- Pandemics, extreme weather events, fluctuations in the pricing of financial securities and continued exchange-rate swings have directly impacted the economic and social environments for both investment and business operations.

Our approach

- Our diversified portfolio provides balance in an increasingly volatile world: as one sector may be facing headwinds, another may benefit.
- DMGT is providing its customers with fundamental content, data, analytics and insights. This enables them to move away from decisions based on instinct and embrace data as a means to navigate volatility.
- DMGT's businesses are not dependent on trade between the UK and the remaining EU members, other than the sourcing of newsprint for the Consumer Media business. Notwithstanding a period of political and macroeconomic uncertainty, the future is viewed with confidence.

Political uncertainty

Context to DMGT

- **Political policy decisions have direct and often unexpected impacts on the geographies and sectors in which DMGT operates and will continue to shape where and how DMGT pursues commercial and strategic opportunities.**

Market trend

- There is still long-term geopolitical and trading uncertainty for UK companies' operations abroad.
- Changing political landscapes throughout the world add to the climate of political uncertainty.

Our approach

- DMGT closely follows political changes and implications for the geographies and sectors in which it participates. In many instances, the uncertainty of changing political and regulatory norms presents commercial opportunities, as we help our customers anticipate implications for their business.
- We continually review our operations against changes to global sanctions and diplomatic relations.

Cyber security

Context to DMGT

- **As a provider of business-critical data, analytic tools for global industries and news media, DMGT is exposed to cyber security risks across its operations.**

Market trend

- Cyber security threat is a permanent business risk in the digital age. Governments and regulatory bodies are increasingly alert to the threat posed to individuals and society by security breaches.
- As customer confidence is easily eroded, enforcing the highest possible cyber security standards is critical for maintaining customer and market trust.

Our approach

- DMGT continues to strengthen its information security controls. The Group Chief Information Security Officer leads a continuous review of the cyber security landscape in order to roll out enhanced information security standards, compliance roadmaps and perform regular cyber security audits.
- The Executive Committee ensures senior-level engagement across the Group and appropriate investment in risk reduction.
- Incident reports, responses and best practices are shared across the Group to help ensure appropriate mitigation of any threat.

Our businesses are constantly looking to the future to identify and manage current and future trends. The most significant of these are identified here, as well as DMGT's approach to the trends.

Read more on the trends affecting the Group in Principal Risks, pages 40 to 47

Continuous innovation

Context to DMGT

- **Technological change and customer adoption rates of new technologies in our key sectors are accelerating, changing and erasing traditional business models.**

Market trend

- The speed of technology evolution is increasing the capital intensity of IT investment and product development, reducing business investment horizons.

Our approach

- As an entrepreneurial Group focused on digital growth, DMGT stays ahead by continually fostering innovation and embracing new ideas. This is reflected by DMGT's expectation of investing at least 5% of revenue in organic initiatives each year.
- DMGT has a family heritage which encourages long-term thinking and the application of patient capital. Consequently, the Group can invest for the future, seeding, incubating and nurturing innovative opportunities.
- Throughout DMGT's history, innovation and diversification have been essential elements of how we do business and have given us a wealth of experience to draw on in order to adapt to market changes.
- DMGT's investment approach enables us to remain close to customers through our portfolio of businesses. This provides greater insight into exactly what our customers value, engage with and, ultimately, want to buy.

Artificial intelligence

Context to DMGT

- **There is an increasing prevalence of systems and devices that are designed to act intelligently. There is also continued growth in the amount of data being generated, stored and made available for analysis. With the benefit of artificial intelligence, a smart system can quickly process and use data to inform and change its future behaviour. These developments create opportunities for DMGT and its businesses.**

Market trend

- Artificial intelligence, including machine learning, enables businesses to perform analysis on immense quantities of data and derive insights that were previously impossible to see.

Our approach

- DMGT's businesses help their customers to identify which information provides strategic value, access data from different sources and explore how algorithms can be used to improve processes and understanding. This area is evolving quickly and DMGT's businesses are embracing the opportunity to develop new products to increase efficiency.
- Statistical analytics are integral to many of the products and services that we continue to develop across our businesses.
- We have a central technology function with expertise in artificial intelligence, which is leveraged by the operating companies.

A competitive talent pool

Context to DMGT

- **Across the global workforce, top talent is drawn to companies that offer a compelling employee value proposition. This includes purpose beyond profit, competitive remuneration and continuing learning and development opportunities.**

Market trend

- Demand for top talent is always fierce, particularly in the critical areas of big data analytics, artificial intelligence and data science, where demand in many labour markets outstrips supply.

Our approach

- In competing for key employees, especially critical technology talent, DMGT is committed to enhancing its employee proposition.
- The central technology function coordinates Group-wide communication and mobility for technological talent.
- DMGT supports training and development in order to enhance employees' capabilities and transfer skills throughout the businesses. We also provide initiatives such as our talent development programmes to encourage rising talent within DMGT.
- Our Board of Directors meets emerging leaders at the operating companies as part of the schedule of Board meetings.

Delivering against clear strategic priorities

CEO Review

Overview

2020 will forever be defined by the Covid-19 pandemic and the extreme disruption and change that it brought to people and businesses across the world. In this context, I am immensely proud of the way that everyone at DMGT responded. Our people reacted to the situation with calm and compassion and demonstrated an impressive level of adaptability in unique circumstances.

Our transition to working remotely was smooth and we continued to deliver our products to customers seamlessly across the portfolio, other than the necessary cancellation of events. Of particular note, in March 2020 the Mail newspapers were produced remotely for the first time, an extraordinary achievement by our team.

Throughout this period, our customer relationships strengthened as we worked closely to understand how best to meet their needs in a rapidly changing environment. We remain immensely grateful for our customers' support.

DMGT's portfolio approach, combining high-quality, market-leading businesses, is a real source of strength and is helping us to manage through a challenging macroeconomic environment. Each business has been affected differently, depending on its sector and revenue model. In general, during the year, our subscription B2B businesses proved to be largely resilient, while our Consumer Media, UK Property Information and Events and Exhibitions businesses were all significantly impacted.

Encouragingly, we have continued to execute well against our three key strategic priorities of increasing portfolio focus, improving operational execution and maintaining financial flexibility. Our experience through Covid-19 is an important proof point of the progress made over the past few years. DMGT responded with agility, benefitting from the more focused portfolio of businesses and our performance management culture, and the Group is more operationally and financially resilient.

Response to Covid-19

The wellbeing of our people has been a priority since the onset of Covid-19 and swift action was taken to ensure a seamless and safe transition to remote working.

Key strategic priorities

Delivering on our potential

Improving operational execution	Increasing portfolio focus	Maintaining financial flexibility

We have also been actively involved in supporting our communities. We have always taken our role in society seriously and I am proud of the Group's response, which I believe is testament to that. We, together with Salesforce, launched Mail Force Charity to provide the NHS with supplies of PPE.

At Metro, we continued to print the newspaper for key workers on their daily commute. For those who were not able to travel to a newsagent, we strengthened our home delivery service and augmented 'Mail+', providing enhanced digital versions of the Daily Mail's content.

At Landmark, we assisted the NHS by providing free environmental reporting to support the design of the Nightingale hospitals, whilst at Hobsons, we provided Naviance Curriculum free of charge to schools across the US, to the benefit of more than three million students.

We also made a conscious decision, supported by the strength of our balance sheet, to prioritise the Group's self-sufficiency. We believed it was responsible not to take government support, allowing much-needed national resources to be applied elsewhere.

As a business, DMGT responded quickly and adapted to the uncertainty that we faced. We introduced a salary substitution plan, issuing equity for our higher earners. This was an innovative approach which we felt was fair for everyone, aligning employees' and shareholders' interests, and the response from employees was very positive.

Our businesses were quick to make measured reductions in costs, reducing overheads and discretionary spend across the portfolio. We also reprioritised DMGT's organic investment initiatives, realigning our priorities in light of the changing economic circumstances and accelerating digitisation in many of our sectors.

Finally, we worked closely with each of our businesses to put contingency plans in place. Any short-term decisions were balanced against the opportunity to create value in the long term.

Read more in Our Stakeholders, pages 32 to 39

Business highlights

Our performance over the last year was significantly impacted by Covid-19. The first five months of trading were, in fact, very encouraging but the onset of the pandemic caused severe disruption to some of our businesses.

Importantly, however, as a Group we continued to execute against our strategic priorities. We also benefitted from the diversity of our portfolio which now comprises a more focused set of businesses with leading market positions in attractive segments. We remain confident that these businesses are well placed to realise their potential over the medium to long term.

At the operating level, the Group delivered a mixed performance. Across the B2B portfolio, our subscription businesses proved resilient while UK Property Information and Events and Exhibitions were both significantly impacted. Although events continue to be affected by social distancing restrictions, it has been encouraging to see Landmark deliver an improvement in recent months. Consumer Media experienced a particularly difficult advertising market, as well as reduced circulation volumes during the UK lockdown, but it continued to outperform its market and has been profitable since June.

In Insurance Risk, the RMS team continues to execute well and product delivery remains on track. Risk Modeler 2.0 was made available on the Risk Intelligence platform in June, a major milestone as customers can now run all of RMS's natural catastrophe

Paul Zwillenberg
CEO

2020 will forever be defined by the Covid-19 pandemic and the extreme disruption and change that it brought to people and businesses across the world. In this context, I am immensely proud of the way that everyone at DMGT responded.

models on a single platform. This enables complex analysis across multiple perils, significantly faster run times and, very importantly, allows customers to move to the cloud, reducing their total cost of ownership.

Other releases include advanced applications for the Risk Intelligence platform as well as new and upgraded models, reflecting RMS's continued investment in model development. The importance of high-quality science, analytics and tools becomes even more apparent during uncertain times and we remain confident that RMS is well placed to create significant long-term value for shareholders.

Trepp, our US Property Information business, has benefitted from increased demand as customers seek to understand the risk and cash flow profile associated with the debt instruments they hold.

In EdTech, Hobsons has continued to grow and deliver margin improvement, benefitting from portfolio focus and improved operational execution.

Our Events and Exhibitions business has been severely affected by travel and social distancing restrictions across the world and, as a result, we cancelled or postponed all physical shows that were scheduled from March to September 2020. Importantly, we have insurance cover in place, reflecting DMGT's prudent approach, and this helped to partially offset the financial impact.

The impact of Covid-19 on Consumer Media resulted in lower circulation revenues and a pronounced reduction in advertising revenues across both print and digital formats. Growth in online traffic helped to mitigate the impact on digital, with MailOnline delivering revenue growth and increased profits for the year. The team at dmg media worked exceptionally hard to manage the operations during the pandemic and it is testament to their ability that the business quickly returned to profitability and maintained the quality of its content throughout.

We also continued to optimise our portfolio through the course of the financial year. The disposal of Genscape in November 2019 reduced our sector exposure from six to five and we also sold BuildFax, the US Property Information business, in October 2019.

Our position in existing sectors has been strengthened by bolt-on acquisitions. In Consumer Media, we acquired the 'i' newspaper and website in November 2019. Landmark, our UK Property Information business, acquired OneSearch Direct in December 2019, while 12 small shows were added to the Events and Exhibitions portfolio during the year. In October 2020, the Consumer Media business acquired three printing plants, strategically strengthening its position in the market.

We increased our investment in Cazoo in March and October 2020. Our stake in the online start-up business, which is transforming the UK used car market, was valued at over £400 million in October 2020.

The performance in FY 2020 across our Consumer Media and B2B businesses demonstrates the benefits of a well-balanced and diversified portfolio of businesses across different sectors. The actions taken over the past few years stood us in good stead for the environment we faced in the year.

Financial performance

Group revenues decreased 10% on an underlying basis despite continued growth from Insurance Risk, US Property Information and EdTech, reflecting the extremely challenging market conditions in the other sectors.

Cash operating income (cash OI) decreased 29% on an underlying basis, reflecting the impact of the Covid-19 pandemic on revenues, investment in the B2B businesses and reduced Corporate costs. Adjusted profit before tax was £72 million, an underlying decrease of 36%, and adjusted earnings per share decreased 32%, including reduced operating profits from associates, following the April 2019 distribution of DMGT's stake in Euromoney, and a reduction in the number of shares.

Statutory profit for the year increased £98 million to £189 million, including a gain on the disposal of Genscape, and statutory earnings per share increased 171%.

Throughout the year, DMGT continued to maintain a strong balance sheet with a substantial pro forma net cash position.

Tim Collier, Group Chief Financial Officer, describes DMGT's financial performance in further detail in the Financial Review (pages 23 to 31). An update on the progression of DMGT's Key Performance Indicators, used as a measure of our performance at a Group level, can be found on pages 14 and 15 of the Strategic Report.

Strategy update

The Group adjusted quickly to the changing market conditions. Importantly, our strategy remains the same and we continued to make good progress against our priorities. In recent years, we have materially streamlined the portfolio and focused on the assets with most potential. We have also strengthened the balance sheet significantly over that time and, as a result, we are well positioned to continue to manage through the ongoing crisis of the pandemic and its economic repercussions.

DMGT is continuing its transformation to become a higher-performance business with higher-quality revenue streams.

Delivering against clear strategic priorities

CEO Review

Covid-19 has presented challenges but it has also enabled us to accelerate change across our businesses. Going forward, we will continue to focus on the three strategic priorities which have served DMGT well in its transformation to date.

Increasing portfolio focus

Since my appointment as CEO four years ago, we have made good progress increasing the focus of our portfolio. Our emphasis in the current economic climate is to prioritise within our existing businesses.

In recent months, we have taken the opportunity to undertake a thorough review across the portfolio to ensure that our businesses have been performing as expected, have appropriate contingency plans in place and remain well positioned for a post-Covid-19 world. Having completed the review, I am satisfied that the businesses responded as we would have expected and that their plans are robust and fit for purpose.

While we increased portfolio focus through the disposals of Genscape and BuildFax, we also invested selectively, acquiring to strengthen our capabilities in Consumer Media, UK Property Information and Events and Exhibitions. We also invested in our 'Businesses for the future', notably increasing our holding in Cazoo.

As a result, the Group remains diversified by sector, geography and revenue stream and I am confident that our balanced portfolio remains well positioned. We also remain focused on ensuring we have a good balance across our three portfolio roles:

1. **Predictable performers.** These are among our largest businesses, are typically more mature and predictable, and form the economic bedrock of the Group. They include the Daily Mail, The Mail on Sunday, Metro, the 'i', Landmark and Trepp. Whilst some of these businesses have been significantly impacted by Covid-19, they are strong brands and have generally outperformed their respective markets this year.
2. **Growing and delivering.** These are businesses that are well positioned in attractive markets with long runways for future growth. Over the longer term, they are expected to deliver the majority of our revenue and profit growth. This group includes RMS, MailOnline, dmg events and Hobsons.
3. **Businesses for the future.** This remains a unique strength of DMGT; our ability to take a long-term approach to create the 'Growing and delivering' businesses of the future. These are essentially start-up businesses where technological changes create opportunities for us. This group includes Cazoo and Yopa. dmg ventures, our venture and early-stage investment division, will continue to play an important role in expanding our investments in this area.

Improving operational execution

The second area of strategic focus is improving operational execution. I am very pleased by how our businesses performed operationally in response to Covid-19. We have consistently taken a long-term approach, investing to position ourselves for a more digital future. Our actions this year, realigning priorities in some areas but continuing to invest, are testament to that.

It is clear that one trend that will dominate this era is the acceleration of digitisation across many industries. This is playing to DMGT's strengths. We will continue to invest in upgrading platforms and in our core

Clear portfolio roles

We have established clear roles for each business within the portfolio and the expectations for each business reflect their role.

Predictable performers	Growing and delivering	Businesses for the future
Predictable profit and cash generation to meet DMGT's obligations, fund investment and incubate 'Businesses for the future'	Revenue growth and margin improvement driving value creation	Option value for the future, tomorrow's 'Growing and delivering' businesses
Daily Mail, The Mail on Sunday, Metro, Landmark Information, Trepp, i	RMS, MailOnline, dmg::events, Hobsons	Cazoo, Yopa, dmg::ventures
• Innovate and extend core; seed 'Businesses for the future'. • Optimise efficient operations. • Leverage scale.	• Scale breakthrough products. • Harness operational gearing to drive margin. • Prioritise customer retention; grow market share.	• Exploit niche opportunities. • Establish scalable processes and infrastructure. • Innovate and act on rapid market feedback.

Strategic Report
Governance
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Delivering sustainable returns over the long term

DMGT's businesses have market-leading positions in growing sectors that are digitising. The strategy is built around a long-term philosophy and is comprised of three priorities: increasing portfolio focus, improving operational execution and maintaining financial flexibility. Although the combination of disposals and challenging market conditions has impacted financial performance, we continue to expect this position and strategy to drive sustainable revenue, profit, cash and EPS growth over the long term.

strength: quality, proprietary content combined with data science to deliver market-leading products. We believe that using sophisticated analytics to provide insights about risk is a notable opportunity.

During the year, we also applied a laser focus on operational execution, reducing potential cost commitments. This included headcount reduction at some of our businesses, to enhance the future profitability of individual product lines and support their margins.

We remain committed to ensuring that a high-performance culture pervades everything that we do, through a clear return on investment (ROI) mindset and a focus on cash OI.

Maintaining financial flexibility

Although the outlook is uncertain, we are well positioned to weather the storm, not least because of our strong balance sheet and commitment to maintaining financial flexibility. At the year end, we had £168 million pro forma net cash on the balance sheet.

Our capital allocation framework remains the same and underpins our strategy. Organic investment will continue to be the priority and was equivalent to 10% of revenues in FY 2020. DMGT has capacity for meaningful acquisitions and will remain highly disciplined. We will prioritise the allocation of capital towards opportunities that build on our skills in combining proprietary content, data science and sophisticated analytics, particularly those that deliver insights about risk.

The dividend remains the primary mechanism for delivering returns to shareholders and, despite the adverse impact of Covid-19, disposals and organic investment on short-term earnings, we have announced continued real dividend growth this year. This decision reflects the Group's long-term approach to capital management and allocation as well as the Board's confidence in DMGT's ability to deliver earnings growth over time, underpinned by a strong balance sheet.

Outlook

Whilst the outlook remains uncertain, our strategy remains the same. We will continue to invest, in a disciplined manner, through the cycle where we are confident of the returns.

Our businesses are all market leading and we have significant financial flexibility. I am highly confident that DMGT will come out of the current global crisis stronger and fitter.

Paul Zwillenberg
CEO

Measuring our performance

Key Performance Indicators

The Board seeks to deliver sustained long-term growth and value creation for DMGT's shareholders.

Due to DMGT holding a changing portfolio of different companies, many Key Performance Indicators (KPIs) that are targeted by individual businesses are not appropriate at a consolidated Group level. Examples include customer numbers, revenue per customer, employee productivity and employee engagement. The KPIs shown below, however, are considered to be good indicators of the Group's overall progress against its strategic priorities.

Key strategic priorities

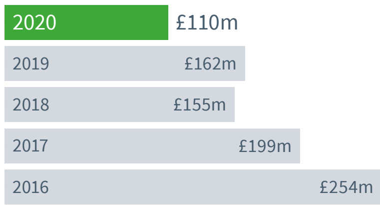
- Improving operational execution
- Increasing portfolio focus
- Maintaining financial flexibility

Description	Relevance	Performance	Narrative	Strategic priority
Underlying revenue growth^	Underlying revenue growth compares revenues on a like-for-like basis and is an important indicator of the health and trajectory of the individual businesses and the Group as a whole.	2020: (10)% 2019: +2% 2018: 0% 2017: +1% 2016: 0%	**Underlying revenue growth** (10)% **2019: +2%** The underlying revenue performance reflects the adverse impact of the Covid-19 pandemic on the trading of the Consumer Media, UK Property Information and Events and Exhibitions businesses.	Improving operational execution; Increasing portfolio focus
Group adjusted* profit before tax	DMGT actively manages its portfolio and allocates capital to increase adjusted profit before tax over the long term.	2020: £72m 2019: £145m 2018: £182m 2017: £226m 2016: £260m	**Group adjusted profit before tax** £72m **2019: £145m** Group adjusted profit before tax decreased by £73 million, an underlying 36%, reflecting challenging trading conditions due to Covid-19 as well as the disposal of B2B businesses and associates.	Improving operational execution; Increasing portfolio focus
Adjusted* earnings per share	Management seeks sustained long-term growth in adjusted earnings per share to maximise overall returns for DMGT's shareholders.	2020: 26.1p 2019: 38.6p 2018: 42.2p 2017: 55.6p 2016: 56.0p	**Adjusted earnings per share** 26.1p **2019: 38.6p** Adjusted earnings per share decreased by 32%, reflecting the reduction in adjusted profit before tax, partially offset by a reduction in the number of shares in issue that occurred in April 2019.	Improving operational execution; Increasing portfolio focus

Description | Relevance | Performance | Narrative | Strategic priority

Group adjusted* cash operating income

This metric adds back depreciation and amortisation and deducts capital expenditure from Group adjusted operating profit. It reflects the cash generation of the Group's businesses.



Group adjusted cash operating income

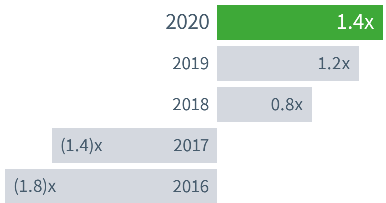
£110m

2019: £162m

Group adjusted cash operating income decreased by £52 million due to the substantial adverse impact of the Covid-19 pandemic on operating profit.

Net cash§/(debt): EBITDA ratio

Management aims to maintain a strong balance sheet and retain DMGT's investment-grade status and consequently targets the net (debt):EBITDA ratio to be no more than (2.0) throughout the year.



Net cash/(debt):EBITDA

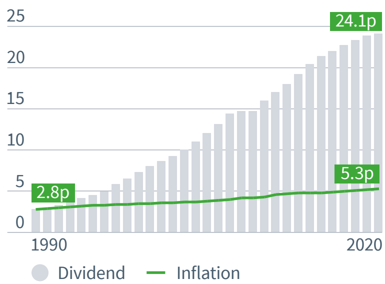
1.4x

2019: 1.2x

Despite the challenges of Covid-19, DMGT continues to maintain significant financial flexibility and remains in a net cash position.

Dividend per share

The Board's policy is to maintain dividend growth in real terms and, in the medium term, to distribute about one-third of the Group's adjusted earnings.



Dividend per share

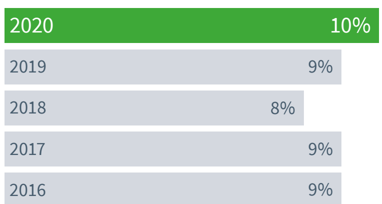
24.1p

2019: 23.9p

We have proposed a total full-year dividend of 24.1 pence, up by 1% from last year, continuing our strong track record of dividend growth and delivering an 8% cumulative annual growth rate over the past 30 years.

Organic investment¥ as a percentage of revenues

Investing back into the businesses to support product innovation and effective use of technology is key to delivering DMGT's sustained long-term growth. The Board expects at least 5% of revenues to be used for organic investment.



Organic investment as a % of revenues

10%

2019: 9%

DMGT continued to reinvest in the businesses during the year, notably in the B2B portfolio.

^ Underlying revenue growth is on a like-for-like basis, adjusted for constant exchange rates, the exclusion of disposals and business closures, the inclusion of the year-on-year organic growth from acquisitions and for the consistent timing of revenue recognition. For events, the comparisons are between events that were scheduled to be held in the year and the same events held the previous time, so are adversely affected by the cancellation or postponement of events. For Consumer Media, underlying revenues exclude low-margin newsprint resale activities. See pages 29 and 31.

§ See inside front cover.

* Before exceptional items, other gains and losses, impairment of goodwill and intangible assets, amortisation of intangible assets arising on business combinations, pension finance charges or credits and fair value adjustments; see Consolidated Income Statement on page 107 and the reconciliation in Note 13 to the Accounts.

¥ Organic investment is expenditure that is incurred with the objective of delivering long-term growth. It includes expenditure on product development, whether capitalised or expensed directly, and the adjusted operating losses of early-stage subsidiary businesses.

Operating Business Reviews
B2B

Summary

Our B2B companies operate in four sectors: Insurance Risk, Property Information, EdTech and Events & Exhibitions.

Total B2B	2020 £m	2019 £m	Movement %	Underlying^ %
Revenue*	**606**	738	(18)%	(7)%
Cash operating income*	**79**	126	(37)%	(27)%
Operating profit*	**69**	117	(41)%	(32)%
Cash operating income margin*	**13%**	17%		
Operating margin*	**11%**	16%		

* Adjusted results rather than statutory; see pages 28, 30 and 31 for details.
^ Underlying growth rates give a like-for-like comparison; see pages 29 and 31 for details.

Performance

Revenues from B2B totalled £606 million for the year, down 7% on an underlying basis, compared to 4% underlying growth during the first five months of the year. This reflected the severe impact of the Covid-19 pandemic on the UK Property Information and Events and Exhibitions businesses. The EdTech, Insurance Risk and US Property Information businesses continued to deliver revenue growth and collectively grew revenues by an underlying 3%.

Total B2B revenues decreased by 18% in absolute terms including the impact of disposals. The Energy Information business, Genscape, was disposed of in November 2019, reducing the number of B2B sectors from five to four, and the On-geo and BuildFax Property Information businesses were also disposed of in 2019.

B2B cash operating income (cash OI) decreased by an underlying 27% to £79 million, reflecting reduced revenues from Events and Exhibitions and UK Property Information, as well as planned investment in Insurance Risk, Property Information and EdTech. Similarly, B2B adjusted operating profits were down an underlying 32% to £69 million. The overall B2B cash OI margin and operating margin decreased to 13% and 11%, from 17% and 16% respectively.

Outlook

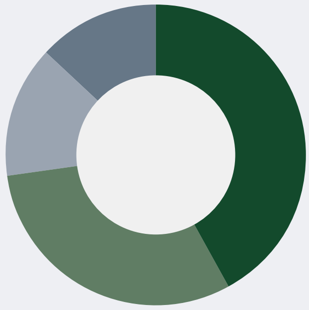
The B2B financial performance in FY 2021 is expected to continue to be affected by Covid-19, particularly that of the Events and Exhibitions business where events have been cancelled or postponed and social distancing precautions are expected to affect exhibitor and delegate attendance.

There will continue to be significant organic investment, reflecting the opportunities to create value over time. The cash OI margin and operating margin will depend on the rate at which UK Property Information and Events and Exhibitions revenues recover during the year.

Read more on the risks affecting our B2B businesses in Principal Risks, pages 40 to 47

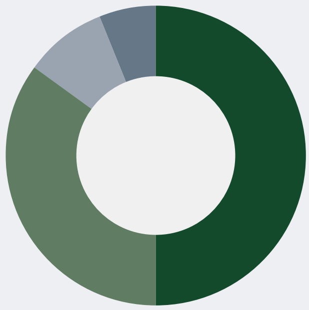
Adjusted revenue[µ] (%)

Insurance Risk	42
Property Information	31
EdTech	14
Events and Exhibitions	13



Adjusted operating profit[µ] (%)

Insurance Risk	50
Property Information	35
EdTech	9
Events and Exhibitions	6



µ Figures exclude Energy Information which was disposed of in November 2019.

Insurance Risk

	2020 £m	2019 £m	Movement %	Underlying^ %
Revenue	**248**	244	+2%	+2%
Cash operating income*	**35**	41	(14)%	(14)%
Operating profit*	**34**	40	(17)%	(16)%
Cash operating income margin*	**14%**	17%		
Operating margin*	**14%**	17%		

* Adjusted results rather than statutory; see pages 28, 30 and 31 for details.
^ Underlying growth rates give a like-for-like comparison; see pages 29 and 31 for details.

The Insurance Risk business, RMS, is focused on technological and risk model innovation, which continues to underpin its market-leading position in the catastrophe risk modelling market. During FY 2020, RMS increased its investment in research and development across software, data, data analytics, models and applications, accelerating elements of its product roadmap. RMS's Risk Intelligence software as a service (SaaS) platform was enhanced during the year and is expected to be an important enabler in the delivery of unified model analytics, as well as new products and services, particularly for the large and high-growth Insurance Risk Analytics market that the business is expanding into.

Business model

RMS's solutions help insurers, reinsurers, brokers, financial markets and public agencies evaluate and manage catastrophe risks throughout the world. RMS leads the catastrophe risk modelling industry that it helped to pioneer, delivering models, data, analytical services and software to its customers, mainly through multi-year subscriptions. RMS also offers a variety of managed and hosted services.

Insurers, reinsurers, brokers and other financial institutions trust RMS's solutions to improve their understanding and manage the risks of natural and human-made catastrophes, including hurricanes, earthquakes, floods, wildfires, cyber attacks and terrorism.

Performance highlights

Insurance Risk revenues grew by 2% on an underlying and reported basis to £248 million, reflecting high contract renewal rates as well as sales to new customers.

Investment increased as planned, to accelerate new product releases and unlock exciting long-term growth potential. RMS continues to expense these development costs as they are incurred and the cash OI margin and adjusted operating margin reflected this, both decreasing to 14% from 17% in the prior year.

2020 was a milestone year for RMS. In September, the company launched Risk Modeler 2.0 on the cloud-based Risk Intelligence platform. The launch enables, for the first time, a truly unified model and analytics platform, a goal that has been important to RMS's customers. Through Risk Modeler 2.0, RMS's RiskLink models and seven high-definition (HD) models now run on the platform, alongside the new 'IQ' applications. This significantly enhances the capabilities of Risk Intelligence, which is offered as SaaS and first launched in May 2019. It opens up opportunities for those customers requiring a fully unified platform, as well as enabling further adoption of HD models.

RMS announced the unified model product roadmap to its market at a virtual version of its annual customer conference, Exceedance, in May 2020. Risk Modeler 2.0 combines familiar features with an enhanced, intuitive user interface. It delivers significantly faster model execution, enables real-time model analytics and improves the price-performance metric for customers, targeting lower total cost of ownership. Customers that have signed up for Risk Modeler 2.0 are now deploying.

Risk Intelligence also offers a suite of new advanced applications that are tailored for specific analytics in support of portfolio management and underwriting tasks. ExposureIQ 1.3 was released in September 2020, helping customers gain a quicker assessment of potential losses before, during and after a catastrophic event, and the first customers have been onboarded. TreatyIQ, which is being made available in December 2020 and is in 'Preview' currently, harnesses Risk Intelligence's scale and architecture to enable the analysis of complex reinsurance portfolios. The 'IQ' products support RMS's expansion into the high-growth Insurance Risk Management Analytics market, which is approaching US$2.0 billion in size.

RMS continues to invest in model development, reflecting an ongoing commitment to build upon its market-leading position. A new HD Europe Convective Storm model was released in the year and updated versions of four other existing HD models were made available on Risk Modeler 2.0: Japan Typhoon, Japan Earthquake, European Flood and New Zealand Earthquake. RMS's continued investment in models remains important to customers and helped to expand long-term commercial relationships during the year, as well as win new customers.

Priorities in the year ahead

Given the strength of the business's customer proposition, the Board of DMGT remains confident that RMS is well placed to create good long-term value for shareholders. The focus for FY 2021 is on building on the strong foundation of the core business and supporting customers as they deploy on the cloud-based Risk Intelligence platform. RMS is expected to deliver modest revenue growth over the next year before a gradual acceleration as the new products and services gain further traction with customers. Accelerated investment to deliver the product roadmap will continue, albeit at a slightly reduced level to FY 2020. The FY 2021 operating margin is expected to reflect the benefit of the business having passed peak investment and subsequent profitability is expected to improve as revenue growth accelerates.

Property Information

	2020 £m	2019 £m	Movement %	Underlying^ %
Revenue	**187**	222	(16)%	(6)%
Cash operating income*	**29**	44	(34)%	(35)%
Operating profit*	**24**	41	(42)%	(42)%
Cash operating income margin*	**16%**	20%		
Operating margin*	**13%**	19%		

* Adjusted results rather than statutory; see pages 28, 30 and 31 for details.
^ Underlying growth rates give a like-for-like comparison; see pages 29 and 31 for details.

The Property Information portfolio is comprised of two businesses: Landmark Information Group (Landmark), which operates in the UK and Ireland; and Trepp in the US. Both companies are market leaders in their sectors and play an important role as strong cash generators for DMGT, although Landmark's FY 2020 performance was significantly affected by exceptionally weak conditions in the UK property market due to Covid-19.

Business model

Landmark derives revenues from providing services across the value chain, using technology, data and workflow to streamline and help reduce the risk associated with commercial and residential property transactions. The majority of Landmark's revenues are generated from volume-related transactions. Trepp provides risk, valuation and data solutions for the commercial

Operating Business Reviews

B2B

mortgage-backed securities (CMBS) market as well as tools, analytics and models for commercial real estate (CRE) investors and lenders. The majority of Trepp's revenues are from subscriptions.

Performance highlights

Property Information revenues for the year decreased 6% on an underlying basis, with continued growth from Trepp insufficient to offset reduced revenues at Landmark, which is the significantly larger business. During the first five months of the year, prior to the onset of Covid-19, revenues were stable. In absolute terms, Property Information revenues decreased 16% due to the disposal of On-geo, the German business, in June 2019 and BuildFax, the US business, in October 2019.

There was an underlying decrease in Property Information cash OI and adjusted operating profit, as well as a reduction in margins, as a result of the lower UK revenues and increased investment across both businesses.

Landmark

Property transaction volumes in the UK reduced as a result of the Covid-19 pandemic. The lockdown restrictions affected physical viewings of properties as well as the ability of estate agents, conveyancers and valuers to deliver their services. Landmark's revenues decreased accordingly. We consider there to be an inherent minimum transaction volume in a UK residential market that is functioning normally, due to death, divorce and default. This was breached, with volumes falling significantly below this floor from March through to June 2020, reflecting the distorting impact of the lockdown. Market activity has increased in recent months, supported by reductions in stamp duty introduced in July 2020, although volumes are expected to remain volatile.

Landmark made encouraging strategic and operational progress during the year, strengthening its product lines and market position. The business continues to invest in technology to make the processes involved in property transactions more efficient and transparent. Landmark amended its product roadmap, following the onset of Covid-19, to accelerate initiatives that are most likely to benefit from the digitisation of the sector.

In December 2019, Landmark made a small bolt-on acquisition, OneSearch Direct, to strengthen its conveyancing capabilities. The business provides property information and conveyancing solutions to solicitors and other customers in England and Wales.

Trepp

Trepp's revenue growth was driven by increased demand for its analytics and research, particularly in the banking and CRE sectors. New subscription bookings were particularly strong during the second half of the year, including for CMBS products, reflecting customers' desire to understand the risk and cash flow profile associated with debt instruments at a time of heightened market uncertainty. Significant product development in new market opportunities continued in the year to support Trepp's strong position with its customers. Trepp launched TreppCLO, its collateralised loan obligations (CLO) product, on a new integrated platform and continues to enhance the product. Trepp's new data lake, application programming interface (API) and business intelligence tools are expected to form the foundation, over the coming years, of both its unified technology infrastructure and its delivery platform for customers.

Priorities in the year ahead

In FY 2021, there will be continued investment to enhance Landmark's and Trepp's market-leading positions and drive future revenue growth. Notable initiatives include the integration of technology across Landmark's businesses, facilitating cross-selling opportunities, and the development of a centralised data lake at Trepp. Market conditions for Landmark are likely to remain volatile because of the Covid-19 pandemic and its economic repercussions, although its revenues may grow following a particularly weak FY 2020. Trepp is expected to grow sales and benefit from increased demand from its customers.

EdTech

	2020 £m	2019 £m	Movement %	Underlying^ %
Revenue	**85**	80	+7%	+7%
Cash operating income*	**10**	8	+21%	+19%
Operating profit*	**6**	4	+34%	+31%
Cash operating income margin*	**12%**	10%		
Operating margin*	**7%**	6%		

* Adjusted results rather than statutory; see pages 28, 30 and 31 for details.

^ Underlying growth rates give a like-for-like comparison; see pages 29 and 31 for details.

The EdTech business, Hobsons, is a leading provider of college and career readiness and student success solutions to the North American education market.

The business delivered continued underlying revenue growth during the year and made good progress with the modernisation of the core product platforms.

Business model

Hobsons offers college, career and life readiness tools to middle and high schools; student match and fit solutions for college admissions offices; and a student success platform for colleges and universities to help guide students from enrolment through to degree completion. Hobsons' revenues are mainly derived from subscription contracts with schools and colleges, with the balance from training and consulting services.

Performance highlights

EdTech revenues continued to grow, increasing 7% on an underlying and reported basis. Growth was achieved across each of Hobsons' three product lines: Naviance, the K-12 college and career readiness solution; Intersect, the higher education match and fit business; and Starfish, the higher education student retention and success platform.

The US higher education and K-12 markets have been unsettled by the potential social and economic ramifications of the Covid-19 pandemic. Customer budgets have come under pressure, affecting renewal rates as well as new bookings, and this resulted in slower revenue growth during the second half of the financial year.

The cash OI and adjusted operating profit margins increased, even with ongoing investment in technology and products. Hobsons has partially completed a product platform modernisation programme which is expected to reduce future operating costs and enable faster product development. The business also invested in customer-facing features and functionality to drive future revenue growth and enhance its strong market position.

The Naviance product was improved during the year by the development of enhanced analytics in respect of student readiness. Over 13,000 schools subscribe to the Naviance platform, with the product available to over 10 million pupils, including over 40% of US high school students. Enhancements were also made to the Intersect and Starfish product suites, with over 1,100 US colleges and universities now using these higher education products, driving better customer relationships and growth opportunities.

Priorities in the year ahead

Significant investment to modernise the core EdTech product platforms will continue and this is expected to affect profitability in FY 2021. Revenue growth is expected but at a slower rate, due to weaker customer budgets. Over the medium term, the business is well positioned to deliver growth and improved cash generation, supported by a continued focus on operational execution and the benefits of platform modernisation.

Events and Exhibitions

	2020 £m	2019 £m	Movement %	Underlying^ %
Revenue	**79**	119	(33)%	(35)%
Cash operating income*	**4**	22	(81)%	(51)%
Operating profit*	**4**	22	(83)%	(52)%
Cash operating income margin*	**5%**	19%		
Operating margin*	**5%**	19%		

* Adjusted results rather than statutory; see pages 28, 30 and 31 for details.
^ Underlying growth rates give a like-for-like comparison; see pages 29 and 31 for details.

The Events and Exhibitions business, dmg events, is an organiser of B2B exhibitions and conferences with industry-leading events in the energy, construction, interiors, hotel, hospitality and leisure sectors. The business has been severely affected by the impact of Covid-19. To ensure the safety of customers, employees, delegates and visitors, no physical events were held in the last seven months of the financial year. Prior to Covid-19, dmg events hosted over 50 events each year, attracting over 300,000 visitors and exhibitors from more than 100 different countries.

Business model

dmg events has strong market and brand positions, emerging market experience and an entrepreneurial culture. This creates opportunities for growth through geo-cloning existing events into new locations and by creating spin-off sections to become stand-alone events. Conversely, when the exhibition sector or end markets are challenged, events can be combined to save costs and support attendance. The key branded events are Big 5, ADIPEC, Gastech, INDEX and The Hotel Show, which all provide opportunities to develop the spin-off and geo-clone strategy. dmg events derives its revenues from exhibitor, sponsorship and delegate fees, with the top three events usually generating over half of the revenues.

Performance highlights

Events and Exhibitions revenues decreased by 35% on an underlying basis for the year, compared to 8% growth in the first five months of the financial year prior to the onset of Covid-19. ADIPEC and Big 5 Dubai, two of the three largest events, occurred in November 2019 and collectively delivered stable underlying revenues despite challenging conditions in the Middle East, notably in the construction sector. Gastech, the third large event, was postponed a year to September 2021 and is still expected to be held in Singapore.

The business acted quickly to reduce its cost base, including payroll and discretionary items, but continued to incur overhead costs throughout the year. dmg events also recognised £18 million of committed costs relating to events that were cancelled or postponed, of which £7 million was accelerated into FY 2020 in respect of events scheduled for FY 2021.

The business does, however, have insurance cover for communicable diseases, of up to US$20 million per financial year until September 2022, and the FY 2020 results include the full benefit of £16 million in respect of insurance. Both the cash OI margin and operating profit margin were 5%, reflecting the non-occurrence of events partially offset by insurance.

The acquisition of 11 small events from CWC Group, in April 2020, strengthened dmg events' position in the energy sector, especially in LNG and in Africa. Ethiopia's leading construction event, Addisbuild, was acquired in February 2020, strengthening the Big 5 construction portfolio.

Several virtual conferences and events have been run and are planned. Although not financially significant, they help to maintain the brand profiles, expand audiences and sustain customer relationships.

Priorities in the year ahead

dmg events has worked closely with its major customers and sponsors regarding the timing of scheduled events to ensure they are well attended and safely managed in the new environment.

Big 5 Dubai and ADIPEC have been rescheduled from November 2020 to September 2021 and November 2021 respectively. Consequently, the ADIPEC exhibition, the business's largest event, will not be held in FY 2021, although the adverse impact on operating profit is expected to be largely offset by the Group's insurance cover.

Similarly, several of the smaller events in the portfolio will not be held in FY 2021. Sales bookings for the larger events are generally encouraging at this early stage. However, social distancing measures, exhibitors' and delegates' willingness to travel internationally and challenging conditions in the oil, gas and construction sectors are likely to result in reduced revenues and profitability for those events that are held in FY 2021.

DMGT believes the longer-term outlook for Events and Exhibitions is strong, as the importance of face-to-face events increases in a digitising world, and the business will continue to launch new events where opportunities arise.

Energy Information

	2020 £m	2019 £m	Movement %	Underlying^ %
Revenue*	**7**	74	(90)%	N/A
Cash operating income*	**1**	12	(88)%	N/A
Operating profit*	**2**	8	(81)%	N/A
Cash operating income margin*	**20%**	16%		
Operating margin*	**23%**	11%		

* Adjusted results rather than statutory; see pages 28, 30 and 31 for details.
^ Underlying growth rates give a like-for-like comparison; see pages 29 and 31 for details.

DMGT no longer operates an Energy Information division, following the disposal of Genscape for US$364 million in November 2019.

Operating Business Reviews
Consumer Media

	2020 £m	2019 £m	Move-ment %	Under-lying^ %
Revenue	**604**	672	(10)%	(13)%
Cash operating income*	**64**	78	(18)%	(27)%
Operating profit*	**56**	67	(17)%	(27)%
Cash operating income margin*	**11%**	12%		
Operating margin*	**9%**	10%		

* Adjusted results rather than statutory; see pages 28, 30 and 31 for details.

^ Underlying growth rates give a like-for-like comparison; see pages 29 and 31 for details.

The Consumer Media business, dmg media, is focused on delivering high-quality, popular journalism to a large global audience. dmg media has prospered in an increasingly digital-oriented consumer media market. The combined strength of the Mail, Metro and 'i' brands creates innovative and exciting opportunities for advertisers through a sophisticated and targeted multi-channel approach.

Business model

dmg media's portfolio of news media businesses includes two of the UK's most read paid-for newspapers, the Daily Mail and The Mail on Sunday; Metro, its free newspaper, which was the UK's highest circulation weekday newspaper pre Covid-19; the 'i', the UK national newspaper and website; and MailOnline, one of the world's leading English-language newspaper websites.

The Mail brand reaches an average of over 30 million UK adults each month across its print and digital platforms. It has also achieved scale in other geographic markets, including the US and Australia. Combined, the Mail, Metro and 'i' brands reach over 65% of the UK's adult population on average each month, or one in five of UK adults each day.

dmg media's revenues are generated mainly from circulation and advertising revenues. Strong profits and cash flow continue to be generated by the paid-for newspapers and MailOnline. dmg media's future growth is expected to be driven by the digital businesses.

Performance highlights

Covid-19 affected trading from March 2020. In the first five months, revenues grew an underlying 1% but decreased by an underlying 13% over the full year to £604 million. Full year underlying growth of 3% from MailOnline was more than offset by a 7% decrease in circulation revenues and a 30% decline in print advertising revenues.

Circulation volumes were impacted by the UK lockdown and the pandemic resulted in a pronounced reduction in advertising revenues. The impact on print advertising was exacerbated by reduced readership of Metro, whilst the effect on digital advertising was partly offset by increased traffic.

Total Consumer Media revenues decreased 10% in absolute terms, benefitting from the inclusion of the 'i', which was acquired at the end of November 2019.

The cash OI margin and the adjusted operating margin reduced to 11% and 9% respectively, with the benefit of the 'i' acquisition, and improved margins from MailOnline, more than offset by the challenging trading conditions. Cash OI and adjusted operating profit both decreased by an underlying 27% to £64 million and £56 million respectively. The focus on managing costs increased further following the onset of Covid-19 and total adjusted costs were down 9%, or £57 million, despite the addition of the 'i'.

In October 2020, three printing plants were acquired, strategically strengthening dmg media's position in the market.

Mail businesses

Revenues from the combined newspaper, website and TV businesses (the Daily Mail, The Mail on Sunday, MailOnline and DailyMailTV) decreased by an underlying 9% to £508 million, of which £144 million was generated by MailOnline.

Total advertising revenues across the Mail businesses decreased by an underlying 9% to £231 million, including a 26% decline in print advertising revenues, reflecting the impact of Covid-19 as well as the continued structural and competitive challenges facing the UK national newspaper advertising market. Digital advertising accounted for 65% of total advertising across the Mail businesses.

The newspapers' competitive position remains strong, with large and growing UK retail market shares held by the Daily Mail and The Mail on Sunday, estimated to be 26.4% and 23.7% for the year respectively. The Mail newspapers' circulation revenues decreased by 7% to £264 million, with lower volumes partly offset by the benefit of a 10 pence cover price increase of the Saturday edition to £1.10 in January 2020.

Demand for digital versions of the newspapers' content increased significantly during the year. The 'Mail+' briefings service, which offers readers additional insight, news and entertainment via video, podcast and articles, was launched in October 2019 and by September 2020 attracted over 120,000 unique visitors a week. Similarly, subscribers to 'The Digital Edition', a paid-for enhanced digital version of the newspaper, have more than doubled to over 80,000.

MailOnline continued to focus on attracting traffic directly to its homepages, on desktop and mobile, or its apps. There was good audience growth in the year, with total average daily global unique browsers, excluding other platforms such as Snapchat and Facebook video, increasing by 38% to 17.3 million. This audience growth included the benefit of indirect traffic, primarily via social media and search platforms, driven by interest in the Covid-19 pandemic. Total minutes spent on the site, excluding time viewing videos, increased 14% to a daily average of 145 million. The direct audience accounted for 79% of minutes spent, reflecting continued high levels of engagement with these valuable and loyal consumers.

DailyMailTV continues to raise awareness of MailOnline in the US, though the business's own revenues decreased to £8 million in the year, compared to £13 million in the prior year, and costs were managed appropriately. The show is currently in its fourth season and attracts an average of 1.1 million viewers a day.

Metro

Following the onset of Covid-19 and the implementation of lockdown measures, Metro's circulation volumes were initially reduced to approximately a quarter of the usual pre-Covid-19 level. Readership has increased as more commuters have returned to using public transport but as at September 2020, volumes were still less than half of the pre-Covid-19 level. Revenues decreased by 40% to £47 million for the year, reflecting a particularly challenging print advertising market as well as the reduced readership. Prior to Covid-19, Metro was read by an average of 2.3 million people each day and had the largest Monday to Friday share by volume of the UK newspaper advertising market, excluding supplements. Revenues would benefit from increased usage of public transport and a recovery in the print advertising market.

The 'i'

The 'i', the UK national newspaper and website, was acquired for £50 million in late November 2019. The business has an established reputation for quality journalism, with a loyal and engaged readership, and DMGT is committed to preserving its distinctive and politically independent editorial style. Revenues decreased an underlying 10% to £27 million in the 10 months of ownership to September 2020, reflecting the impact of lockdown measures on circulation and the particularly challenging advertising market. Following a review of the acquisition by the UK Competition and Markets Authority, the business was integrated into dmg media's existing infrastructure during the second half of the year, realising all the planned cost savings. There is also scope, as the advertising market recovers, for revenues to benefit from the combined reach of dmg media's titles.

Response to Covid-19

Swift action was taken to ensure a seamless and safe transition to remote working and product delivery was uninterrupted, including the newspapers. The titles play an important role in keeping readers informed and the decision was made to operate Metro at a loss to ensure the provision of free newspapers for key workers.

Mail Force Charity was established in the year to provide equipment for the NHS and charities. It received considerable support from readers of the Mail titles.

Across the Consumer Media portfolio, the titles have supported advertisers, providing small businesses with £5 million worth of free space.

Read more in Our Stakeholders, pages 32 to 39

Priorities in the year ahead

dmg media will continue to harness the value of the Mail and 'i' brands for both readers and advertisers and invest in the quality of their popular journalism to drive and engage audiences. The cost base of the newspaper businesses will continue to be well managed with a measured approach that ensures the quality of the content is not compromised, consistent with DMGT's strategy of supporting the longevity of the newspapers' strong cash generation.

The advertising market inherently lacks visibility and conditions are likely to remain both challenging and volatile until economic confidence returns. Circulation volumes of the Mail and 'i' are expected to decline from current levels. The cash OI margin and operating margin will reflect a mix of the revenue dynamics and the benefit of continued cost efficiencies within the newspapers.

Read more on the risks affecting our Consumer Media businesses in Principal Risks, pages 40 to 47

Operating Business Reviews

Joint ventures, associates and dmg ventures

As well as a diverse portfolio of operating companies, DMGT holds minority stakes in early-stage businesses.

Joint ventures and associates

	2020 £m	2019 £m	Movement %	Underlying^ %
Euromoney Institutional Investor PLC	–	23	(100)%	N/A
Other joint ventures and associates	(8)	(10)	(25)%	(25)%
Total share of adjusted operating (losses)/profits*	**(8)**	**13**	**N/A**	**(25)%**

* Adjusted results rather than statutory; see pages 28, 30 and 31 for details.
^ Underlying growth rates give a like-for-like comparison; see pages 29 and 31 for details.

Current notable associates include:

- c.45% stake in Yopa, a UK hybrid estate agent;
- c.27% stake in Praedicat, which is dedicated to improving the underwriting and management of casualty risk; and
- c.24% stake in Excalibur, which operates the online discount businesses Wowcher and LivingSocial UK.

There were no profits in the year from Euromoney Institutional Investor PLC (Euromoney), the UK-listed company that DMGT founded. This followed the distribution in April 2019 of all of DMGT's c.49% stake to DMGT's shareholders.

DMGT holds a portfolio of early-stage associates and the Group's net share of adjusted operating losses from its joint ventures and associates was £8 million in the year. This compared to a £13 million net profit, including Euromoney, and £10 million net loss from other joint ventures and associates in FY 2019. Yopa made good operational progress in the year, disrupting the estate agency sector and strengthening its position within a particularly challenged market.

Investments and dmg ventures

As well as joint ventures and associates, DMGT invests in and develops early-stage businesses in which the Group holds smaller stakes. As the percentage holdings are too small or DMGT's level of influence insufficient for the companies to be associates, the Group does not recognise a share of profits or losses from these investments.

dmg ventures is responsible for DMGT's minority and early-stage investments, including some associates. It focuses on investing in companies with disruptive consumer propositions which need to scale and can leverage the Group's assets to do so. In some cases, equity stakes are acquired by providing advertising in DMGT's Consumer Media products, reflecting the extensive reach of the Mail and Metro brands.

DMGT's most significant investment is Cazoo, which aims to transform the way people buy used cars in the UK and has the potential to develop into a major business. Cazoo successfully launched its services to customers in December 2019 and DMGT increased its stake from c.19% to c.23% in March 2020. DMGT participated in a subsequent funding round on 7 October 2020 and its stake of c.22%, or c.20% on a fully diluted basis, was valued at £409 million, compared to a total cost of £117 million.

Other notable investments include Kortext, the leading supplier to UK universities of digital textbook and learning solutions, and Farewill, the UK-based provider of a legal and financial services platform intended to deal with all paperwork after death.

The year ahead

DMGT's joint ventures and associates are primarily investment-stage businesses and DMGT does not control them, unlike subsidiaries. The current expectation is that they will continue to generate significant cumulative net losses in FY 2021.

Focused on driving long-term shareholder value

Financial Review

DMGT has a strong balance sheet and the foundations in place to deliver long-term growth.

Tim Collier
Group Chief Financial Officer

DMGT's clear portfolio roles, strong balance sheet and clear and disciplined approach to value creation, position the Group well to invest in opportunities and to deliver sustained growth over the long term.

The Financial Review details DMGT's performance during a year when some of DMGT's businesses faced particularly challenging market conditions because of the Covid-19 pandemic.

The statutory results reflect the exclusion of discontinued operations, namely Genscape, the Energy Information business, from revenue, operating profit and profit before tax. They include gains on disposals and exceptional items. Profit for the year was £189 million, a £98 million increase on the prior year, including a gain on the disposal of Genscape. Similarly, statutory earnings per share increased 171%.

Maintaining financial flexibility remains a key strategic priority and DMGT's balance sheet was strong throughout the year, with pro forma net cash of £168 million and statutory net cash of £185 million at the year end.

The recommended final dividend of 16.6 pence per share gives a total for the year of 24.1 pence, up 1% on the prior year, continuing DMGT's track record of delivering annual real dividend per share growth. The recommendation reflects DMGT's long-term approach to capital management and allocation as well as the Board's confidence in the Group's ability to deliver earnings growth and value creation over time, underpinned by a strong balance sheet.

The Board and management team use adjusted results and measures, rather than statutory results, as the primary basis for providing insight into the financial performance of the Group and the way it is managed. Similarly, adjusted results are used in setting management remuneration. Adjusted results exclude certain items which, if included, could distort the understanding of comparative performance of the business during the year. Consequently, the rest of this Financial Review focuses on adjusted measures. The explanations for the adjustments and the reconciliations to statutory results are shown on pages 28, 30 and 31.

When assessing revenue and profit growth, the Board and management focus on underlying growth rates as the most meaningful like-for-like comparison between the current year and the prior year. A more detailed explanation and the calculations are shown on pages 29 and 31.

Financial highlights: statutory results

Revenue
£1,203m
2019: £1,337m

Operating profit
£15m
2019: £67m

Profit before tax
£52m
2019: £134m

Profit for the year
£189m
2019: £91m

Earnings per share
83.1p
2019: 30.7p

Dividend per share
24.1p
2019: 23.9p

Go online to www.dmgt.com to read more about our Financial highlights

Focused on driving long-term shareholder value

Financial Review

Financial highlights: adjusted measures*

Underlying^ revenue growth
(10)%
2019: +2%

Underlying^ cash operating income growth
(29)%
2019: +10%

Underlying^ operating profit growth
(35)%
2019: +6%

Operating margin
7%
2019: 10%

Underlying^ PBT growth
(36)%
2019: +19%

EPS growth
(32)%
2019: (8)%

Net cash§
£168m
2019: £247m

Net cash§:EBITDA
1.4x
2019: 1.2x

Footnotes in this Financial Review are defined on the inside front cover with the exception of that below.

^ Underlying growth rates are on a like-for-like basis, see pages 29 and 31. Underlying revenues, cash operating income and operating profits are adjusted for constant exchange rates, the exclusion of disposals and business closures, the inclusion of the year-on-year organic growth from acquisitions and for the consistent timing of revenue recognition. Cash operating income, operating profits and finance costs are also adjusted in respect of IFRS 16, so the calculation methodology is consistent across years. For events, the comparisons are between events held in the year and the same events held the previous time and underlying growth includes the adverse impact of event cancellations and postponements. Consequently, underlying growth rates include all costs for events that were scheduled in FY 2020 and were cancelled or postponed, but exclude all costs associated with events originally scheduled in FY 2021. For Consumer Media, underlying revenues exclude low-margin newsprint resale activities. The underlying change in the share of operating profits from joint ventures and associates excludes Euromoney Institutional Investor PLC.

Performance highlights

The Group's overall financial performance in the year includes a strong first five months of trading followed by seven months of weakness due to the Covid-19 pandemic, albeit with some improvement towards the end of the year. The Consumer Media, Events and Exhibitions and UK Property Information businesses were particularly affected by Covid-19 whilst Insurance Risk, EdTech and US Property Information businesses continued to grow revenues. The financial performance also reflects the impact of disposals and investment in the B2B portfolio, consistent with DMGT's long-term approach to value creation.

Group revenue decreased 10% on an underlying basis. Subscription revenue grew by an underlying 3%, with growth across the Insurance Risk, EdTech and US Property Information businesses. The Covid-19 crisis resulted in significant underlying decreases in revenues with events down 35%, print advertising down 30% and transaction revenues down 13%, reflecting lower transaction volumes in the UK property market. Circulation revenues recovered well following the easing of UK lockdown restrictions and decreased by an underlying 7% over the year. Despite a significantly weaker advertising market, digital revenues grew an underlying 4% including the benefit of increased online traffic.

Cash operating income (cash OI) and adjusted operating profit decreased by 29% and 35% respectively on an underlying basis. The performance reflected the impact of the Covid-19 pandemic on revenues, investment in the B2B businesses and reduced Corporate costs. Group adjusted operating margin was 7%, compared to 10% in the prior year. Adjusted profit before tax was £72 million, a 50% decrease on the prior year, reflecting the benefit of reduced finance costs being more than offset by a reduction in the share of operating profits from associates. On an underlying basis, adjusted profit before tax decreased 36%.

DMGT continues to maintain significant financial flexibility, consistent with the Group's key strategic priorities, and was in a net cash position throughout the year. DMGT ended the year with pro forma net cash§ of £168 million. The year end pro forma net cash to adjusted earnings before interest, tax, depreciation and amortisation (EBITDA) ratio, which is stated after adjusting EBITDA to include lease costs, was 1.4.

Revenue performance

Group revenues in the financial year decreased 10% on an underlying basis. Adjusted revenues decreased 14% in absolute terms to £1,211 million as the benefit of acquisitions was more than offset by the impact of disposals. The average exchange rate during the year was £1:$1.28, the same as the prior year.

Revenues from B2B businesses decreased 7% on an underlying basis, to £606 million. Growth from Insurance Risk, EdTech and the US Property Information business, Trepp, was more than offset by Events and Exhibitions and the European Property Information business, Landmark Information Group, as the scheduling of shows and UK property transaction volumes were particularly affected by the Covid-19 pandemic. B2B revenues decreased by 18% on an absolute basis, following the disposal of the Energy Information business and certain Property Information businesses in 2019.

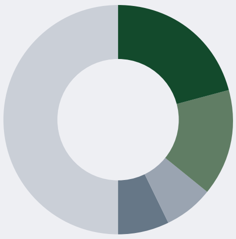
Revenues from the Consumer Media business, dmg media, decreased 13% on an underlying basis to £604 million. The Covid-19 pandemic resulted in a significantly weaker advertising market and reduced circulation volumes, though MailOnline's revenues continued to grow, benefitting from increased traffic.

The charts on page 25 demonstrate the diverse profile of DMGT's revenues.

Read more on each operating business's revenue performance, pages 16 to 21

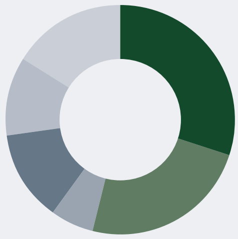
Adjusted revenue profile[µ]

By business (%)



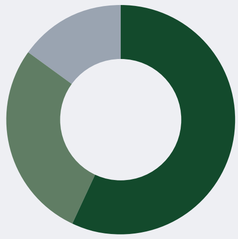
Insurance Risk	21
Property Information	15
EdTech	7
Events and Exhibitions	7
Consumer Media	50

By type (%)



Subscriptions	30
Circulation	24
Events	6
Digital advertising	13
Print advertising	11
Transactions and other	16

By destination (%)



UK	57
North America	28
Rest of the World	15

µ Revenue figures exclude Energy Information which was disposed of in November 2019.

Cash operating income

Cash OI is a performance metric used by DMGT to assess the cash generation of its businesses. It is calculated by adding back depreciation and amortisation expenses, which are non-cash items, to adjusted operating profit and then deducting capital expenditure. The depreciation charge on right-of-use assets, which has resulted since the adoption of IFRS 16, the lease accounting standard, is not added back when calculating cash OI. In the financial year, cash OI for the Group as a whole was £110 million, a £52 million decrease compared to the prior year, primarily due to a £54 million reduction in adjusted operating profit. Capital expenditure was £18 million in the year, a £12 million reduction on the prior year, and the beneficial impact on cash OI was largely offset by a £9 million reduction in depreciation and amortisation. Cash OI decreased by 29% on an underlying basis as reduced Corporate costs were more than offset by the B2B businesses and Consumer Media.

Business performance

	Revenues				Cash operating income*				Operating profit*			
	FY 2020	FY 2019	Growth		FY 2020	FY 2019	Growth		FY 2020	FY 2019	Growth	
	£m	£m	Reported	Underlying^	£m	£m	Reported	Underlying^	£m	£m	Reported	Underlying^
Insurance Risk	**248**	244	+2%	+2%	**35**	41	(14)%	(14)%	**34**	40	(17)%	(16)%
Property Information	**187**	222	(16)%	(6)%	**29**	44	(34)%	(35)%	**24**	41	(42)%	(42)%
EdTech	**85**	80	+7%	+7%	**10**	8	+21%	+19%	**6**	4	+34%	+31%
Events and Exhibitions	**79**	119	(33)%	(35)%	**4**	22	(81)%	(51)%	**4**	22	(83)%	(52)%
Energy Information	**7**	74	(90)%	N/A	**1**	12	(88)%	N/A	**2**	8	(81)%	N/A
B2B	**606**	738	(18)%	(7)%	**79**	126	(37)%	(27)%	**69**	117	(41)%	(32)%
Consumer Media	**604**	672	(10)%	(13)%	**64**	78	(18)%	(27)%	**56**	67	(17)%	(27)%
Corporate costs					**(34)**	(43)	(21)%	(21)%	**(35)**	(40)	(12)%	(12)%
DMGT	**1,211**	**1,411**	(14)%	(10)%	**110**	**162**	(32)%	(29)%	**90**	**144**	(38)%	(35)%

Cash operating income

£ million	Source	FY 2020	FY 2019
Adjusted Group operating profit	Tables on page 28	**90**	144
Add: Depreciation of tangible fixed assets	Note 3	**23**	25
Add: Amortisation of intangible fixed assets (e.g. products and software)	Note 3	**15**	22
Less: Purchase of tangible fixed assets	Cash flow	**(12)**	(16)
Less: Expenditure on intangible fixed assets (e.g. products and software)	Cash flow	**(6)**	(14)
DMGT Cash operating income		**110**	**162**

Amounts in the tables are stated rounded to the nearest million pounds, consequently totals may not equal the sum of the component integers.

Focused on driving long-term shareholder value
Financial Review

Operating profit performance

Adjusted operating profit of £90 million decreased by 35% on an underlying basis and 38% on a reported basis, reflecting the impact of the Covid-19 pandemic on revenues as well as investment in the B2B portfolio, with product development and technology costs largely being expensed rather than capitalised.

The adjusted operating profit of the Group's B2B operations decreased by an underlying 32% to £69 million, reflecting the impact of Covid-19 on Events and Exhibitions and the UK Property Information business, as well as planned investment in Insurance Risk, Property Information and EdTech. The adjusted operating profit from Consumer Media decreased by an underlying 27% to £56 million as the adverse impact of Covid-19 on revenues, particularly advertising, more than offset the benefit of reductions in the Mail Newspapers and Metro cost bases. Corporate costs decreased by an underlying 12% to £35 million, including reduced remuneration costs as well as management of the cost base.

Joint ventures and associates

The Group's share of the adjusted operating losses* from its joint ventures and associates was £8 million, a £21 million change compared to net profits of £13 million in the prior year. There were no profits from Euromoney Institutional Investor PLC in the year, compared to £23 million in the prior year, as all of the Euromoney shares held by DMGT were distributed to DMGT's shareholders in April 2019.

Read more on our JVs and associates' performance, page 22

Financing costs

Adjusted net finance costs were £10 million, a 17% reduction on the prior year, primarily due to the maturing of £219 million of bond debt in December 2018. The decrease in net finance costs was 36% on an underlying basis, after adjusting for £2 million of finance costs recognised following the adoption of IFRS 16.

The pension finance credit, which is excluded from adjusted results, was £4 million compared to £7 million in the prior year.

Results before taxation

Adjusted profit before tax was £72 million, an underlying decrease of 36%, with the decrease in adjusted operating profit partly offset by reduced net finance costs. Including the impact of the Euromoney distributions, adjusted profit before tax was £73 million less than the prior year.

Taxation

The adjusted tax charge for the year, after excluding the effect of exceptional items, was £13 million, see Note 11, compared to £29 million in the prior year. The adjusted tax rate was 18%, a slight reduction on 20% in the prior year and less than previously expected, primarily due to a reduced US tax charge, reflecting the benefit from the Foreign-Derived Intangibles Income (FDII) incentive.

The statutory tax credit for the year was £1 million and there was also a statutory tax charge of £11 million on discontinued operations, giving a total charge of £10 million. There were £3 million of net exceptional tax credits in total.

Go online to www.dmgt.com to read our tax policy

Profit after tax

Adjusted Group profit after tax and minority interests was £59 million, a decrease of 48%.

Earnings per share

Adjusted basic earnings per share were 26.1 pence, down 32%. The weighted average number of shares in issue during the year, excluding shares held in Treasury and the Employee Benefit Trust, was 227.8 million, a significant reduction from 296.4 million in the previous year, following the April 2019 Euromoney distributions and special dividend.

Net cash and cash flow

Pro forma net cash§ at the end of the year was £168 million, a decrease of £79 million compared to the start of the year. Pro forma net cash is stated after adjusting to exclude cash that was made available to the Group's pension schemes in April 2019, but which currently remains as cash on DMGT's balance sheet; and exclude lease liabilities that are included in statutory net cash following the adoption of IFRS 16. The lease liabilities largely reflect the future operating costs of renting office space and are not considered a component of net debt when the Board reviews the Group's available capital. Consequently, they are excluded from pro forma net cash.

The pro forma net cash:EBITDA ratio was 1.4 at the year end.

The Group's cash OI of £110 million is stated after £18 million of capital expenditure, a significant reduction on £30 million in the prior year which reflects product development and technology costs largely being expensed rather than capitalised. The Group remains committed to investing for the long term and organic investment was equivalent to 10% of revenues in the year. Other operating cash net outflows totalled £11 million including £18 million of funding into the Employee Benefit Trust. Group operating cash flow was £99 million and the conversion rate of operating profits to operating cash flow was 110%, compared to 109% in the prior year.

Pro forma net expenditure on acquisitions and investments, including proceeds from disposals, was £84 million. Proceeds from the disposal of the Energy Information business, Genscape, were included in the pro forma net cash at the start of the year and so are excluded from the pro forma cash flow. The net expenditure included £50 million to acquire the 'i' newspaper and website and £37 million invested in Cazoo, the early-stage business accounted for as an investment. There were proceeds of £20 million from the disposal of BuildFax, the US Property Information business.

Payments in the year included dividends of £55 million, pension funding payments of £16 million, taxation of £8 million and net interest of £6 million. The weaker US dollar at year end, relative to the prior year end, resulted in an adverse cash revaluation of £9 million.

The Group's cash, cash equivalents and short-term deposits, net of overdrafts, totalled £480 million at year end. On a pro forma basis, excluding £117 million made available for the pension schemes, the Group's pro forma gross cash, cash equivalents and short-term deposits totalled £363 million.

At year end, bond debt was £204 million, with £1 million maturing in April 2021 and £203 million maturing in June 2027.

Net cash

£ million	FY 2020	FY 2019
Statutory net cash as at 30 September	**185**	82
Include proceeds from November 2019 disposal of Energy Information	**–**	282
Exclude cash made available to pension schemes	**(117)**	(117)
Exclude IFRS 16 lease liabilities	**100**	–
Pro forma net cash as at 30 September	**168**	**247**

There was also £8 million of net cash in respect of collateral and derivatives. The Group's committed bank facilities were £373 million, which were completely unutilised.

Fitch reaffirmed DMGT's BBB- investment grade corporate credit rating in May 2020 and Standard & Poor's BB credit rating as at April 2019 remains unchanged. The Group's preferred upper limit for gearing remains a net debt to EBITDA ratio of 2.0, below the requirements of the Group's bank covenants.

Capital allocation framework

DMGT prioritises organic investment opportunities and takes a long-term approach, investing through the cycle as demonstrated during the year. The dividend remains DMGT's second capital allocation priority and is the primary mechanism for returning capital to shareholders.

The Group adopts a balanced and flexible approach to uses of capital across the two remaining categories: acquisitions and shareholder returns. DMGT has capacity for meaningful acquisitions and will remain highly disciplined. We will prioritise the allocation of capital towards opportunities that build on our skills in combining proprietary content, data science and sophisticated analytics, particularly those that deliver insights about risk.

DMGT has always taken a long-term approach to capital management, avoiding issuing new equity to shareholders. Maintaining financial flexibility remains a strategic priority, enabling the Group to be acquisitive in the future, as opportunities arise.

Pensions

The Group's defined benefit pension schemes provide retirement benefits for UK staff, largely in dmg media. These schemes are closed to new entrants. The pro forma net surplus on the schemes decreased from £332 million at the start of the year to £240 million at 30 September 2020, calculated in accordance with IAS 19 (Revised). The pro forma surplus includes £117 million that has been made available to the pension schemes but which currently remains as cash on DMGT's balance sheet, as well as the statutory net surplus of £123 million. During the year, there was an increase in the value of the defined benefit obligation, caused by lower discount rates, and a decrease in the value of the assets.

Funding payments into the main schemes were £16 million in the year. The actuarial valuation of the pension schemes as at 31 March 2019 showed that the schemes remain in deficit on an actuarial basis.

Viability Statement

In accordance with provision 31 of the 2018 UK Corporate Governance Code, the Directors have assessed the prospects of the Company. The Board has determined that a three year period is an appropriate term to assess DMGT's viability because this is consistent with near-term visibility of certain market trends and previous viability assessments. This period also coincides with the maturity of the Group's committed bank facilities.

The Board's assessment of the Company's future prospects and viability determined the Group's overall risk capacity by considering banking and bond covenants, other financial commitments and borrowing capacity to determine the maximum loss from risk events that the Group could endure whilst remaining viable. The assessment has also been made with reference to the Group's current position and prospects, the Group strategy, the Board's risk appetite and principal risks, which the Directors review at least annually. The key factors affecting the Group's future prospects and viability are:

- DMGT manages a portfolio of operating companies with diversity across sector, revenue stream and geography. See page 25 for the Group's revenue profile;
- financial flexibility through a strong balance sheet with continued good cash flow generation and a net debt to EBITDA ratio comfortably below our preferred upper limit;
- the Group's ability to restructure quickly through the portfolio management of operating company subsidiaries; and
- the long-term view of the Company afforded by the family shareholding.

Group forecast revenue, operating profit, EBITDA and cash flows were subject to robust downside stress testing over the assessment period, which involved modelling the impact of a combination of hypothetical and severe adverse scenarios. This was focused on the impact of a number of severe but plausible principal risks crystallising, including:

- the impact of successive key product investment failures across the Group;
- the impact of a significantly accelerated decline in circulation volumes and print advertising and lower growth in digital advertising affecting profits from the Consumer Media businesses;
- the impact of a significant decline in UK housing transaction volumes affecting profits from the UK Property Information business;
- the impact of a severe cyber attack resulting in the loss of high volumes of personal data, considering both the reputational impact, recovery costs and regulatory fines;
- the impact of macroeconomic factors including large foreign exchange fluctuations, significant increases in interest rates and corporation tax increases; and
- the impact of continued disruption caused by the Covid-19 pandemic on the Group's Consumer Media, UK Property Information and Events and Exhibitions businesses.

The Group has also considered the specific uncertainties of Brexit on its future viability by modelling scenarios which include the impact of a reduction in the number of housing transactions on its UK Property Information business and increases in the cost and reductions in the availability of newsprint on its Consumer Media business.

Mitigations considered as part of the stress testing included a number of cost reduction programmes and disposals of operating company subsidiaries.

In addition to the mitigation actions described above, the Group has access to undrawn committed bank facilities of £373 million which expire in March 2023 and, as at September 2020, has pro forma net cash of £168 million. This provides the Group with £541 million of committed funds available to it.

Based on the analysis described above, the Directors confirm that they have a reasonable expectation that the Group will continue to operate and meet its liabilities as they fall due over the next three years.

Focused on driving long-term shareholder value

Financial Review

Reconciliation of statutory revenue to adjusted revenue

£ million	FY 2020	FY 2019	Explanation
Statutory revenue	**1,203**	1,337	
Discontinued operations	**7**	74	i
Adjusted revenue	**1,211**	1,411	

Reconciliation of statutory operating profit to adjusted operating profit: FY 2020

£ million	Insurance Risk	Property Information	EdTech	Events and Exhibitions	Energy Information	Consumer Media	Corporate costs	JVs and Associates	Group	Explanation
Statutory operating profit	13	15	5	(10)	–	43	(40)	(11)	**15**	
Discontinued operations	–	–	–	–	13	–	–	–	13	i
Exceptional operating costs	20	1	–	2	(11)	7	5	–	24	ii
Intangible impairment and amortisation	–	8	1	13	–	6	–	4	31	iii
Exclude JVs and associates								(8)	8	
Adjusted operating profit	**34**	**24**	**6**	**4**	**2**	**56**	**(35)**		**90**	

Reconciliation of statutory operating profit to adjusted operating profit: FY 2019

£ million	Insurance Risk	Property Information	EdTech	Events and Exhibitions	Energy Information	Consumer Media	Corporate costs	JVs and Associates	Group	Explanation
Statutory operating profit	40	15	3	21	–	65	(50)	(28)	**67**	
Discontinued operations	–	–	–	–	(26)	–	–	–	(26)	i
Exceptional operating costs	–	–	–	–	31	2	10	(7)	36	ii
Intangible impairment and amortisation	–	26	2	1	3	–	–	36	69	iii
Exclude JVs and associates								1	(1)	
Adjusted operating profit	**40**	**41**	**4**	**22**	**8**	**67**	**(40)**		**144**	

Reconciliation of statutory profit before tax to adjusted profit before tax

£ million	FY 2020	FY 2019	Explanation
Statutory profit before tax	**52**	134	
Discontinued operations	**147**	(33)	i
Exceptional operating costs	**24**	36	ii
Intangible impairment and amortisation	**31**	69	iii
Profit on sale of assets	**(177)**	(67)	iv
Pension finance credit	**(4)**	(7)	v
Other adjustments	**(1)**	13	vi
Adjusted profit before tax	**72**	145	

Reconciliation of adjusted operating profit to cash operating income

	FY 2020				FY 2019			
£ million	Adjusted operating profit	Depreciation and amortisation[1]	Purchase of fixed assets[1]	Cash operating income	Adjusted operating profit	Depreciation and amortisation[1]	Purchase of fixed assets[1]	Cash operating income
Insurance Risk	**34**	**5**	**(4)**	**35**	40	5	(5)	41
Property Information	**24**	**7**	**(2)**	**29**	41	9	(6)	44
EdTech	**6**	**8**	**(4)**	**10**	4	8	(4)	8
Events and Exhibitions	**4**	**–**	**–**	**4**	22	–	(1)	22
Energy Information	**2**	**–**	**–**	**1**	8	7	(3)	12
B2B	**69**	**20**	**(10)**	**79**	117	29	(20)	126
Consumer Media	**56**	**16**	**(7)**	**64**	67	17	(6)	78
Corporate costs	**(35)**	**2**	**(1)**	**(34)**	(40)	1	(4)	(43)
DMGT	**90**	**38**	**(18)**	**110**	144	47	(30)	162

1. Amortisation of intangible assets and expenditure on purchasing intangible assets refers to products and software, not assets acquired as part of business combinations. The depreciation charge on the additional right-of-use assets, which has resulted since 1 October 2019 from the adoption of IFRS 16, the lease accounting standard, is not added back when calculating cash OI.

Amounts in the tables are stated rounded to the nearest million pounds, consequently totals may not equal the sum of the component integers.

Underlying performance

	FY 2020				FY 2019					
£ million	Reported[1]	M&A	Other	Underlying	Reported[1]	M&A	Exchange rates	Other	Underlying	Underlying growth
Revenue										
Insurance Risk	**248**	**–**	**–**	**248**	244	–	(1)	–	244	+2%
Property Information	**187**	**1**	**–**	**188**	222	(21)	–	–	201	(6)%
EdTech	**85**	**–**	**–**	**85**	80	–	–	–	80	+7%
Events and Exhibitions	**79**	**4**	**–**	**83**	119	8	–	2	128	(35)%
Energy Information	**7**	**(7)**	**–**	**–**	74	(74)	–	–	–	N/A
B2B	**606**	**(2)**	**–**	**604**	738	(88)	(1)	2	652	(7)%
Consumer Media	**604**	**6**	**(20)**	**590**	672	36	–	(32)	676	(13)%
DMGT	**1,211**	**4**	**(20)**	**1,195**	1,411	(52)	(1)	(30)	1,328	(10)%
Cash operating income										
Insurance Risk	**35**	**–**	**–**	**35**	41	–	–	–	40	(14)%
Property Information	**29**	**–**	**–**	**29**	44	–	–	–	44	(35)%
EdTech	**10**	**–**	**–**	**10**	8	–	–	–	8	+19%
Events and Exhibitions	**4**	**1**	**7**	**12**	22	2	–	1	25	(51)%
Energy Information	**1**	**(1)**	**–**	**–**	12	(12)	–	–	–	N/A
B2B	**79**	–	**7**	**86**	126	(10)	–	1	118	(27)%
Consumer Media	**64**	**3**	**–**	**67**	78	14	–	–	92	(27)%
Corporate costs	**(34)**	**–**	**–**	**(34)**	(43)	–	–	–	(43)	(21)%
DMGT	**110**	**2**	**7**	**119**	162	4	–	1	167	(29)%
Adjusted operating profit and profit before tax										
Insurance Risk	**34**	**–**	**–**	**34**	40	–	–	–	40	(16)%
Property Information	**24**	**–**	**–**	**24**	41	–	–	–	41	(42)%
EdTech	**6**	**–**	**–**	**6**	4	–	–	–	4	+31%
Events and Exhibitions	**4**	**1**	**7**	**12**	22	2	–	1	25	(52)%
Energy Information	**2**	**(2)**	**–**	**–**	8	(8)	–	–	–	N/A
B2B	**69**	**(1)**	**7**	**75**	117	(7)	–	1	111	(32)%
Consumer Media	**56**	**3**	**–**	**59**	67	14	–	–	81	(27)%
Corporate costs	**(35)**	**–**	**–**	**(35)**	(40)	–	–	–	(40)	(12)%
DMGT adjusted operating profit	**90**	**2**	**7**	**99**	144	7	–	1	152	(35)%
Income from JVs and associates	**(8)**	**–**	**–**	**(8)**	13	(23)	–	–	(10)	(25)%
Net finance costs	**(10)**	**–**	**2**	**(8)**	(12)	–	–	–	(12)	(36)%
DMGT adjusted profit before tax	**72**	**2**	**9**	**84**	145	(16)	–	1	130	(36)%

1. Reported figures are the adjusted* results, as defined on the inside front cover.

Amounts in the tables are stated rounded to the nearest million pounds, consequently totals may not equal the sum of the component integers.

Focused on driving long-term shareholder value

Financial Review

A new funding plan has been agreed with the Trustees. In FY 2021, £121 million will be paid into escrow, including the £117 million that has been made available to the pension schemes, and direct funding payments into the schemes will be £14 million. From FY 2022 to FY 2025 inclusive, payments of £11 million p.a. will be made directly into the schemes and, in addition, payments of £7 million p.a. will be paid into escrow. Also, in certain circumstances, a contribution of up to 20% of any share buy-backs shall be contributed to the schemes. Contributions will be discontinued should the schemes' actuary agree the schemes are no longer in deficit, calculated on an actuarial basis.

A portion of the funds in escrow will be used to fund the schemes between FY 2021 and FY 2027, with the amounts dependent on the actuarial deficit, interest rates and other factors. In FY 2027, some or all of the amount in escrow may be used to fund the schemes, depending on the actuarial deficit, and the remainder will be returned to DMGT. The next actuarial valuation is scheduled for 31 March 2022.

Dividends

The recommended final dividend is 16.6 pence which, if approved, would make the total dividend for the year 24.1 pence, 1% growth over the prior year, excluding the £200 million special dividend paid in April 2019, and continuing DMGT's track record of increasing the dividend in excess of inflation.

The dividend policy is to grow the dividend per share in real terms and, in the medium term, to distribute around one-third of the Group's adjusted earnings. This policy reflects DMGT's long-term approach to capital management and allocation. It aims to deliver a reliable and predictable dividend growth trajectory, unaffected by fluctuations in earnings or capital gains, while also being sufficiently prudent to retain the flexibility to make significant investments in the long-term future growth of the business.

The Board reconsidered the dividend policy carefully during the year and, despite the weaker profit outcome and deteriorating global economy, resolved to leave it unchanged. The decision reflects the Board's conviction in the appropriateness of the policy, its long-term approach and confidence in the Group's ability to deliver earnings growth over time, underpinned by a strong balance sheet.

The recommended FY 2020 full year dividend is equivalent to 92% of the adjusted earnings per share for the year since short-term earnings have been adversely affected by the impact of Covid-19, disposals and organic investment.

Exceptional items, impairments and amortisation

As explained in more detail below, certain items, including exceptional costs, impairments and some amortisation are excluded from adjusted results. The exceptional cash costs in the year were £15 million, compared to £9 million in the prior year. Total exceptional operating costs, including discontinued operations and associates, were £24 million (2019 £36 million).

There were £9 million of exceptional severance costs in the year, as headcount was reduced in the Consumer Media, Events & Exhibitions and Property Information businesses, to enhance the future profitability of individual product lines and support the businesses' margins. The costs also included a £20 million non-cash charge as a result of amendments to the existing RMS 2015 Equity Incentive Plan to ensure the scheme works appropriately for the broader employee base in light of the current business plan.

The charge for amortisation of intangible assets arising on business combinations, including the share from joint ventures and associates, was £11 million (2019 £20 million). Total impairment charges in the year were £19 million, primarily in respect of Events and Exhibitions, compared to £49 million in the prior year.

The Group recorded other net gains on disposal of businesses and investments, including discontinued operations, of £177 million, primarily in respect of the disposal of Genscape, the Energy Information business (2019 £67 million).

Outlook

The duration and severity of the Covid-19 pandemic remains unclear, with a range of possible outcomes over different timeframes. Consequently, it is prudent not to provide formal quantitative guidance. What is certain is that we will remain alert, adjusting our behaviour and actions as circumstances change.

The underlying financial performance in FY 2021, for the Group as a whole, will depend on the dynamics of the individual businesses, as described in the Operating Business Reviews on pages 16 to 22.

There will be continued significant organic investment in the B2B businesses, reflecting the opportunities to create value over time.

Net finance costs are expected to increase in FY 2021 as a result of significantly reduced interest income on DMGT's gross cash deposits due to lower interest rates. The adjusted tax rate will depend on the impact of the Covid-19 pandemic, including on the geographical mix of profits. The FY 2021 rate is currently expected to be in the low twenties.

The Board is confident that DMGT is positioned to withstand the uncertainties of the period ahead and to continue to adopt a long-term approach. The Group benefits from a diversified portfolio of market-leading businesses that operate across multiple sectors, geographies and business models.

Our strategy, combined with a balanced and flexible approach to capital allocation, positions us to deliver on the Group's long-term revenue, profit and cash flow potential.

Read more on the outlook for our businesses in Operating Business Reviews, pages 16 to 22

Adjusted results

The Board and management team use adjusted results and measures, rather than statutory results, to give greater insight to the financial performance of the Group and the way it is managed. The tables on page 28 show the full list of adjustments between statutory operating profit and adjusted operating profit by business, as well as between statutory profit before tax and adjusted profit before tax at Group level for both FY 2020 and FY 2019.

Note 13 shows the full list of adjustments between statutory and adjusted results.

The explanation for each type of adjustment is as follows:

i. Discontinued operations: the adjusted results include the pre-disposal results of discontinued operations, namely Genscape, the Energy Information business, whereas statutory results only include continuing operations. The gain on the disposal of Genscape in FY 2020 is excluded from both statutory and adjusted profit before tax.

ii. Exceptional operating costs: businesses occasionally incur exceptional costs, including severance and consultancy fees, in respect of a reorganisation that is incremental to normal operations. These are excluded from adjusted results.

iii. Intangible impairment and amortisation: when acquiring businesses, the premium paid relative to the net assets on the balance sheet of the acquired business is classified as either goodwill or as an intangible asset arising on a business combination and is recognised on DMGT's balance sheet. This differs to organically developed businesses where assets such as employee talent and customer relationships are not recognised on the balance sheet. Impairment and amortisation of intangible assets and goodwill arising on acquisitions are excluded from adjusted results as they relate to historical M&A activity and future expectations rather than the trading performance of the business during the year. Software, including products, is also recognised as an intangible asset on the balance sheet but the ongoing amortisation of software is similar to the depreciation of tangible assets and is an everyday cost of doing business, so is included in both statutory and adjusted results.

iv. Profit on sale of assets: the Group makes gains or losses when disposing of businesses, for example on the disposal of BuildFax, the US Property Information business, in FY 2020. These items are excluded from adjusted results as they reflect the value created since the business was formed or acquired rather than the operating performance of the business during the year. Similarly, the gains or losses made by joint ventures or associates when disposing of businesses are excluded from adjusted results.

v. Pension finance credit: the finance credit on defined benefit schemes is a formulaic calculation that does not necessarily reflect the underlying economics associated with the relevant pension assets and liabilities. It is effectively a notional credit and is excluded from adjusted results.

vi. Other adjustments: other items that are excluded from adjusted results include changes in the fair value of certain financial instruments and changes to future acquisition payments. They are considered to be unrelated to the ongoing cost of doing business. The share of joint ventures' and associates' tax charges is included in statutory profit before tax but, since it is a tax charge, is excluded from adjusted profit before tax. The share of joint ventures' and associates' interest charges is reclassified to financing costs in the adjusted results.

Underlying growth

When assessing the performance of the different businesses, the Board considers the adjusted results. The year-on-year change in adjusted results may not, however, be a fair like-for-like comparison as there are a number of factors which can influence growth rates but which do not reflect underlying performance.

When calculating underlying growth, adjustments are made to give a like-for-like comparison. For example, adjustments are made to exclude disposals from both FY 2019 and FY 2020 years completely. When businesses are acquired, the prior year comparatives are adjusted to include the acquisition.

The timing of events within Events and Exhibitions can also be a distortion. To give a fair like-for-like comparison when calculating underlying growth, the FY 2019 comparative is amended to include the performance from the previously held events for each FY 2020 show. Underlying growth includes the adverse impact of event cancellations and postponements. Consequently, underlying growth in FY 2020 includes all costs for events that were scheduled in the year but excludes costs associated with events originally scheduled in FY 2021.

In FY 2020, on a reported basis, DMGT's revenues decreased by 14%, cash OI by 32%, adjusted operating profit by 38% and adjusted profit before tax by 50%. The growth rates were adversely affected by disposals and the distribution of Euromoney shares but benefitted from the acquisition of the 'i'. After adjusting for these factors as well as others, such as foreign exchange rates, other acquisitions and the timing of events, the underlying decreases were 10% for revenues, 29% for cash OI, 35% for adjusted operating profit and 36% for adjusted profit before tax, as shown in the tables on page 29.

Tim Collier
Group Chief Financial Officer

Strategic Report
Governance
Financial Statements
Shareholder Information

Entrepreneurism, Purpose and Excellence

Our Stakeholders

Introduction from our CEO

We have never been a business to stand on the sidelines if there is an opportunity to give support. We have always tried to play an active role in the communities in which we work, as any business of our size should, and have considerable strengths as a Group that can be applied on the ground.

Despite all the change we have been part of, DMGT has five core values that remain the same. Each one was brought to life in tangible ways during 2020:

- **People:** we supported our staff to help them stay as safe as possible – supplying new kit for people to work remotely, buying PPE early and implementing a Salary Substitution Plan in the UK.
- **Purpose:** we supported our communities, in particular through the tremendous impact of Mail Force Charity, donating testing equipment for NHS and care staff.
- **Patience:** we continued to invest in all our businesses through the cycle.
- **Product:** we adapted products quickly to answer our customers' changing needs.
- **Performance:** we showed our resilience with strong recovery from Landmark and dmg media. Both returned to profitability quickly due to an immense effort from our teams.

A wonderful example of our community engagement is the establishment of Mail Force Charity in response to the Covid-19 pandemic, where the charity has acted as a business playing a pivotal role in delivering PPE to the NHS. This year we also founded DMGT Cares, a Group-wide central hub to enable our staff to engage with their local communities. It ranges from raising money while on lockdown to being in touch with those forced to be on their own, as well as information on volunteering opportunities and essential local initiatives to support and promote the work of staff teams across the business.

Read more in CEO Review, pages 10 to 13

Paul Zwillenberg
CEO

Our culture

DMGT encourages curiosity and innovation amongst its people, and is built around a set of values that are common across our portfolio of operating companies. Our culture combines entrepreneurism, purpose, excellence and performance management. As a home for entrepreneurs, seeking to take advantage of market disruption, DMGT fosters constant innovation, growth and talent development. Businesses have a clear sense of delivering for their customers and society whilst also improving operational execution. We live out these values through our relationships with our stakeholders, employees, and suppliers.

Our people

We believe that talented, motivated people are the key to our success and are committed to providing a working environment that allows people to reach their full potential.

We invest in our people, developing high-potential leaders at early stages in their careers. Our leadership programmes, run at operating company level, are designed to equip talented people with stretching experiences to accelerate their development and realise their potential. Our ambition is to enable people to be the best they can be, to deliver today and build for tomorrow. Our people have the chance to develop at DMGT doing meaningful and interesting work that will stretch them, taking advantage of all the opportunities that our diverse group of businesses can offer.

DMGT holds a wealth of top leadership talent and sector expertise at Group level and across its operating companies. Our people are supported by a range of tailored local learning and development programmes. Staff have access to a wide range of training and development programmes and wellbeing support, including courses such as:

- coaching for managers, including performance management;
- stakeholder management;
- career development planning;
- digital marketing essentials;
- mindfulness and wellbeing workshops;
- public speaking, presenting and assertion workshops; and
- technical skill training (Excel, PowerPoint etc).

During FY 2020 these courses focused on support programmes for employees whilst working remotely.

We also offer work experience and professional development support to all our staff, including external training and qualifications, and the opportunity to apply for additional funding for these.

Keeping our people informed

One of the challenges of a geographically diverse organisation, we have c. 40 locations internationally, is ensuring that we can effectively communicate with all of our people.

We continue to enhance employee collaboration by using platforms such as instant messaging, video conferencing, developing a Group-wide microsite to share policies and information, refining our internal newsletters, circulating a daily email news bulletin and holding regular 'Town Hall' meetings, whether virtually or in person.

Wellbeing

We have a suite of policies designed to promote the health and wellbeing of our employees, including a range of fitness and mindfulness programmes. This was critical this year with employees working remotely during the Covid-19 pandemic. Groupwide there were numerous examples of programmes to support employee wellbeing and good mental health, including 'mental health' days off work, bespoke Covid-19 learning and wellbeing workshops, contact tracing and medical support, Town Hall meetings at all levels across the business, free access to home exercise programmes, and a number of virtual social activities.

Diversity and inclusion

Our Equal Opportunities Policy is designed to comply with the Equality Act 2010 and the Equality and Human Rights Commission Employment Statutory Code of Practice, and to promote best practice. Managers must set an appropriate standard of behaviour, lead by example and ensure that those they manage adhere to this policy. This policy applies to all aspects of the employee relationship. All decisions must be based on merit. This includes but is not limited to:

- recruitment and selection;
- job adverts;
- training and development;
- opportunities for promotion;
- conditions of service;
- pay and benefits; and
- conduct at work.

DMGT's Human Resources Information System enables us to monitor the levels of diversity in our business, and also promote an inclusive culture. Diversity data including gender, ethnicity, race and disability is tracked across job levels and assessed against a number of key areas, including recruitment processes, attrition and promotions. We regularly ask employees for their feedback on diversity and inclusion, supported with regular internal communications on a range of activities that promote a collaborative and inclusive culture.

Diversity workshop

DMGT runs a number of training programmes on equality, diversity and inclusion, as well as providing tools and resources for hiring managers to assist them in ensuring an objective hiring process that attracts the best talent regardless of background.

This year we piloted diversity and inclusion training for managers and HR staff, led and facilitated by an external provider. This training included unconscious bias, discrimination awareness, leadership and business roles.

We partner with a number of external programmes and take part in volunteering activities to support diversity in media; one of our new programmes connects women from BAME backgrounds in the media industry with experienced female mentors.

Our Career Boards ensure job opportunities are open to internal candidates, with training and mentoring offered to support promotions and internal mobility.

For our UK-based businesses, we also provide an inclusive apprenticeship programme for new talent and existing employees, with development opportunities ranging up to MBA level. We believe this is a highly effective and sustainable way to support the progression of more people in our business.

Gender breakdown of our employees

The table below sets out the gender breakdown of our employees. Our aim is to promote equality and diversity in accordance with our Group Code of Conduct and Diversity Policy.

	At 30 September 2020			
	Male		Female	
Board Directors	10	83%	2	17%
Operating company CEOs and direct reports to the Group CEO*†	4	44%	5	56%
All employees*	3,353	59%	2,341	41%

* Excluding Executive Directors.
† In accordance with section 414C of the Companies Act 2006 this is how DMGT reports senior managers.

Gender pay reporting

DMGT's UK-based operating companies, Landmark Information Limited and Associated Newspapers Limited, are required to report on their Gender Pay Gap. Due to Covid-19, the government took the decision to suspend reporting deadlines for 2019/2020, however, both companies published data this year. DMGT as an employer believes in 'Equal pay for equal work', is committed to equal pay and conducts ongoing reviews to ensure we have the best possible processes in place.

Responsible business

DMGT is a responsible business that adheres to strong ethical standards with a clear, robust Code of Conduct (see below). We encourage responsible business practice and respond to the needs of our stakeholders in several ways:

- promoting strong governance and leadership which encourages responsible business attitudes and actions across the Group;
- maintaining our Code of Conduct and supporting Group policies;
- ensuring DMGT employees understand key legal and reputational issues through in person training and e-learning;
- operating effective risk management and internal controls; and
- encouraging business-level participation in corporate responsibility (CR) and community support.

Whistleblowing

Employees who have concerns regarding criminal activity, gross misconduct and/or a breach of the DMGT Code of Conduct or supporting policies have a duty to report such activity. DMGT operates a confidential Speak Up facility to aid any such reports. The Speak Up facility is actively promoted to employees and managed externally by a specialist third party. All incidents are tracked to ensure appropriate follow-up.

The Audit & Risk Committee is provided with a summary of any incidents and the Board informed through the regular report from the Committee chairman.

Code of Conduct and Group policies

Our Code of Conduct sets the standards for our corporate and individual conduct. The Code of Conduct includes standards for equal opportunities, anti-bribery, conflicts of interest, share dealing and fair competition, among other topics. The Code of Conduct contains clear guidance regarding equality, diversity and inclusion. Many of the topics in the Code of Conduct are supported by detailed policies and procedures for our employees.

In addition, stand-alone policies regarding equal opportunities, entertainment and gifts, information security, data privacy and health and safety apply to DMGT employees. These policies, as well as our Code of Conduct, safeguard the welfare of our employees and the integrity of our businesses. All DMGT policies are available for employees to access on a Group-wide Policy Microsite. Where appropriate, certain policies are housed on the DMGT website.

We have a rolling review programme to update DMGT policies and deliver continuous training to reinforce compliance.

DMGT's equal opportunities statement can be found on the DMGT website and applies to both employees and supervisory bodies.

Go online to
www.dmgt.com

Human rights

DMGT believes that our exposure to the associated risks in the context of human rights frameworks is minimal. DMGT does not have a specific human rights policy but has a number of policies that cover areas such as health and safety, modern slavery, bribery and corruption. In addition, new suppliers are evaluated with a questionnaire to ensure they are ethical and lawful.

Flexible working

DMGT supports its employees to maintain a work-life balance. Policies and guidance to enable this are in place across the Group, including special leave policies to support employees with various family circumstances, and an Employee Assistance Programme that offers a family care service. This programme offers various services to help staff achieve a healthy balance between work and home.

Entrepreneurism, Purpose and Excellence

Our Stakeholders

Supporting our employees during Covid-19

DMGT moved to a remote working model seamlessly. Extensive guidance and support was provided on working well remotely, along with toolkits, virtual podcasts and advice services for physical and mental health and wellbeing. As we considered the transition back to the office, great emphasis was placed on how the businesses could be more flexible and different models for working considered.

DMGT's 'Return to the office' plan was developed with guidance from both medical and legal experts, with government advice at the forefront of all decisions. As journalism was designated as an essential service, dmg media was the first business to successfully have a small number of employees return to the office. The plans to facilitate this included adjusting office spaces to adhere to social distancing guidelines, new seating plans, PPE and temperature checks for staff entering the office and enhanced cleaning schedules. The safety of our employees is key, which is why they were all required to complete a risk assessment questionnaire prior to returning to work.

Salary Substitution Plan

Alongside the flexible working and wellbeing support provided, DMGT introduced a Salary Substitution Plan across DMGT Centre, dmg media and Landmark. This innovative scheme enabled us to avoid using government grants and 'furlough' schemes. Under the scheme, staff above a minimum salary exchanged a percentage of their salary for the purchase of shares equal in value for a period of three months. This scheme was well received and appreciated by staff.

Our partners

Payments practices reporting

In April and May 2020, DMGT's UK-based operating companies, Landmark and dmg media published their payment practices data. DMGT is committed to ensuring that all of its suppliers are paid within the agreed terms.

Go online to www.gov.uk/check-when-businesses-pay-invoices

More information on how we work with our suppliers can be found on dmgt.com.

Supporting our partners during Covid-19

During Covid-19, a marketing support scheme was run for UK small and medium-sized enterprises, adapted from a similar scheme originated in dmg media Ireland, in conjunction with the Federation of Small Businesses. All dmg media titles, print and online, were fully behind the scheme that saw £5 million of advertising value available for businesses that applied and were selected to promote their business. Within only a few weeks the scheme was oversubscribed. These businesses will be a new source of revenue in the future, particularly for Metro's regional editions and online.

Our customers

Our customers are at the heart of our success and each business across the Group seeks to invest in relationships with their market and audience.

Supporting our customers during Covid-19

Our engagement with our customers can also be seen through our Covid-19 response.

- The first interactive Virtual RMS Exceedance was held in May 2020, receiving very positive feedback from customers.
- Hobsons provided its Naviance Curriculum free to schools across the US during lockdown, to the benefit of more than three million students.
- Metro, in consultation with Transport for London, continued printing the paper specifically for key workers on their daily commute.
- dmg media donated thousands of copies of the 'i' newspaper to NHS hospitals every day to provide NHS staff with newspapers for their hospital breaks, pushed home delivery of newspapers, and continued to deliver the digital subscription service of Mail+.
- Landmark supported the NHS with environmental reports for the Nightingale hospitals. It also supported the continued functioning of the market via its remote valuation and service capabilities, while other providers were impacted by lockdown.

Our communities

Through a range of local partnerships within the communities our operating companies serve, and Group-wide programmes such as our Corporate Responsibility (CR) Champions network, DMGT supports and encourages purpose within our community.

We believe that supporting our operating companies' local communities is particularly important as it allows our employees to choose a cause close to their heart. This is actioned by the CR Champions network which has volunteers from across the operating companies. More information about our involvement with our communities, including Group-wide community initiatives can be found on our website. Group charitable donations during the year were £1.6 million (2019 £1.2 million).

Examples of our Group-wide community initiatives can be found on our website.

Go online to
www.dmgt.com

Supporting our communities during Covid-19

The Covid-19 pandemic had a global effect on thousands of businesses, societies and individuals. During this time of devastating impact on people's lives, DMGT pooled efforts to help those helping others on the front line of community action for the vulnerable, whether caring for the elderly, providing mental health support, combating economic hardship, or keeping people safe. Our operating companies stepped up to support the communities around them, and we are proud of the selfless contributions that so many of our people have made.

DMGT Cares: Our business-wide community response to Covid-19
The website 'DMGT Cares' was launched to provide a hub of practical ways that volunteers within our businesses could help the communities in which DMGT works. It included information about volunteering opportunities, fundraising, our charity partners, match funding employee donations and news updates on how colleagues were helping others.

Go online to
www.dmgt.com

MailForce

Mail Force Charity

DMGT has always played an active role in the communities in which we work. We take our role in society seriously, and recognise our responsibilities and abilities. This is why, when the dangerous shortages of PPE for the NHS became apparent, we decided to act.

We put together a team from across the business and set up a charity in record time to source additional PPE. We partnered with Salesforce, who already had experience in procuring and shipping PPE for US hospitals. In April 2020, Mail Force Charity was founded.

The initial donations from DMGT, Salesforce and DMGT's Chairman, Lord Rothermere, kick-started a campaign which enabled Mail Force Charity to airlift 20 tonnes of PPE from China as its first contribution. The charity worked directly with the central NHS distribution team in Daventry to deliver the PPE to the hospitals and care homes where it was most needed.

Contributions from philanthropists, foundations and Daily Mail readers reached over £11 million. Over 55,000 readers contributed an incredible £2.5 million, many of whom sent moving letters about why they donated. Employees also contributed generously, donating £27,000 which was matched by DMGT.

The charity was able to provide approximately 40 million items of PPE to the NHS, partner charities Mencap, Sue Ryder, the Salvation Army and Marie Curie, many care homes and various charitable organisations.

Go online to
www.mailforcecharity.co.uk

Entrepreneurism, Purpose and Excellence

Our Stakeholders

Environmental Social Governance (ESG)

We continue to recognise and address the environmental and social impact of our portfolio of companies and how this is linked to our approach to governance. We believe our governance policies are effective and support ESG values. We have already made significant progress in reducing the environmental impact of our printing operations and we continue to take action to minimise our impact across our other business activities.

Go online to www.dmgt.com where ESG content is regularly updated

Environmental impact

At DMGT, we evaluate and manage our environmental impact by measuring and reporting on our greenhouse gas (GHG) emissions. As a minimum, our operating companies comply with current regulations of the country that they operate in and are prepared for future legislation. However, we expect our operating companies to further mitigate against the negative impacts from their activities wherever possible.

DMGT's most significant environmental impact comes from the printing plants in our Consumer Media businesses.

At Harmsworth Printing, 100% of our waste paper, cardboard and packaging is recycled. Our printed production waste from the presses has been reduced to only 4% on average. This is due to our use of flexographic printing, which enables lower production waste and less energy use.

We have been systematically reducing our specialist waste streams, through improvements in the recycling process. Our waste from this stream has been reduced by 5% in FY 2020. At Harmsworth Printing, we have a 100-tonne rainwater harvesting tank which meets approximately 80% of our water demand, reducing our reliance on mains water.

We endeavour to ensure that the paper we buy is sourced from PEFC and FSC certified forests. We ensure our paper matches the industry standard ratio for Combined Waste Paper and Certified Virgin Fibre Content, ensuring that raw material use is as low as possible, whilst producing high-quality newspapers.

Waste and recycling initiatives

We seek to recycle waste materials wherever possible. Printed and non-printed paper waste is 2,437 tonnes (2,853 in 2019). Core waste is 313 tonnes (373 in 2019), and cardboard waste is 396 tonnes (578 in 2019). All of this is sent for recycling. 20 tonnes each of scrap metal and timber is also segregated for recycling (20 in 2019).

Any toxic chemicals used in the printing process are minimal. Initiatives are in place with our suppliers to reduce reliance on biocides in ink, such as UV filtration of water for ink make-up. Our printing press site is constantly working with ink suppliers to reduce use of biocides. Our waste process water plant is continuously being upgraded to increase efficiency. 90% of water used in the printing process is currently recovered (85% in 2019). A de-ionised water plant is used to improve waste water recovery rates. Domestic waste water is also sent to a treatment plant, and has no connection to main drains. All our waste streams are fully traceable.

Water usage

dmg media can demonstrate its water usage reduction over previous years; a trend that is likely to continue. dmg media's water usage is currently 20 cubic metres per 24 hour period; 5,900 cubic metres (7,300 in 2019). Waste water from the platemaking process is recycled for re-use. We produce 25 cubic metres of waste water per day (30 in 2019). Approximately 90% of this water is re-cycled and re-used (85% in 2019).

Rainwater is also collected, and when available can be used to replenish the platemaking supply after filtration. We have a 100 cubic metre rainwater storage capacity.

Energy efficiency

Our Thurrock printing site recycles its waste process water with 90% efficiency (85% in 2019), harvests rainwater for use in the process and has free cooling algorithms designed into its Building Management System to minimise cooling energy costs. Domestic water heating and office cooling is via energy efficient heat recovery systems (air source heat pumps) which re-use excess heat in the press room. Gas use for space heating is minimised by warm air recycling algorithms utilising excess heat generated from the printing press.

Read more in our Energy and Carbon Disclosures, page 37

With the acquisition of JPI's printing assets in October 2020, we recognise our absolute Scope 1 Carbon Footprint may increase in FY 2021. As the assets are integrated, work will be undertaken to ensure the impact is minimised, in line with our existing printing operations.

Energy and Carbon Disclosures

Methodology

DMGT is committed to comprehensive and transparent reporting of our environmental performance. Our baseline year for carbon emissions is FY 2015 and we use an operational control consolidation approach.

The data supporting our carbon footprint is collated and independently reviewed by environmental consultancy ICF. The results of the footprint have not been audited by a third-party assurance company.

The footprint is developed in accordance with the GHG Protocol Corporate Accounting and Reporting Standards, and the methodology is also in line with HMG Environmental Reporting Guidelines. Emission factors used are predominately sourced from BEIS conversion factors 2020. Other data sources are used for the emission factors for the electricity consumed in non-UK operations. This report is in alignment with the requirements of the Streamlined Energy & Carbon Reporting (SECR) regulation for UK businesses.

For the purpose of this report, the Scope 1, 2 and 3 emission sources included in our footprint were:

- **Scope 1 (direct emissions):** combustion of natural gas for heating purposes, use of diesel and gasoline in our fleet.
- **Scope 2 (indirect emissions):** production of electricity imported from the grid and consumed by DMGT globally.
- **Scope 3 (other indirect emissions):** outsourced delivery of newspapers, as well as taxis, rail and air travel for business purposes.

Footprint Results

Our FY 2020 carbon footprint totalled 17,000 tCO_2e (2019 21,900). Emissions from UK operations corresponded to 74% of it and amounted to 12,500 tCO_2e (2019 15,300).

The table below shows our carbon footprint for FY 2020, by scope, as well as our energy use. For the purposes of comparability, the FY 2018 and FY 2019 figures have been restated to be consistent with the businesses in the portfolio during FY 2020.

Gross GHG emissions (in tCO_2e)	FY 2020		FY 2019		FY 2018	
	Global, incl. UK	UK only	Global, incl. UK	UK only	Global, incl. UK	UK only
Scope 1	**1,000**	**900**	1,400	1,200	1,300	1,200
Scope 2	**8,300**	**5,000**	10,500	6,300	11,700	7,000
Scope 3	**7,700**	**6,600**	10,000	7,800	11,500	8,600
Scopes 1 + 2 + 3	**17,000**	**12,500**	21,900	15,300	24,500	16,800
Energy Consumption (in kWh)	**FY 2020**		**FY 2019**		**FY 2018**	
	Global, incl. UK	UK only	Global, incl. UK	UK only	Global, incl. UK	UK only
Scope 1	**5,400**	**4,400**	7,300	6,400	6,800	6,000
Scope 2	**28,800**	**21,400**	33,200	24,600	33,300	24,800
Scopes 1 + 2	**34,200**	**25,800**	40,500	31,000	40,100	30,800
GHG emissions intensity (tCO_2e/£m)	**FY 2020**		**FY 2019**		**FY 2018**	
	Global, incl. UK	UK only	Global, incl. UK	UK only	Global, incl. UK	UK only
Scope 1 + 2	**7.7**	**4.9**	8.4	5.4	9.1	5.7
Scope 1 + 2 +3	**14**	**10.3**	15.5	10.8	17.2	11.8

Comparison of historical emissions

We strive to reduce our impact on the environment wherever possible and DMGT has succeeded in this by reducing our gross GHG emissions by 22% and our GHG emissions intensity by 10% in comparison to FY 2019.

These reductions can largely be attributed to our energy management practices and to the impact of Covid-19 on our operations in FY 2020. The reduced use of office spaces in the past months or the termination of tenancy contracts has affected Scopes 1 and 2, and disruption of travel has reduced Scope 3 emissions.

Energy management practices

At DMGT, we have actively reduced our energy consumption across our offices and printing facilities through implementing operational efficiency enhancements and building modifications as recommended by ICF. Some of the initiatives undertaken, which have helped us reduce our impact on the environment and our carbon footprint during FY 2020, include:

- Solar panels installed by Landmark in previous years continue to contribute to the generation of renewable energy, replacing electricity that would otherwise be purchased from the grid.
- We have relocated parts of the RMS datacentre and related IT equipment to a colocation centre last year, reducing the demand of electricity for cooling and for the equipment.
- We have been gradually upgrading the lighting systems by replacing conventional light bulbs with LEDs and installing sensors and building management systems in our head office and printing sites.

Go online to
www.dmgt.com

Entrepreneurism, Purpose and Excellence

Our Stakeholders

Section 172 Statement

The Board of Directors are mindful of their duty to promote the success of the Company. They believe they have acted in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its shareholders.

How the Board engages with our stakeholders

The Board is committed to generating continued sustainable value for shareholders, considering the interests of DMGT's employees, and maintaining positive relationships with our customers, suppliers and other stakeholders. Here are some examples:

Stakeholder group	How the Board engages
Employees	Directly via Company events, Board and Committee meetings. Through regular reports on initiatives and employee feedback.
Customers	Updates included in Board presentations and reports.
Partners	Updates included in Board presentations and reports.
Shareholders	Direct through one-to-one meetings, when relevant, at Company events such as the Investor Briefings and regular reports to the Board.
Communities, the environment	Updates included in Board presentations and reports.

The table below shows where more information can be found on the matters referred to in section 172 CA 2006.

(a) Long-term results – the likely consequences of any decision in the long term	Strategic Report: • Business Model (pages 6 to 7) • Chairman's Statement (pages 2 to 4) • CEO Review (pages 10 to 13) • Key Performance Indicators (pages 14 to 15) • Viability Statement (page 27) Corporate Governance: • Audit & Risk Committee Report (pages 60 to 66)
(b) Our workforce – the interests of the Group's employees	Strategic Report: • Business Model (pages 6 to 7) • Chairman's Statement (pages 2 to 4) • CEO Review (pages 10 to 13) • Our Stakeholders and Response to Covid-19 (pages 32 to 39) Corporate Governance Report: • Chairman's Statement on Governance (pages 2 to 4) • Board of Directors and Company Secretary (pages 48 to 49) • Directors' Remuneration Report (pages 68 to 91)
(c) Our business relationships – the importance of developing the Group's business relationship with suppliers, customers and others	Strategic Report: • Business Model (pages 6 to 7) • Our Stakeholders and Response to Covid-19 (pages 32 to 39)
(d) The community and our environment – the impact of the Group's operations on the community and the environment	Strategic Report: • Our Stakeholders and Response to Covid-19 (pages 32 to 39)
(e) Our reputation/our desire to maintain our reputation for high standards of business conduct	Strategic Report: • Our Stakeholders and Response to Covid-19 (pages 32 to 39) • Non-Financial Information Statement (page 39)
(f) Fairness between our shareholders – our aim to act fairly as between members of the Company	Strategic Report: • Chairman's Statement – dividend policy (pages 2 to 4) • Our Stakeholders and Response to Covid-19 (pages 32 to 39) Corporate Governance Report: • Board activities and stakeholder engagement – Shareholders (page 55) • Directors' Remuneration Report (pages 68 to 91) • Board of Directors and Company Secretary (pages 48 to 49)

Non-Financial Information Statement

We aim to comply with the non-financial reporting requirements contained in sections 414CA and 414CB of the CA 2006. The table below, and the information it refers to, is intended to help stakeholders understand our position on key non-financial matters.

Reporting requirement	Policies and standards which govern our approach	Risk management and additional information
Environmental matters	• Carbon footprint • Environment Policy	• Our Stakeholders, pages 32 to 39
Our people	• Code of Conduct • Equal Opportunities Policy • Health and Safety Policy • Whistleblowing Policy	• Directors' Report, pages 48 to 91 • Our Stakeholders, pages 32 to 39
Human rights	• Modern Slavery Statement • Privacy Policy • Information Security Policy	• Audit & Risk Committee Report, pages 60 to 66 • Directors' Report, pages 48 to 91
Social matters	• Code of Conduct	• Our Stakeholders, pages 32 to 39
Anti-bribery and anti-corruption	• Anti-Bribery and Corruption Policy • Code of Conduct • Tax Policy	• Directors' Report, pages 48 to 91 • Financial Review, pages 23 to 31
Policy embedding, due diligence and outcomes		• Principal Risks, pages 40 to 47 • Financial Review, pages 23 to 31 • Directors' Report, pages 48 to 91 • Our Stakeholders, pages 32 to 39 • Audit & Risk Committee Report, pages 60 to 66
Description of principal risks and impact of business activity		• Principal Risks, pages 40 to 47
Description of the business model		• DMGT at a Glance, page 5 • Our Business Model, pages 6 and 7

Actively monitoring and managing our risks

Principal Risks

Board oversight of risk management and internal controls

The Board delegates day-to-day oversight of management's operations of internal controls and risk management to the Audit & Risk Committee. The Board considers that the Audit & Risk Committee possesses the requisite skills and experience to meet its obligations and provide the relevant assurance to the Board. Operating and investment decisions are delegated to the Investment & Finance Committee. Further details of the activities of these Committees are on pages 59 to 67.

The Board has overall responsibility for establishing, monitoring and maintaining an effective system of risk management and internal controls. This system provides reasonable rather than absolute assurance that the Group's business objectives will be achieved within the risk tolerance levels defined by the Board.

It is the responsibility of the Group's operating companies to ensure that they have established an appropriate level of risk and internal control systems, but which are overseen by the Executive Committee. Certain functions are undertaken centrally, including: Group Accounting; Investor Relations; Strategy; Risk; Internal Audit; Corporate Tax; Treasury; and Insurance.

The Board has established an ongoing process for identifying, evaluating and managing the principal risks faced by the Group. This process has been updated during the year and up to the date of approval of the financial statements. Monitoring is an ongoing process and principal risks are reviewed at operating company Board meetings, the Executive Committee and at half year and year end by the Audit & Risk Committee.

Risk management function

Care has been taken to avoid the threat of self-review across our 'three lines of defence' model (see page 41). The Risk function, led by the Company Secretary, provides an increased focus on priority risk areas. It is responsible for maintaining the Group risk management process, facilitating change for selected risks, evolving our approach to operational compliance, and working with other Group functions. The Risk function engages specialist external expertise to maintain best practice approaches. To ensure an open discussion of emerging risks, the Chairman of the Audit & Risk Committee met separately with the Company Secretary during the year, independent of operational management.

Internal Audit

The Internal Audit function undertakes an agreed programme of independent assurance reviews. The function sources external expertise as required. Internal Audit seeks to comply with relevant professional standards, notably those issued by the Institute of Internal Auditors.

The Internal Audit Charter (the Charter) sets out the purpose and objectives of Internal Audit. The Charter takes a systematic and disciplined approach to both the evaluation of and improvements in control and governance processes. It strengthens the function's independence and objectivity by means of the function's reporting lines and access to all records, personnel, property and operations of the Group. To ensure his independence from management, the Group Assurance Director reports directly to the Chairman of the Audit & Risk Committee. The Charter confirms the high-level responsibilities of operational management (first line of defence) and ensures that the Internal Audit function undertakes its third line of defence duties, avoiding any first or second line duties. The Charter is reviewed annually and updated as required to take account of changing practices and standards. The most recently approved Charter was updated to reflect the change in auditing approach and processes as a consequence of remote working due to Covid-19 containment measures. The Audit & Risk Committee is satisfied that the provisions of the Charter have been achieved in the year.

The Board formally evaluated the system of risk management and internal control in conjunction with the Audit & Risk Committee during the year. This evaluation focused on material controls relating to principal risks and entity-level controls, as well as additional controls and processes required to support the Company's Viability Statement (see page 27). The evaluation also considered any control weaknesses identified by Internal or External Audit, or as a result of incidents of fraud. Controls over the recording of amounts in the Group's consolidated financial statements relating to investments have also been assessed and considered as appropriate.

Monitoring and oversight

The Group operates a 'three lines of defence' model. The benefits of this approach are shown in the table on page 41. The Board delegates day-to-day responsibility for internal controls to operational management with oversight by the Executive Committee and the Audit & Risk Committee.

During the year it was noted that there were no detected breakdowns in material controls that protect against the Group's principal risks.

Three lines of defence table

First line of defence	Second line of defence	Third line of defence
Each operating company is responsible for the identification and assessment of risks, understanding the Group's risk strategy and operating appropriate controls.	The Executive Committee and Company Secretary, supported as appropriate by other functional areas, particularly information technology, legal, tax and finance, reviews the completeness and accuracy of risk assessments, reporting and adequacy of mitigation plans.	Internal Audit provides independent and objective assurance on the robustness of the risk management framework and the effectiveness of internal controls.
Benefits • Ownership and responsibility remains close to the operating companies and their performance. • Promotes a strong culture of adhering to limits and managing risk exposures in accordance with each business's risk appetite and the regulatory environment. • Promotes a healthy risk culture and long-term approach to risk management.	**Benefits** • Understand aggregated risk positions. • Objective oversight and challenge to the business areas and internal control and risk management framework used in the first line. • Provide ongoing training and support on Group-wide risks to the operating companies.	**Benefits** • Independent assurance on the system of risk management and internal controls. • Assessment of the appropriateness and effectiveness of internal controls. • Internal Audit provides assurance to the Audit & Risk Committee.

Key features of the risk management and internal controls system

The main features of the system of risk management and internal controls in relation to the financial reporting process are described below:

1. Confirmation of key internal controls and the fraud and bribery assessment
Each operating company confirms the operation of key internal controls to Internal Audit annually. The purpose of the assessment is to confirm the operation of a framework of internal controls, including anti-fraud controls, which are expected to be in place in each business unit. These internal controls are intended to provide standards against which the control environments of DMGT's business units can be monitored. An annual fraud and bribery risk assessment is completed simultaneously, detailing risks and mitigating controls. In each case, the Internal Audit team reviews and follows up on these submissions, as appropriate.

2. Review of relevant and timely financial information
Each of the operating companies and DMGT executive management regularly review relevant and timely financial information. This is produced from a financial information system operated across the Group. It is supported by a framework of forecasts as well as annual budgets that are approved by the Executive Committee and confirmed by the Investment & Finance Committee.

3. Senior Accounting Officer sign-off
The Group Chief Financial Officer is the Senior Accounting Officer and is required, by HMRC, to certify that the Company, and its subsidiaries, have established and maintained appropriate arrangements to ensure that tax liabilities are calculated accurately in all material respects.

Actively monitoring and managing our risks

Principal Risks

The Directors confirm that they have completed a robust assessment of the Group's principal risks and a thorough review of risk management processes.

The Group's risks are categorised as either strategic or operational. Strategic risks are linked to the Group's strategic priorities and impact the whole Group. Operational risks are those arising from the execution of the business functions and typically impact one or more of the principal businesses.

In light of the Covid-19 pandemic, 'Business continuity event' has been added as a new principal operational risk. Such events would include pandemics, epidemics and natural or man-made disasters. Previously, the exposure to such an event has been reflected within other principal risks, including 'Reliance on key third parties' and 'Economic and geopolitical uncertainty'. Despite the Group's resilience during the Covid-19 pandemic and the benefit of mitigating factors, such as insurance cover, it is considered appropriate to identify a specific principal risk due to the significant potential operational and financial impact.

Further details of the Group's risk management process, the governance structure surrounding risk and the Audit & Risk Committee can be found in the Governance Report on pages 50 to 67.

Strategic risks

Description and impact	Examples
Market disruption Market disruption creates opportunities as well as risks. Disruption enables us to move into new markets and geographies and encourages us to innovate to grow the business. Failure to anticipate and respond to market disruption may affect demand for our products and services and our ability to drive long-term growth.	Market disrupters include changes to customer behaviours and demands, new technologies, the emergence of competitors or structural changes to markets. Examples from the operating companies include: • Consumer Media: decline in print advertising revenue. • Consumer Media: changes in algorithms and strategies of tech giants materially impacting traffic and digital advertising revenue across properties, demanding constant oversight and agility. • Insurance Risk: structural decline in client markets and consolidation in insurance industry. Changing expectations of insurers' utilisation of technology. • EdTech: declining foreign student enrolment pressuring higher education budgets. • Events and Exhibitions, UK Property Information and Consumer Media: governments' restrictions on the movement of people.
Success of new product launches and internal investments A lack of innovation or failure to successfully evolve our products and services may compromise their appeal. Some may fail to achieve customer acceptance and yield expected benefits. This could result in lower than expected revenue and/or impairment losses. Uncertainty also results from geographic expansion into new and emerging markets.	The Group is continually investing in our products and services, developing new offerings and enriching existing products and services. Examples include: • Insurance Risk: launch of a unified platform across all of RMS's model and analytics products, to take advantage of the growing benefits of new technology. • Consumer Media: increased monetisation of online user base and newly created products. • Events and Exhibitions: innovation within and expansion of events and launches across new locations, including the launch of virtual events, which has increased following the onset of Covid-19.
Portfolio management Increasing portfolio focus is key to the Group's strategy. This could be compromised by portfolio changes not delivering expected benefits, failure to deliver acquisition or operating targets, and/or delay or delinquency in divesting from non-core businesses at the right time.	• Growth opportunities and potential synergies lost through failure to identify or succeed with acquisition and investment targets. • Lost acquisitions may allow competitors to gain footholds in key markets. • Underperforming acquisitions and investments may lead to reduced return on capital and/or impairment losses, as well as diversion of management time and bandwidth. • Optimal value may not be achieved from divestments.

Risk increased Risk did not change Risk decreased

Mitigation	Trend
• The Group's presence in different market segments reduces the overall Group impact of any single market disruption. • Organic investment initiatives across the Group to innovate our products and services and to remain competitive in the markets we serve. Organic investment was 10% of total revenues in FY 2020. • The Executive Committee, supported by the operating companies' management teams, monitor markets, the competitive landscape and technological developments; regular dialogue and in-person meetings ensure proactive, coordinated responses. • Analysis of the performance management dashboard and detailed financial management information for each operating company to highlight and react to early indicators of market disruption. • DMGT executive membership of operating company boards.	Risk increased The significance of this risk has increased given the adverse impact of the Covid-19 pandemic on the outlook for the global and UK economies.
• The culture of the Group encourages an entrepreneurial approach to identifying growth opportunities and new products. • Central capital allocation ensures focused investment in quality business cases. • A new innovation or business line is ring-fenced where required, to ensure it receives autonomous execution, dedicated talent, budget and undiluted management focus. • Direct engagement from DMGT functional leads and DMGT Board Directors contribute relevant expertise and guidance. • Central Portfolio Solutions function partners with each operating company to support achievement of key milestones, KPIs and financial plans. • Significant investments are approved by the Investment & Finance Committee and/or the Board.	Risk did not change
• The Executive Committee continues to evaluate the Group's portfolio in order to optimise resource allocation according to portfolio roles, business opportunities and risk-adjusted execution. • Investments and divestments are approved by the Investment & Finance Committee and, where warranted, the Board. • Extensive due diligence conducted pre-acquisition and comprehensive integration plans implemented post-acquisition by dedicated integration managers. • Proactive, detailed divestment roadmaps, including sell-side narrative, seller due diligence and talent incentives/retention. • The Executive Committee and the Investment & Finance Committee supported by the Portfolio Solutions function monitor post-acquisition performance. • DMGT executive membership of operating company boards and the boards of associates and investments (e.g. Yopa, Cazoo).	Risk did not change

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Actively monitoring and managing our risks

Principal Risks

Strategic risks (continued)

Description and impact	Examples
Economic and geopolitical uncertainty Group performance could be adversely impacted by factors beyond our control such as the economic conditions in key markets and sectors and political uncertainty.	• The economic impact of Covid-19 containment measures directly affecting Consumer Media, UK Property Information and Events and Exhibitions. • Continued uncertainty surrounding the conditions of Brexit and trade agreement negotiations directly impacts the UK macroeconomic climate (Consumer Media) and UK property transaction volumes (Property Information). • Fluctuations in the global energy and commodity markets could be exacerbated by Covid-19 and impact revenue for associated trade shows once fully resumed (Events and Exhibitions). • Political and economic uncertainty, particularly in the Middle East, could negatively impact the exhibitors and attendees of events and exhibitions once fully resumed. • Sustained global low interest rate environment will continue to impact margins for global investors, including in insurance (Insurance Risk) and property (Property Information).
Talent Our ability to identify, attract, retain and develop the right people for senior and business-critical roles could impact the Group's performance.	• Entrepreneurship and leadership skills are a priority for the Group and key to the continued success of many of our operating companies. • Technology and software development skills remain crucial to many of our businesses where there is significant investment in software platforms and technology infrastructure to support next-generation product development. • The strategy to build out our data analytics capabilities places focus on developing and attracting specialists in emerging technologies. These skills are in high demand, which makes attracting and retaining people with these skills more competitive. • Enterprise sales and operational execution expertise with market and product knowledge continue to be a strategic imperative.

Operational risks

Description and impact	Examples
Business continuity event A pandemic, epidemic or disaster, whether natural or man-made, could cause significant disruption. This could affect DMGT's operating companies, customers, suppliers and/or end markets.	• Major disruption may prevent the delivery of products and services to customers, for example print newspapers (Consumer Media). • Measures to prevent the spread of a pandemic could result in it not being possible to hold physical events (Events and Exhibitions) or distribute print newspapers (Consumer Media). They could also disrupt the functioning of the UK property market (Property Information). • Travel restrictions or disruption could adversely affect the attendance of exhibitors and delegates at events (Events and Exhibitions). • The closure of offices could disrupt operating companies' ability to deliver products and services, support customers and develop new products.
Information security breach or cyber attack An information security breach, including a failure to prevent or detect a malicious cyber attack, could cause reputational damage and financial loss. The investigation and management of an incident would result in remediation costs and the diversion of management time. A breach of data protection legislation could result in financial penalties for the affected business and potentially the Group.	The risk is relevant to all businesses in the Group due to the nature of products and services across the portfolio. Examples which could impact the Group include: • Loss or unauthorised access to personal information and sensitive client data. • Unavailability or disruption of online products and services. • Integrity of online products, services and data compromised. • Disruption to critical systems that support business operations. • Theft of intellectual property.

Mitigation	Trend
• The Group's diverse and balanced portfolio of businesses and products reduces the overall impact of any single trend. • Quarterly Emerging Risk papers provided to the Audit & Risk Committee ensure both DMGT and operating company management consider and remain vigilant regarding emerging risks and their potential impact.	The significance of this risk has increased given the adverse impact of the Covid-19 pandemic on the outlook for the global and UK economies.
• Local HR specialists focused on recruitment, critical skills planning, identifying and developing internal talent combined with central oversight of reward. • Central Technology function with specialised expertise in artificial intelligence, machine learning, data architecture and management, platform development and scaling. • Central Technology function oversight of technology hire. • Central Portfolio Solutions function partners with operating companies' management, advising on critical skills to improve operational and commercial performance, including pricing and packaging strategies, go-to-market and sales execution and business case development and planning. • Executive management is involved in the recruitment of all operating company leadership roles and their ongoing development. • Payment of competitive rewards for key senior roles, developed using industry benchmarks and external specialist input.	The increased prevalence of remote working, following the onset of Covid-19, may have a detrimental impact on the learning and development of employees. However, an economic downturn resulting in increased unemployment is likely to reduce employee turnover. The risk profile is unchanged as these two factors are considered to largely offset each other.

Mitigation	Trend
• All operating companies have business continuity plans in place and these have been updated to reflect lessons learned from experiencing the Covid-19 pandemic. The successful uninterrupted delivery of products and services throughout FY 2020 demonstrated the effectiveness of the business continuity plans. • Technology capabilities have been enhanced to increase operating companies' resilience if a business continuity event occurs. • The Group has insurance cover in place to help mitigate the financial impact of a business continuity event.	The risk was added to DMGT's principal risks during the year.
• The Technology Council provides oversight of information security initiatives Group-wide. • Additional measures were implemented during the year to protect against the increased risk of attack associated with a significant increase in remote working. • The Group Chief Information Security Officer is responsible for reviewing and recommending actionable roadmaps to improve information security procedures and protections at each operating company. • Group Information Security Policy and detailed information security standards with regular reviews reported to the Technology Council. Periodic reviews of the standards themselves are performed to ensure they keep pace with best practice. • Information security is reviewed as part of every internal audit of an operating company. • Cyber insurance policies in place. • Dedicated budget for information security investments and access to third-party cyber security specialists.	The risk is considered to have increased as a result of increases in remote working.

Actively monitoring and managing our risks

Principal Risks

Operational risks (continued)

Description and impact	Examples
Reliance on key third parties Certain third parties are critical to the operations of our businesses. A failure of one of our critical third parties may cause disruption to business operations, impact our ability to deliver products and services and result in financial loss. The reputation of our businesses may be damaged by poor performance or a regulatory breach by critical third parties, particularly outsourced service providers.	Key third parties include: • Data centre and cloud service providers. • Search engine traffic partners. • Technology and online advertising partners. • IT development support. • Data providers for core product. • Newsprint, flexographic plate and ink suppliers. • Newspaper distributors and wholesalers. • Event venues.
Compliance with laws and regulations The Group operates across multiple jurisdictions and sectors. Increasing regulation increases the risk that the Group is not compliant with all applicable laws and regulations across all of the jurisdictions in which it operates, which could result in financial penalties and reputational damage. Increasing regulation also results in increasing costs of compliance.	Particular areas of focus for DMGT businesses are: • Data protection, including the EU General Data Protection Regulation (GDPR) and the proposed ePrivacy Regulation. • Competition and anti-trust legislation. • EU Market Abuse Regulation. • Libel legislation. • Tax compliance. • Trade sanctions. • Entering regulated markets or sectors.
Pension scheme deficit Defined benefit pension schemes, although now closed to new entrants, remain ultimately funded by DMGT, with Pension Fund Trustees (Trustees) controlling the investment allocation. There is a risk that the funding of the deficit could be greater than expected.	Future pension costs and funding requirements could be increased by: • Adverse changes in investment performance. • Valuation assumptions and methodology. • Inflation and interest rate risks.

Mitigation	Trend
• The Group's diverse and balanced portfolio of businesses and products reduces the overall impact of the failure of an individual third party. • Operational and financial due diligence is undertaken for key suppliers on an ongoing basis. • Close management of key supplier relationships including contracts, service levels and outputs. • Robust business continuity arrangements for the disruption to key third parties. • Event cancellation and business interruption insurance policies. • The acquisition of three printing plants in October 2020 reduced the Consumer Media business's reliance on third parties for producing newspapers.	→
• Changes in laws and regulations are monitored and potential impacts discussed with the relevant persons, Board, or Committee, or escalated as appropriate. • Developments in the legal and regulatory landscape are reviewed by the Audit & Risk Committee. • Implementation and monitoring of Group-wide policies to address new legislation and regulation where applicable. • Group-wide working groups for key compliance areas, such as the GDPR. • Monitoring and management of tax risks is performed by the DMGT Tax Sub-Committee.	→
• The agreed funding plan gives certainty over the financial commitment. • Monitoring and management of pension risks is performed by the DMGT Pensions Sub-Committee. • Company-appointed Trustees.	→

The Strategic Report was approved by the Board on 20 November 2020 and signed on its behalf by the Group Chief Financial Officer.

By order of the Board

Tim Collier
Group Chief Financial Officer

Governance

Board of Directors and Company Secretary

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Key to Board and Committees

- Audit & Risk Committee
- Remuneration & Nominations Committee
- Investment & Finance Committee

Lady Keswick served on the Board until 1 October 2020.

1. The Viscount Rothermere
Chairman

Appointed to the Board: 1995
Appointed Chairman: 1998

Skills and experience:
Lord Rothermere brings significant experience of media and newspapers. He worked at the International Herald Tribune in Paris and the Mirror Group before moving to Northcliffe Newspapers in 1995. In 1997 he became Managing Director of the Evening Standard.

Other appointments: Cazoo (Director).

2. P A Zwillenberg
CEO

Appointed to the Board and CEO: 2016

Skills and experience:
Paul Zwillenberg has over 30 years' experience across the media and technology sectors. He set up the digital division of dmg media (formerly Associated Newspapers digital) in 1996. Prior to joining DMGT, Paul was the Global Leader of the Media Sector, Western Europe and LatAm Leader of the TMT practice and Senior Partner and Managing Director at The Boston Consulting Group. Before that he founded a pre-internet interactive media company and launched a European technology services firm.

Other appointments: None.

3. T G Collier
Group Chief Financial Officer

Appointed to the Board and Group Chief Financial Officer: 2017

Skills and experience:
Prior to joining DMGT, Tim Collier was Chief Financial Officer of Thomson Reuters Financial and Risk Business where he was responsible for driving financial and risk performance, optimising resources and enhancing growth through organic and strategic investments. Tim's experience has spanned media and business information industries and functions including banking, corporate finance, treasury, insurance, internal audit, accounting and M&A.

Other appointments: None.

4. K J Beatty
Executive Director

Appointed to the Board: 2004

Skills and experience:
Kevin Beatty brings many years of media industry experience and is Chief Executive of dmg media. Before joining the Group he was Managing Director of the Scottish Daily Record and Sunday Mail. Kevin has been Managing Director of The Mail on Sunday, the Evening Standard and London Metro, COO of Associated New Media and Managing Director of Northcliffe Newspapers.

Other appointments: Excalibur (Director); News Media Association (Director); Regulatory Funding Company (Chairman).

5. A H Lane
Non-Executive Director

Appointed to the Board: 2013

Skills and experience:
Andrew Lane brings a range of experience of dealing in complex legal and regulatory matters. He is a partner at Forsters LLP and specialises in private client law.

Other appointments: Trustee of the Pension Fund of the Royal Agricultural Society of England; Mail Force Charity CIO (Chairman).

6. F L Morin
Non-Executive Director (Canadian)

Appointed to the Board: 2017

Skills and experience:
François Morin brings a broad range of experience and skills to the Board arising from his role as Partner at the Canadian law firm Borden Ladner Gervais. He is a qualified lawyer admitted to the Québec Bar. In particular, he brings an international perspective relevant to the Group's global operations and experience of regulatory matters across a range of areas. François also has a strong record of community involvement including as director on a number of charitable boards.

Other appointments: None.

7. D H Nelson
Non-Executive Director

Appointed to the Board: 2009

Skills and experience:
David Nelson provides the Board and its Committees with relevant financial expertise, gained through a career in accounting. He is a Partner at Dixon Wilson, Chartered Accountants. He is an adviser to UK-based families and their businesses, advising on financial and tax matters in the UK and overseas. He is a trustee of a number of substantial UK trusts.

Other appointments: Mind Gym plc (Non-Executive Director); Dulwich Preparatory Schools Trust, a registered charity (Chairman).

8. K A H Parry OBE
Independent Non-Executive Director

Appointed to the Board: 2014

Skills and experience:
Kevin Parry is a chartered accountant who brings a broad range of experience and skills to the Board. He serves on a number of company boards and has previously been a Non-Executive Director of Schroders plc, Knight Frank LLP and the Homes and Communities Agency. He has extensive experience chairing companies as well as audit, risk and nominations committees. He is chairman of Royal London Mutual Insurance Society Limited and senior independent director at Nationwide Building Society. He has previously served on the boards of three FTSE 100 companies: Schroders plc, Standard Life Aberdeen plc and Intermediate Capital Group plc where he was chairman.

Other appointments: The Royal London Mutual Insurance Society Limited (Chairman); Nationwide Building Society (Senior Independent Director, Audit Committee Chairman).

9. JP Rangaswami
Independent Non-Executive Director

Appointed to the Board: 2017

Skills and experience:
JP Rangaswami brings extensive knowledge and experience in the fields of data and computer science. He was the Chief Data Officer and Group Head of Innovation at Deutsche Bank until September 2018. He is a director and trustee of the Web Science Trust and adjunct professor in Electronics and Computer Science at the University of Southampton.

Other appointments: Allfunds Bank S.A. (Independent Non-Executive Director), Admiral Group plc (Non-Executive Director), Hammersmith Academy Trust, Web Science Trust, Cumberland Lodge and National Bank of Greece S.A. (Non-Executive Director) (from 22 October 2020).

10. J H Roizen
Independent Non-Executive Director (American)

Appointed to the Board: 2012

Skills and experience:
Heidi Roizen provides the Board with experience in digital media, entrepreneurial growth and business development in both public and private companies in the US. She teaches entrepreneurship at Stanford University. Heidi was Vice President of Worldwide Developer Relations for Apple Computers, as well as being CEO and co-founder of pioneering consumer software company T Maker. She is a Partner at Threshold Ventures, a venture capital firm in California.

Other appointments: Threshold Ventures, Invitation Homes, Planet, Memphis Meats and Polarr.

11. D Trempont
Non-Executive Director (American)

Appointed to the Board: 2011

Skills and experience:
Dominique Trempont brings experience as a Chief Executive Officer, Chairman and Independent Board Director in large multinational high-tech companies and start-ups. He has extensive knowledge of software and digital data/content businesses, artificial intelligence, machine learning, cyber security, online B2C and B2B markets. He is currently on the board of companies focusing on disruptive innovation and emerging markets.

Other appointments: Airspan, ON24, (Real Networks until 31 October 2019).

12. F Wallestam
Independent Non-Executive Director

Appointed to the Board: 2020

Skills and experience:
Filippa Wallestam brings extensive knowledge and experience in the fields of broadcasting and digital media strategy. She is currently EVP & Chief Content Officer at Nordic Entertainment Group, the Nordic region's leading streaming company. Her previous roles at the company include, EVP & CEO of Nordic Entertainment Group Sweden and Head of Strategy for Free-TV and Radio. Formerly, she worked at Boston Consulting Group (BCG) in the media practice, working with flagship clients including DMGT.

Other appointments: Nordic Entertainment Group.

F L Sallas
Company Secretary

Appointed as Company Secretary: 2017

Skills and experience:
Fran Sallas is Secretary to the Board, Audit & Risk Committee, Remuneration & Nominations Committee, the Investment & Finance Committee and a member and Secretary of the Disclosure Committee. Fran has almost 20 years of company secretarial experience and is a Fellow of the Institute of Chartered Secretaries and Administrators. The Risk function is also led by Fran.

Governance

Chairman's Statement on Governance

The Viscount Rothermere
Chairman

In this section

"Strong governance is a key factor in our ability to achieve growth in a profitable, responsible and sustainable manner."

I am pleased to present the Corporate Governance Report for FY 2020. Strong governance is essential to the way DMGT operates; it is promoted by the Board and cascades throughout the Group. It is a key factor in our ability to achieve growth in a profitable, responsible and sustainable manner and in how we maximise shareholder value over the long term. DMGT's approach to governance is distinctive; our corporate procedures are strengthened by the significant benefits we derive from the family shareholding, and the long-term view that this engenders.

Our approach to governance

Our governance framework sets out clear parameters for decision-making. This is achieved through delegated authorities which ensure decisions are made by the appropriate body and that there is clear accountability to the DMGT Board.

During FY 2020, the Board and its Committees spent time reviewing key policies and processes, recognising the 2018 UK Corporate Governance Code (the Code) which applies to DMGT for the 2020 financial year onwards. We voluntarily apply the new provisions where appropriate and explain when we are not in compliance and the reasons for this in this report.

Areas of focus

The Board continues to work closely with the executive team, offering support and robust challenge in a spirit of openness and transparency. Areas of particular focus for the Board include our approach to our portfolio of businesses and their continued growth, as well as divestments, rigorous financial management, balanced capital allocation and managing a strong balance sheet. Additionally, the Board has focused on our people agenda and leadership capabilities.

Board composition

I would like to thank Tessa Keswick, who stood down on 1 October 2020, for the sound advice and guidance she provided whilst serving on the DMGT Board.

Filippa Wallestam joined DMGT's Board as an Independent Non-Executive Director in November 2020. Filippa brings extensive knowledge and experience in the fields of broadcasting and digital media strategy.

Culture in action: Covid-19

We are proud of our Company culture and our employees who embody it. This has been evident in FY 2020 through the way our employees have responded to the Covid-19 pandemic. There was a seamless and safe transition to remote working, and product delivery was uninterrupted, with our newspaper companies printing the papers remotely for the first time in our history. In addition, there were numerous examples of ways in which DMGT and its businesses supported stakeholders, whether through the launch of our Salary Substitution Plan, assisting the work of the Mail Force Charity, providing free survey reports for the Nightingale hospitals, providing £5 million of advertising value for businesses, or giving students access to our education products free of charge.

Read more in Our Stakeholders, pages 32 to 39

The Viscount Rothermere
Chairman

FRC 2018 Code Compliance

The Code places a further emphasis on the Board's engagement with the world beyond the Company – customers, shareholders and employees. This supports the requirements of Section 172 of the Companies Act 2006, which states that the Board should act in ways that are most likely to promote the success of the Company for the benefit of its members as a whole. The Board is committed to generating continued sustainable value for shareholders, considering the interests of DMGT's employees, and maintaining positive relationships with our customers, suppliers and other stakeholders.

Read more about how we engage and interact with stakeholders on pages 32 to 39

Governance

Corporate Governance

UK Corporate Governance Code

The below table sets out how various sections of the Annual Report map to the pillars of the Code:

Board leadership and Company purpose	Strategic Report	2 to 47
	Board activities and stakeholder engagement	55 and 56
	Our stakeholders	32 to 39
	Audit & Risk Committee Report	60 to 66
	Conflicts of interest	94
Division of responsibilities	Board composition	56 and 57
	Committee structure	52
	Leadership	53
	Group policies	32 to 39
Composition, succession and evaluation	Board composition and diversity	56
	Board evaluation	57
	Effectiveness	55
	Remuneration & Nominations Committee Report	69
	Succession planning	57
Audit, risk and internal control	Audit & Risk Committee Report	60 to 66
	Strategic Report	2 to 47
	Fair, balanced and understandable	57
	Accounting judgements	64 and 65
	Viability Statement	27
Remuneration	Remuneration & Nominations Committee Report	69

The Code forms an important part of how we operate. It allows a 'comply or explain' approach to achieving best governance practice. We have chosen to explain our governance practices if these do not fully meet the provisions of the Code. This allows us to recognise our requirements under the Code and the benefits of our shareholding structure. Where we have opted to take a different approach to the Code this has been set out in the table on page 53 and in the relevant sections of this Corporate Governance Report. We believe that the approach we have taken is in the best interests of the structure of the Company and all of its stakeholders, and that we are effective and attentive in our approach to governance. Implementing the Code has led to a greater focus on how we can connect and invest in the communities around us. This is particularly apparent in our response to Covid-19.

Read more in Our Stakeholders, pages 32 to 39

The Code is available at www.frc.co.uk. Information required under DTR 7.2.6 is provided on page 92 and forms part of this report. Key features of the risk management and internal control systems can be found on pages 40 to 47.

Governance

Corporate Governance

Committee structure

The Board and Committee structure is set out below.

DMGT

DMGT Board

Collectively responsible for the long-term success of the Company.

Audit & Risk Committee

The Audit & Risk Committee has responsibility for:

- the Company's financial reporting;
- narrative reporting;
- the Internal and External Audit processes; and
- the signing off of external disclosures.

The Committee also oversees:

- the Group's system of risk management and internal controls;
- the Group's risk register, risk appetite and tolerance, included as part of the Viability Statement; and
- developments in relevant legislation and regulation.

Time is allocated at each meeting for both Audit and Risk matters, to ensure that both duties are adequately addressed.

Remuneration & Nominations Committee

The Remuneration & Nominations Committee ensures that remuneration arrangements support the strategic aims of the business and enables the recruitment, motivation and retention of senior executives in a manner that is aligned to shareholder interests, while also complying with the requirements of regulation. It also reviews the structure and composition of the Board and its Committees, in particular the skills, knowledge and experience of Directors.

Time is allocated at each meeting for both Remuneration and Nominations matters, to ensure that both duties are adequately addressed.

Investment & Finance Committee

The Investment & Finance Committee evaluates investment opportunities and financing proposals and monitors returns on investments made.

Executive Committee

The Executive Committee meets regularly to discuss all aspects of the Group's performance and strategy, particularly performance management, capital allocation, risk management and senior talent considerations.

Family shareholding

DMGT has a holding company called Rothermere Continuation Limited (RCL). RCL is incorporated in Jersey, in the Channel Islands. The main asset of RCL is its controlling shareholding in DMGT, being its 100% holding of DMGT's issued Ordinary Shares and the largest single holding of DMGT A Ordinary Non-Voting Shares (A Shares). RCL is controlled by a discretionary trust (the Trust) which is held for the benefit of Viscount Rothermere and his immediate family (the family). The Trust represents the ultimate controlling party of the Company and has controlled the Company for many years. Both the Trust and its subsidiary company, RCL, are administered in Jersey. The directors of RCL, of which there are six, include two Directors of DMGT during the reporting period: Lord Rothermere and François Morin.

As holding company and ultimate controlling party, RCL and the Trust maintain that the Company should continue to be managed in accordance with high standards of corporate governance for the benefit of all shareholders.

RCL has again indicated to the Company that its intentions for the Company's governance are long term in nature and that it will discuss with the Board of the Company any material change in its intentions. In particular, RCL has confirmed its intention that the Company will:

- continue to observe the Listing Principles in their current form;
- continue to maintain a securities dealing code for certain of its employees;
- continue to voluntarily observe the UK Code on a 'comply or explain' basis; and
- have an appropriate number of Independent Non-Executive Directors on its Board.

It is also intended by RCL that the Company's Independent Directors would take decisions on behalf of the Company in relation to any proposed transaction between the Company and RCL, or between the Company and an associate of RCL, where any such proposed transaction would have been a related party transaction under Chapter 11 of the Listing Rules.

We have applied the principles and complied with the provisions of the Code, except as explained below.

Code provision	Subject	Explanation
9 and 19	Independence and tenure of the Chairman	Our Chairman is Lord Rothermere. He has held this position since 1998. As the holder of all the Ordinary Shares and the largest holder of A Shares of the Company through the Trust, the Board considers that Lord Rothermere's interests are fully aligned with those of other shareholders. The Board believes that his business experience, extensive knowledge of the Group, long-term perspective and commitment to the business are important contributors to the continued success of DMGT. For more details of the family shareholding and the Trust, see page 52.
11	Independence of at least half of the Non-Executive Directors	Kevin Parry, JP Rangaswami and Heidi Roizen are independent within the meaning of Provision 10 of the Code. The Board believes that its current composition is effective and appropriate, notwithstanding that less than half of the Board are deemed independent Non-Executive Directors within Provision 11 of the Code. Taking into account the heritage of the Group, and the interests of our operating companies represented on the Board, the Board considers that a good balance is achieved from the Board's Non-Executive Directors in terms of skills and independence. The Board is well balanced with Directors representing a range of relevant backgrounds and countries in which DMGT operates. These backgrounds include media, data science, insurance, venture capital, software and digital content. Companies our Directors represent or have represented include 3Com, Apple, Draper Fisher Jurvetson, Nationwide, Royal London, Salesforce, Schroders and Standard Life Aberdeen amongst others. The Board receives a report from the Chairman of the Remuneration & Nominations Committee at every meeting. The report details Committee discussions regarding the performance of executives and management against performance metrics. Non-Executive Directors are then given the opportunity to scrutinise the performance of the Executive Directors. Filippa Wallestam was appointed a Non-Executive Director with effect from 19 November 2020. She is considered independent in accordance with the Code.
12	Senior Independent Director	Lord Rothermere has a significant interest in DMGT's shares and the Board feels that there is no need for an individual Senior Independent Director to represent shareholders. Instead, the Board feels it is appropriate that the responsibilities that the Code defines for the Senior Independent Director are shared between the Non-Executive Directors, aligning their skills and experience with specific requirements as necessary. For more information see page 54.
17	Composition of the Remuneration & Nominations Committee	The Chairman of the Committee is Lord Rothermere, the majority of its members are not considered to be independent under the Code. As the holder of all the Ordinary Shares and the largest holder of A Shares of the Company through the Trust, the Board considers that Lord Rothermere's interests are fully aligned with those of other shareholders. The Committee is confident its membership ensures that it carries out all aspects of its role with proper and appropriate regard to long-term shareholder interests.
21	Annual evaluation of the Board	The Board does not complete an externally facilitated evaluation once every three years. Instead, the Board carries out a review of its own performance and those of its Committees annually. The review is conducted through an internal process facilitated by the Company Secretary. The Board believes that self-assessment through an internal evaluation process is appropriate. For more information see page 57.
24	Composition of the Audit & Risk Committee	All members of the Audit & Risk Committee are Non-Executive Directors and two are Independent Non-Executive Directors. Andrew Lane and David Nelson are advisers to RCL and not Independent Directors. The Board considers that their membership adds value to the deliberations of the Audit & Risk Committee, and the Committee Chairman confirmed there was no conflict of interest during the year.

Leadership: the Board

The Board has a duty to promote the long-term success of the Company for its shareholders. This includes: the review and monitoring of strategic objectives; approval of major acquisitions, disposals and capital expenditure; financial performance; reviewing the effectiveness of the Group's systems of internal controls; governance; risk management; and training and development.

Our purpose: the Board's role

DMGT has three key strategic priorities: improving operational execution; increasing portfolio focus; and maintaining financial flexibility. DMGT's businesses hold market-leading positions and are in growing, digitising sectors. Our strategy aims to deliver sustainable returns over the long term.

The family-owned nature of the Company gives DMGT a unique long-term perspective, and the relationship between RCL and the Board ensures that DMGT is managed in accordance with high standards of corporate governance for the benefit of all shareholders. The Board sets the Company's purpose and strategy with this valuable perspective in mind.

Read more on page 58 for examples of how the Board contributes to delivery of the Group's strategy

Governance

Corporate Governance

Alongside our commitment to entrepreneurism, DMGT's businesses and our people operate with a clear sense of purpose, beyond profit. DMGT is able to invest for long-term sustainable growth and quality and in businesses that share our ethos/goal of satisfying the need to know, whether that's providing insights that make it possible to 'insure the uninsurable', driving towards ever-greater transparency across property markets, enriching connections between businesses and communities with industry-leading exhibitions or holding authority to account through high-quality journalism.

Our purpose and culture is communicated to all operating companies through our Code of Conduct and policies, our Corporate Responsibility (CR) Champions Network, regular meetings between the Board and senior leadership of our subsidiaries, and our engagement with our stakeholders. Read more on how the Board engages with our stakeholders on pages 32 to 39.

DMGT Board: membership

Member	Member for the full period	Meetings held	Meetings attended
Chairman The Viscount Rothermere	Yes	6	6
CEO P A Zwillenberg	Yes	6	6
Group Chief Financial Officer T G Collier	Yes	6	6
Executive Directors			
K J Beatty	Yes	6	6
Non-Executive Directors			
Lady Keswick (until 1 October 2020)	Yes	6	6
A H Lane	Yes	6	6
F L Morin	Yes	6	6
D H Nelson	Yes	6	6
K A H Parry	Yes	6	6
JP Rangaswami	Yes	6	6
J H Roizen	Yes	6	6
D Trempont	Yes	6	6

Additional meetings were held during FY 2020 to consider items relating to Covid-19.

Persons discharging managerial responsibilities (PDMRs)

As part of the Company's continuing obligation to ensure compliance with the Listing Rules and related regulations, we have identified that the Board, Executive Committee and regular attendees at the Investment & Finance Committee are PDMRs. This is because they have regular access to inside information and the power to make managerial decisions affecting the future development and business prospects of the Company.

How the Board operates

There is a schedule of matters reserved to the Board. This details key matters in respect of the Company's management that the Board does not delegate. This can be seen at www.dmgt.com. If any Director had any concerns about the way the Board was operating, these would be recorded in the minutes. No such concerns were raised during this reporting period. Day-to-day management of the Company is the responsibility of the Executive Committee and of the executive management of the operating companies.

Delegation of authority

The Board has delegated certain activities to Board Committees, under formal terms of reference, details of which are set out on our website.

Go online to
www.dmgt.com

Division of Chairman and CEO responsibilities

In accordance with Provision 9 of the Code, the roles of Chairman and CEO are exercised by separate individuals and have clearly defined responsibilities. The division was set out in writing on appointment of the CEO and was reviewed by the Board. The Chairman is responsible for leading the Board and overseeing operations and strategy. The CEO is responsible for the execution of the strategy and the day-to-day management of the Group, and is supported by the Executive Committee.

Non-Executive Directors

The Non-Executive Directors, as members of the Board and its Committees, are responsible for ensuring the Company has effective systems of risk management and internal controls, and additionally, for monitoring financial performance. All Committee Chairmen report to the Board on Committee activity at each Board meeting.

Senior Independent Director

Lord Rothermere has a significant interest in DMGT's shares and the Board considers that there is no need for an individual Senior Independent Director to represent shareholders. Accordingly, the Board has not appointed a Senior Independent Director as specified in Provision 12 of the Code.

Instead, the Board considers it is appropriate that the responsibilities that the Code defines for the Senior Independent Director are shared between the Non-Executive Directors, aligning their skills and experience with specific requirements. Examples of this include:

- the Euromoney Distributions in April 2019, for which Kevin Parry was appointed as Chairman of the Independent Committee set up to oversee the process; and
- a committee of Non-Executive Directors who act as a sounding board for the Chairman and for the Board as a whole in relation to DMGT's investment in RMS. It consists of Kevin Parry and JP Rangaswami who provide relevant financial advice, and Heidi Roizen and Dominique Trempont who provide Silicon Valley insight and technology expertise.

Chairman evaluation

The annual evaluation of the Chairman is carried out by the Remuneration & Nominations Committee (without the Chairman being present). Lord Rothermere's performance is evaluated and his remuneration is determined by the non-executive members of the Committee: JP Rangaswami and Heidi Roizen (who are independent), David Nelson and Dominique Trempont.

Effectiveness

The Board reviews its effectiveness within the context of Provision 21 of the Code. In addition to its review of independence and the Board evaluation process, discussed separately, the Board discharges its Code duties as follows:

- Appointments: the Remuneration & Nominations Committee is responsible for referring potential appointments to the Board for approval and is assisted by the CEO. Further details are in the Remuneration & Nominations Committee Report on page 67.
- Time: the time commitment of each Non-Executive Director is set out in his/her Letter of Engagement. Each Letter of Engagement is renewed annually following consideration by the Remuneration & Nominations Committee and a shareholder vote at the Annual General Meeting (AGM).
- Multiple commitments: the Remuneration & Nominations Committee recognises that Board members may be directors of other companies and that this additional experience is likely to enhance discussions at the Board. Details of any additional directorships are on page 49. Executive Directors are generally permitted to hold non-executive directorships as long as they do not lead to conflicts of interest or time.
- Development and information: on joining, Directors receive a comprehensive, tailored induction programme, which includes time with the Company Secretary, the Executive Directors and a range of senior managers across the Group. During the year, as part of a rolling training programme, the Board receives updates on key areas of finance and governance as well as detailed presentations by operating companies.
- Re-election: in line with Provision 18 of the Code, all Directors are eligible to stand for re-election annually and will do so at the 2021 AGM.

Board activities and stakeholder engagement

Shareholders

There is a unity of interests between the family and other shareholders. Any concerns raised by shareholders in relation to the Company and its affairs are communicated to the Board through regular briefings. Institutional feedback is circulated to Directors following results and trading updates.

Shareholders have access to the Company Secretary and Company's Registrars to discuss queries or raise issues they may face. The Company's website, www.dmgt.com, provides the latest news, historical financial information, details about forthcoming events for shareholders and analysts, and other information relevant to shareholders regarding the Group.

Senior executives hold regular Investor Relations (IR) meetings with institutional investors, including IR roadshows following the half-year and full-year results, as well as attending investor conferences to meet potential investors. In accordance with Provision 3 of the Code, the Chairman was due to meet with major shareholders in order to understand their views on governance and performance against strategy; due to Covid-19 this meeting was postponed.

Some of the key topics raised by shareholders during the financial year were:

- Covid-19: Investors were keen to understand how the Covid-19 pandemic and associated restrictions have affected and are likely to affect the Group's different businesses, including whether any effects are expected to be long lasting. They were also curious about whether there is likely to be a sustained impact on working practices.
- RMS: Investors wanted to gain assurance that the business remains on track with its product launches and that the expectations for the business have not changed.
- MailOnline: Investors were interested in the digital advertising dynamics during the UK lockdown, with increased audience and traffic in April and May but reduced revenues.
- Acquisitions: Investors wanted to gauge the appetite for bolt-on acquisitions and were curious whether sellers' price expectations have reduced as a result of Covid-19.
- Future dividends: Investors wanted to confirm that they had correctly interpreted DMGT's half-year results release to mean that the Board still intends to deliver real dividend growth but not if Covid-19 has such a pronounced impact on the economic outlook and trading that it would be detrimental to the Group's best interests to do so.
- Cazoo: Investors were interested in understanding Cazoo's potential, particularly in light of the market value of Carvana, the US business.

In addition:

- an Investor Briefing was due to be held in June 2020 and was to focus on our Property Information businesses in particular. The event was postponed due to Covid-19 and is expected to be held virtually in early 2021;
- in late 2019, DMGT engaged an external adviser to review interactions with investors. This included feedback on the April 2019 Distributions, interaction with management, DMGT's IR team, shareholder messaging and corporate governance. The findings were satisfactory and no significant concerns were raised; and
- the IR team ensures that relevant materials are available online in an easily accessible format to better inform existing and potential investors, and engages with analysts on a regular basis.

Employee engagement

Under Provision 5 of the Code, the Board has considered methods of employee engagement and which is most effective for the Group. Due to DMGT's disparate nature (there are c. 40 office locations internationally), the Board considers alternative methods of employee engagement to be more appropriate. Examples of engagement with employees have included, or next scheduled to take place, are as follows:

- Emerging Leaders events where Directors meet employees at DMGT Centre and the operating companies who have been identified as future leaders.
- Director visits to operating companies as part of Board and Committee trips and that are in addition to this cadence.
- Director attendance at DMGT events such as RMS Exceedance, where they meet with employees and customers.
- Directors are invited to attend CR events such as the Community Champions Awards ceremonies.

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- Engagement surveys are carried out at operating company level, the results of which are summarised and shared with the Board through a regular report.
- During the year, virtual Town Hall events were held throughout the Group. Kevin Parry joined a DMGT Centre Town Hall and employees were able to ask him questions and hear his views about a number of topics including a Non-Executive Director's view of DMGT's response to Covid-19. Other Directors will be invited to attend future planned events.

Some of the physical items listed above were scheduled to take place during 2020 and have had to be postponed due to Covid-19. They will be rearranged as soon as it is possible and safe to do so.

We use a range of indicators to assess and monitor cultural health and employee engagement across the Group. The Board also took steps to actively continue this during Covid-19. Some examples include:

- Monitoring the Salary Substitution Plan participation where c.99% of employees eligible to participate took part. Some employees participated at a higher contribution level. Others opted to participate even though they fell below the minimum salary threshold.
- Considering Employee Engagement Survey coverage.
- Reviewing Gender Pay Gap reporting.
- Monitoring DMGT SharePurchase+ participation where c.10% of employees eligible to participate do so, typical for schemes such as this.
- Noting that employees donated £27,000 to Mail Force Charity, which was matched by DMGT.
- Updates regarding DMGT businesses running employee engagement wellbeing initiatives.

Read more in Our Stakeholders, pages 32 to 39

Interaction with Executive Management

The Board and Executive Management team interact regularly. The executive management team attend Board and Committee meetings, joined by operating company leadership teams and subject matter experts, presenting and answering questions on specific matters. Regular Board papers from the CEO, Group Chief Financial Officer, Head of Investor Relations and the Company Secretary also provide insight and reflections on the day-to-day activities within the Group, and include updates from around the Group.

Whistleblowing procedures

Principle 6 of the Code specifies that the workforce should be able to raise any matters of concern to the Board.

For more information see page 33

Suppliers

Information relating to DMGT's suppliers and business partners is included in reports shared with the Board by Executive Management and presentations given by operating company leadership. This helps the Board understand the processes in place and that suppliers are treated appropriately. An example of this is the annual payment practices report. 83% of payments to suppliers of our UK businesses were made on time in accordance with our payment terms.

Customers

Information relating to DMGT's customers is included in reports shared with the Board by Executive Management and presentations given by operating company leadership. Directors also attend customer events such as RMS Exceedance, where they have the opportunity to interact with clients and hear their views.

Our communities

The regular CEO Report to the Board contains updates on community and charity partnerships. Directors are invited to attend the DMGT Community Champions Awards ceremony where they not only interact with employees, but also representatives from the charities and community initiatives the Group supports.

The environment

The Board oversees Group policies, via the Audit & Risk Committee, including those regarding the environment and DMGT's carbon footprint. The Committee also reviews disclosures relating to the carbon footprint as part of its role to consider the content of the Annual Report.

Read more in Our Stakeholders, pages 32 to 39

Board composition and diversity

The Board has continued to review its composition during FY 2020 to ensure that it has the right combination of members to contribute effectively to the development of strategy and how DMGT operates. DMGT considers diversity in its broadest sense when reviewing how the Board operates and its composition.

The split of the Group's profits between our US and other businesses, the global nature of our operations, our strategy and the range of activities undertaken across the Group has been reflected over recent years in our Board appointments. Maintaining this broad range of appropriate skills, including international and specific-sector experience, will continue to be a factor in our Board succession planning. The appointment of Filippa Wallestam reflected the Board's view that her broadcasting and digital media strategy expertise would be a useful complement to the skills and experience of existing Board members. The Board is aware of and takes into account the diversity of its senior management. Read more about the diversity of our management on page 32. This is considered as part of the senior management appointment process. Further details on our approach to composition and succession planning for Board members are included in the Remuneration & Nominations Committee Report on page 67.

The Directors represent a range of relevant backgrounds and countries in which DMGT operates. These backgrounds include media, data science, insurance, venture capital, software and digital content. Companies our Directors represent or have represented include Apple, Nationwide, Royal London, Salesforce, Schroders and Standard Life Aberdeen amongst others.

The Board receives a report from the Chairman of the Remuneration & Nominations Committee at every meeting. The report details Committee discussions regarding the performance of executives and management against performance metrics. Non-Executive Directors are then given the opportunity to scrutinise the performance of the Executive Directors.

The Group reviews the make-up of the Executive team in all its businesses on a regular basis to ensure that it has the right balance of entrepreneurial talent and experience to lead the Company now and in the future. DMGT aims to attract and retain the best possible talent right across our businesses, and has a detailed bottom-up annual talent review process. This is reviewed by the Board annually and also by Non-Executives at a private session. One outcome of this year's review was that additional hires were made to supplement succession plans.

Fair, balanced and understandable

One of the key governance requirements of a group's annual report is for it to be fair, balanced and understandable. The coordination and review of Group-wide input into the Annual Report is a specific project, with defined time frames, which runs alongside the formal audit process undertaken by the External Auditor. The Audit & Risk Committee's and the Board's confirmations of satisfaction with the process and the statements being made is underpinned by:

- comprehensive guidance being provided to the operating companies in respect of each of the requirements for, and each of their contributions to, the Annual Report;
- a verification process in respect of the factual content of the submissions made;
- comprehensive sign-off process by owners of all statements made; and
- comprehensive reviews undertaken at different levels of the Group with the aim of ensuring consistency and overall balance.

As a result of this process, the Audit & Risk Committee and the Board are satisfied that the Annual Report, when taken as a whole, is fair, balanced and understandable, and that it provides the information necessary for shareholders to assess the Company's position, performance, business model and strategy.

Board evaluation

The Board carries out a review of its own performance and those of its Committees annually. The review is conducted through an internal process facilitated by the Company Secretary. The conclusion of the 2020 review was that the Board and its Committees function well.

The Board believes that self-assessment through an internal evaluation process facilitated by the Company Secretary is appropriate. The evaluation process focuses on Board structure and processes, oversight and review, and Board dynamics. The process is considered to be appropriate because it continues to deliver constructive results such as recalibrating focus, agreeing priorities, raising issues and improving Board dynamics.

DMGT has not incurred the cost of an external review as, further to the reasons above, the Board finds the internal review to be sufficiently rigorous as well as productive. The Board keeps this under review, and seeks an external evaluation if the internal process is considered to be insufficient and an independent review is felt to be required.

The annual performance review ensures that the Board is committed to optimising its performance and effectiveness. Below is a summary of the progress that has been made against the areas identified for further development in our FY 2019 evaluation.

Focus	Action taken
Portfolio focus	Continued discussions regarding the size and shape of the portfolio.
Priorities	Focused on priorities for the next three, five and 10 years, in particular in the context of the Covid-19 recession.
Board engagement with stakeholders	Despite Covid-19, focused on methods for employee engagement and how employees interact with Board members.
Cyber risk	Continuing to prioritise cyber risk at Board level and ensuring that appropriate resource is in place.
Succession planning across the Group	Continuing to ensure comprehensive succession plans are in place at Board and senior management level.

Areas of focus for the Board during FY 2020 can be found on page 58.

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The Board's focus in FY 2020

Board members have visited, and received presentations and functional area updates from, DMGT's operating companies on a rolling basis. During the year, as part of the Directors' ongoing development and follow-up from the FY 2019 Board evaluation process, these updates were a combination of presentations to the whole Board and smaller groups as deemed appropriate, as detailed below.

Covid-19

In the context of Covid-19:

- Updates on employee safety and wellbeing.
- Updates on trading from the operating companies.
- Review of the DMGT Salary Substitution Plan.
- Updates on business continuity arrangements and transition to remote working.
- Stakeholder engagement initiatives, including Mail Metro Media advertising initiatives, Landmark interaction with the Nightingale hospitals, Mail Force Charity, DMGT Cares.

Read more in Our Stakeholders, pages 32 to 39

Portfolio management and strategy

- A strategic review of the portfolio and acquisitions pipeline.
- Non-Executive Directors François Morin, David Nelson, Kevin Parry, JP Rangaswami, Heidi Roizen and Dominique Trempont virtually attended RMS Exceedance in May 2020.
- Presentations by the operating companies.
- The Group's property strategy.
- A visit to Trepp by Non-Executive Directors was planned but was postponed due to Covid-19.

Read more in CEO Review, pages 10 to 13

Risk management

- With the support of the Audit & Risk Committee, review of the Group's principal risks, emerging risks, other key risk areas and performance against risk appetite.
- Approval of the Group's Viability Statement and risk appetite for FY 2021.

Read more in Principal Risks, pages 40 to 47

People

- Discussions regarding senior appointments and succession planning.
- Updates on talent management and diversity.
- Presentation to Non-Executive Directors on succession and senior executives.
- Non-Executive Directors were due to be given the opportunity to meet with emerging leaders across the Group; this was postponed due to Covid-19.
- People updates, including measures taken to ensure employee wellbeing during Covid-19.

Read more in Our Stakeholders, pages 32 to 39

Finance and capital

- Assessment and monitoring on a regular basis, performance against agreed financial targets, budget and returns on investment.
- Approval of authority limits and process for investments.
- Assessment and monitoring of approach to pensions and tax policy.
- Assessment and monitoring of the response to Covid-19.

Read more in Financial Review, pages 23 to 31

Governance

- Regular updates throughout the year including on Market Abuse Regulation, 2018 UK Corporate Governance Code, payments practices reporting, Gender Pay Gap reporting, modern slavery and human trafficking, General Data Protection Regulation as well as reports from the Committee Chairmen.
- Approval and changes to updated Terms of Reference and matters reserved to the Board.
- Review of the quality of the External Audit.
- Review of 'DMGT Essentials', the Group internal governance guide for operating companies.
- Investor 360 review of the Group and feedback from major shareholders.

Technology

- Review of technology debt, mission-critical outsourcing, cyber security and business continuity.
- Data security in the context of increased remote working.
- Review of Investment in platform modernisation at operating companies.

Read more in Market Overview pages 8 and 9

Culture

- Updates about employee, community, partner and customer initiatives.
- Non-Executive Director Kevin Parry virtually attended a Town Hall meeting to hear from employees.
- Non-Executive Directors invited to attend annual Community Champions Awards ceremony.

Read more in Our Stakeholders pages 32 to 39

Board Committees

Executive Committee

The Executive Committee is responsible for the day-to-day operation of the Group in line with the overall strategic aims set by the Board.

Membership

Member	Member for the full period
The Viscount Rothermere (Chairman)	Yes
P A Zwillenberg	Yes
T G Collier	Yes
K J Beatty	Yes
R Chandhok	Yes

The Executive Committee meets regularly.

It has a broad remit covering strategy and its execution, and operational performance oversight.

Key activities

- Business reviews with all operating companies at least twice yearly.
- Performance management review and analysis.
- Talent acquisition and management.
- Review of key investment and divestment opportunities and capital allocation decisions.
- Review of operating company and Group risk registers.
- Budget approval and tracking against budget.
- Review of key policies.
- Response to Covid-19: regular meetings to discuss business continuity, employee safety, remote working, return to work and to hear from operating companies regarding trading impact.
- Supported in this respect by the Publisher of dmg media, Chief Human Resources Officer – dmg media and the Company Secretary.

Governance

The Executive Committee is designed to represent key businesses and functions. It ensures that there is appropriate support for, and challenge to, the operating companies.

Investment & Finance Committee

The Investment & Finance Committee evaluates the benefits and risks of investment opportunities and financing proposals up to a value threshold. The Investment & Finance Committee provides regular updates to the Board including monitoring returns on investments made and progress against agreed targets.

Membership

There were seven meetings held in the year.

Member	Member for the full period
The Viscount Rothermere (Chairman)	Yes
P A Zwillenberg	Yes
T G Collier	Yes
A H Lane	Yes
D H Nelson	Yes
K A H Parry*	Yes

* Independent.

The Investment & Finance Committee reviewed its membership and approved that Lord Rothermere continue as its Chairman.

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- The Investment & Finance Committee reviewed its Terms of Reference and those of the Pensions and Tax Sub-Committees and these were updated to reflect changes during the year.
- The Investment & Finance Committee confirmed that it and its Sub-Committees had complied with their Terms of Reference and had been effective throughout the year.

Key activities

- Reviewing all acquisitions, disposals and capital expenditure within its remit, including presentations made by operating companies to request support in line with strategic objectives.
- Reviewing performance against budget and plan including reviewing debt position, tracking performance against the original investment case and assumptions for acquisitions and investments.
- Oversight of the Company's pension scheme planning, including discussions with the various scheme Trustees and their advisers and the latest triennial valuations.
- Reviewing the Company's dividend policy in light of the current reduced size of the Group, M&A and disposals and challenging market conditions during FY 2020 and in the near term.
- Reviewing and approving the Company's tax strategy.
- Reviewing the Committee's effectiveness.
- Reviewing reforecasts and plans in response to Covid-19.

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Audit & Risk Committee

Dear Shareholders

I am pleased to present the Audit & Risk Committee Report.

We operate as a combined Audit & Risk Committee.

In the context of our changing Group, we have focused our audit work on judgemental areas of accounting and auditing, and our risk work on high-impact possible events.

There is a comprehensive process to review significant business risks to the Group, including financial risk, operational risk and compliance risk that could affect or impact the achievement of the Group's strategy and business objectives.

The Audit & Risk Committee reviewed financial information connected with acquisitions and disposals to ensure appropriate accounting.

During the year much of the focus of the second half was on the impact of Covid-19 on DMGT and the Company's response. In addition, we maintained our focus on threats to our cyber security and closely monitored the potential impact of Brexit on DMGT.

The Committee considered the risks associated with Brexit and concluded that our preparations were such that there would be no material impact on the Group's businesses.

The Group has maintained its attention on operational effectiveness during the year. The Committee focuses on ensuring our risk management procedures and internal and external audits address changing requirements. For example, we are planning for the introduction of reporting on the controls over financial reporting and progressing the quantification of risks by the use of financial models.

The following pages set out the Audit & Risk Committee's Report for the financial year. The report is structured in four parts:

- How the Audit & Risk Committee operates: membership, key responsibilities, governance, effectiveness and operating practices;
- Review of the year: key activities and the significant financial reporting and auditing issues and other financial matters;
- Oversight: risk and controls, and internal audit; and
- External Auditor: auditor independence; and audit quality and materiality.

Kevin Parry
Audit & Risk Committee Chairman

Membership

Member	Member for full period	Meetings held	Meetings attended
K A H Parry (Chairman)*	Yes	6	6
A H Lane	Yes	6	6
D H Nelson	Yes	6	6
JP Rangaswami* (from 5 February 2020)	No	6	3
D Trempont (until 5 February 2020)	No	6	3

* Independent.

JP Rangaswami attended the meeting held on 4 February 2020 as an observer.

Key responsibilities

The integrity of the Group's financial results and internal control systems are important to the Directors and the shareholders.

Consequently, the Audit & Risk Committee encourages and seeks to safeguard high standards of integrity and conduct in financial reporting and internal control. The Committee tests and challenges the results and controls in conjunction with management and the Internal and External Auditors.

The Committee has fulfilled its responsibilities during the year and confirms the Group is in compliance with the Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014. The Committee is permitted to obtain its own external advice at the Company's expense. No such advice was sought during the year.

Governance

The Audit & Risk Committee met six times during the year.

All members of the Audit & Risk Committee are Non-Executive Directors and two are Independent Non-Executive Directors. Kevin Parry and JP Rangaswami are both Independent under Provision 10 of the Code.

Andrew Lane and David Nelson are advisers to RCL and not Independent Directors. This is a deviation from Code Provision 24. The Board considers that their membership adds value to the deliberations of the Audit & Risk Committee, and the Committee Chairman confirmed there was no conflict of interest during the year.

The Committee as a whole has competence relevant to the sectors in which DMGT operates, providing an effective level of challenge to management. Kevin Parry is a former senior audit partner, a former chief financial officer and has extensive experience as an audit committee chairman. David Nelson is a partner of an accounting practice. Consequently Kevin Parry and David Nelson are designated under Provision 24 of the Code as the financial experts with competence in accounting and auditing.

The Committee, being combined, fulfils the recommendation that the Risk Committee includes at least one member of the Audit Committee. David Nelson and JP Rangaswami also serve on the Remuneration & Nominations Committee. Members have appropriate knowledge, skills and expertise to fully understand risk appetite and strategy.

The Committee provides advice to the Remuneration & Nominations Committee on malus and clawback provisions.

The Audit & Risk Committee's Terms of Reference are on our website at www.dmgt.com.

Effectiveness

The Audit & Risk Committee reviews its Terms of Reference and effectiveness annually. The review, including a questionnaire completed by Committee members, confirmed that the Committee is effective at meeting its objectives, under Provision 21 of the Code and the needs of the Group.

Operating practices

During the year the Audit & Risk Committee meetings were scheduled to take place prior to Board meetings to maximise the efficiency of interactions. Reports are made to each Board meeting on the activities of the Committee, focusing on matters of particular relevance to the Board in the conduct of its work.

The Committee has been supported in its activities during the year by the Group Chief Financial Officer, Company Secretary, Group Assurance Director, Group Chief Technology Officer, Group Financial Controller and the Director of Group Finance, as well as the External Auditor. These individuals generally sponsor Committee papers, which are typically distributed one week prior to meetings. The Committee works with all contributors to discuss judgemental issues at an early and relevant opportunity.

The Group Chief Financial Officer, Company Secretary, Group Assurance Director, Group Chief Technology Officer, Group Financial Controller, Director of Group Finance and the External Auditor are invited to each meeting but are recused when appropriate. The CEO is invited to the half-year and full-year meetings. The Chief Technology Officer, Legal Director and UK and US Data Privacy Counsels are also invited to attend when appropriate. This approach results in informed decisions based on quality papers and discussion which provides for a thorough understanding of facts and circumstances.

The Committee met regularly and separately with the External Auditor, Group Assurance Director (who is responsible for Internal Audit and Risk Assurance), the Group Chief Financial Officer and Company Secretary, without other executive management being present.

Review of the year

Key activities

Key activities undertaken by the Audit & Risk Committee during the year included:

Audit

- Agreeing the scope of Internal and External Audit work.
- Challenging management's accounting judgements.
- Reviewing and discussing Internal Audit reports to maintain their contribution to improving the control environment.
- Reviewing the basis of alternative performance measures.
- Reviewing the effectiveness of the External Audit.
- Reviewing accounting for disposals during the year.

Risk

- Reviewing the 2018 Corporate Governance Code and DMGT's proposed compliance and disclosure.
- Reviewing the Group's risk management processes and the Group risk register.
- Robust challenge to the assumptions supporting the Group's Viability Statement (see page 27).
- A rolling programme of focused risk topics, including information security and cyber resilience.
- Review of compliance with data protection requirements and data privacy more widely.
- Information security in the context of Covid-19 and associated best practices.
- Reviewing payment practices.
- Compliance with legislation relating to anti-bribery and corruption, trade sanctions, health and safety, and modern slavery.
- Business continuity and incident management.
- Reviewing the Group's whistleblowing arrangements with findings reported to the Board.

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Financial reporting and auditing matters

The Audit & Risk Committee considered and discussed the significant matters relating to financial reporting and auditing, as set out in the table below.

The matter and its significance	Focus of work	Comments and conclusion
Financial reporting The content of the Annual and Half-year Reports and trading updates should be appropriate, complying with laws and regulation.	We specifically reviewed: • all accounting policies for continued appropriateness, consistency of application and the impact of new accounting standards; • all sections of the Annual Report having particular regard for the Audit & Risk Committee's responsibilities for the financial statements; • reports from Financial Management, Legal, Risk and Internal Audit which confirmed compliance with regulations; and • the financial risks and papers to support the going concern basis of accounting.	A materiality threshold of £5 million has been set for exceptional items unless there was continuation of an activity previously disclosed as exceptional. During the year the Group adopted one new accounting standard, IFRS 16, Leases. The leasing standard has eliminated the distinction between operating and finance leases for lessees and requires lessees to recognise right of use assets and corresponding liabilities for all leases. The new standard has replaced the operating lease expense with a depreciation charge included within operating costs on the underlying right of use asset and an interest expense included within finance costs on the lease liability. On 1 October 2019, on the adoption of IFRS 16 the Group has recognised right of use assets of £78 million and lease liabilities of £92 million which had previously been classified as operating leases under the principles of IAS 17, Leases. This includes right of use assets of £8 million and lease liabilities of £9 million relating to businesses held for sale. In addition the Group has recognised £11 million of sublease receivables. The lease liabilities were measured at the present value of the remaining lease payments, discounted using an incremental borrowing rate as at 1 October 2019. The weighted average incremental borrowing rate applied to these liabilities as at 1 October 2019 was 3.1%. The corresponding right of use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments as at 30 September 2019. The Group has adopted IFRS 16 on a modified retrospective basis such that the Group has applied the simplified transition approach and has not restated comparative information. As permitted by IFRS 16 the Group has applied the following practical expedients: The Group has not brought onto the Consolidated Statement of Financial Position short-term leases (those with 12 months or less to run as at 1 October 2019 including reasonably certain options to extend) or low-value assets. These items therefore continue to be expensed directly in the Consolidated Income Statement. The Group has relied on its onerous lease assessments under IAS 37 to impair right of use assets in place of performing an impairment assessment on adoption of IFRS 16.

The matter and its significance	Focus of work	Comments and conclusion
Financial reporting continued		The Group has measured right of use assets at an amount equal to the lease liability on adoption of IFRS 16 as adjusted by existing lease accruals, prepayments and dilapidations and onerous lease provisions. The Group has separated non-lease components from lease components as part of the transition adjustment. In the current period, the Group's investment in Cazoo Ltd (Cazoo), previously an associate, has been reclassified as a financial asset. The Group cannot veto any Cazoo Board decisions – which are based on a simple Board majority due to the current composition of the other seats on the Board – and has no other means that give it the ability to participate in the financial and operating policy decisions of Cazoo. The Group provides no essential technical information to develop the Cazoo business and there is no interchange of managerial personnel between DMGT and Cazoo. Therefore, the Directors have concluded that the Group does not possess the ability to exert significant influence over Cazoo and accordingly the Group has not equity accounted for its interest. In line with FRC guidance the Group has charged all stranded, sunk and excess costs incurred solely as a reduction in or elimination of related revenue streams due to the Covid-19 crisis, against operating profits. The Group has also included agreed insurance claims relating to these costs within operating profits. Based on our enquiries with management and the External Auditor we have concluded that all our accounting policies have been properly applied. Due to the impact of the Covid-19 pandemic on the Group's revenues we have ensured that it remains appropriate to prepare the financial statements of the Group on a going concern basis. In determining the appropriateness of the going concern basis of preparation, we have considered and challenged the latest projections of financial performance for the Group for a period extending to at least 12 months from the date of signing these financial statements.

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The matter and its significance	Focus of work	Comments and conclusion
The Annual Report includes a number of non-GAAP measures. See Notes 13, 15 and 16.	In addition to the disclosure of operating profit, before and after specified adjustments, other non-GAAP measures, known as alternative performance measures (APMs), are disclosed in the Annual Report, e.g. underlying revenue growth, cash operating income and net cash to EBITDA ratio. We commissioned Internal Audit to review our APMs to ensure, whenever possible, that they were either sourced from third parties or otherwise robustly compiled. We ensured that equal prominence was given to statutory measures and that explanations and reconciliations accompanied all alternative measures including pro forma figures quoted throughout the accounts Read more on page 57 regarding Fair, balanced and understandable	We continued to adjust operating profit for the amortisation of acquired intangible assets, as they relate to historical M&A activity rather than current trading. Additional adjustments have been made to exclude the impact of exceptional costs, impairments and other fair value adjustments. These adjustments assist understanding the outcome for the reporting period. We confirmed the prominence of GAAP numbers and reviewed the reconciliation of APMs to GAAP. We determined that the published information was of a high quality and helps shareholders understand progress. Sources of data are disclosed.
Accounting judgements Goodwill and intangible assets represent 22.1% (2019 32%) and 8.1% (2019 9%) respectively of net assets. The Group has capitalised software development costs, other intangible assets and goodwill associated with acquisitions. In addition the Company holds shares in Group undertakings with a carrying value of £3,168 million. These carrying values need to be justified by reference to future economic benefits to the Group (see Notes 21 and 22). We considered Covid-19 to be a trigger event for considering impairments.	Capitalised computer software costs amounted to £4 million in the year compared to £14 million in 2019. We have ensured that capitalised costs were separately identifiable and met the requirements of the relevant accounting standards. As part of our review of the carrying values of our intangible assets, we have considered whether there has been any event which triggered an impairment and have reviewed reports prepared by executive management to determine whether an impairment event has taken place. We reviewed the carrying value of investments in the Company. We took account of: • the Company's capital structure; • the voting control premium and an economic control premium on top of the quoted price of DMGT A shares; • recent volatility in market prices; and • illiquidity arising from thin trading. We reached the conclusion that the aggregate carrying value of the investments was justified notwithstanding the fact that the market capitalisation is substantially less than the aggregate carrying value. In addition, to justify the carrying values of shares in Group undertakings, goodwill and intangible assets, we have reviewed value in use calculations, based on the Board-approved five-year forecasts, focusing on long-term growth rates and discount rates. We have received input from both operational and financial management.	We were satisfied that costs that had been capitalised were appropriately held on the balance sheet. Our reviews included sensitivities to changes in assumptions which allowed us to understand the materiality of conclusions in the context of our financial reporting. We focused our review on the UK Property Information business, the EdTech segment and CWC in the Events and Exhibitions segment. We concluded that for the UK Property Information business, EdTech segment and CWC segment no impairment was necessary and that the UK Property Information business demonstrated headroom of £162 million, the EdTech segment headroom of £48 million and CWC headroom of £7 million. We noted that dmg events had been unable to hold any physical exhibitions since the Covid-19 pandemic containment measures began in March 2020 through to September 2020 and that events scheduled for FY 2021 had been cancelled. As a result of this, both forecast revenues and profits have been lowered and therefore an impairment charge of £9 million has been taken in the year. We note that owing to the continuing uncertainty around physical events, we will continue to monitor the situation closely for further indications of impairment. In relation to the Company's shares in Group undertakings a charge of £336 million has been made in the period against the Company's interests in Consumer Media and Events and Exhibitions businesses offset by a release of £258 million in relation to the Company's interests in business to businesses facing assets. In addition, we are satisfied that judgemental matters have been explained and appropriate disclosures made.

The matter and its significance	Focus of work	Comments and conclusion
The Group carries deferred tax assets in respect of brought forward losses and deferred interest that represent 4% (2019 8%) of net assets (see Note 37).	At the year end the Group held deferred tax assets of £44 million (2019 £58 million) in respect of brought forward losses and deferred interest.	During the year the Group wrote off a deferred tax asset in respect of £134 million of deferred interest and £74 million of tax losses in the UK that are now no longer expected to be offset against future profits, but recognised a previously unrecognised deferred tax asset in respect of £162 million of deferred interest in the US that is now expected to be offset against future profits; this resulted in a net deferred tax charge of £6 million. The Group also wrote off a deferred tax asset of £9 million in respect of US state tax credits that are no longer expected to be offset against future tax liabilities.
The Group actively manages its portfolio of investments and consequently is active in making acquisitions and disposals. Transactions that contain unusual terms and/or innovative structures would require the accounting treatment to be carefully considered. During the year, £120 million was incurred on acquisitions and £311 million was realised on disposals (see Notes 8, 17 and 18).	We carefully consider judgemental accounting and the carrying value of intangible assets and goodwill. We reviewed the valuation of the fair value of the Company's equity investments. Internal Audit reviews all significant acquisitions within 12 months of the relevant acquisition.	The Investment & Finance Committee oversees all acquisition and disposal activity. There are three common Audit & Risk Committee members. We were satisfied with the judgements made in the year. We performed a robust review of the treatment of acquisitions and disposals during the year and were satisfied with the treatments and calculations. We considered the appropriateness of the accounting treatment of Cazoo, the disposals of Genscape, Inframation and Buildfax, and the acquisitions of the 'i', OneSearch Direct and Addisbuild.
Accounting estimates The Group records provisions for lawsuits and claims when it is probable that a liability will be incurred and the amount of the loss can be reasonably estimated. The amounts accrued for legal contingencies often result from complex judgements about future events and uncertainties that rely heavily on estimates and assumptions.	We continue to negotiate a settlement of the claim brought by the US Environmental Protection Agency (EPA) (Note 19).	We are satisfied that an outflow remains probable and the Group made a provision in FY 2019 in line with the potential maximum amount payable. Further to ongoing negotiations with the EPA, we reduced this provision during FY 2020. The basis for the calculation of the provision using a two-year average price for Renewable Identification Numbers was reviewed at the time the provision was made and considered reasonable taking account of the liquidity and volatility in the market price of Renewable Identification Numbers.

Other financial matters

In addition to the significant matters addressed above, the Audit & Risk Committee maintains a rolling agenda of items for its review, including: capital strategy; financial and treasury management; feedback from analysts and investors; reconciliations of reported financial results with management accounts; tax management; and litigation. Nothing of significance arose in respect of those reviews during the year. There was no interaction with the FRC Corporate Reporting team during the year and no disagreement over accounting or reporting outcomes with management or the External Auditor during the reporting period.

Oversight

The Audit & Risk Committee has oversight responsibility for risks and controls and direct responsibility for the operation of the Internal Audit function; this is described in detail in the Risk section.

Read more about our approach to Internal Audit, pages 40 and 41

External Auditor

PricewaterhouseCoopers (PwC) is DMGT's External Auditor. The lead audit partner is Phil Stokes, who succeeded Neil Grimes at the start of FY 2020.

PwC's first audit of DMGT was in respect of the year ended 30 September 2015, following a competitive tender process. The Audit & Risk Committee has responsibility for making recommendations to the Board on the reappointment of the External Auditor, for determining its fee and for ensuring its independence of the Group and management. The External Auditor stands for reappointment at the AGM. There are no concerns over the quality of the service or opinion. Therefore, the Audit & Risk Committee recommended to the Board that it recommends to the shareholders that PwC be re-elected with a view to serving a second five-year term in office.

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Corporate Governance

Auditor independence

The Audit & Risk Committee considered the safeguards in place to protect the External Auditor's independence. In particular, the Committee has ensured that the Company's policy on the External Auditor's independence is consistent with the Ethical Standard set out by the FRC in the UK. PwC reviewed its own independence in line with this criterion and its own ethical guideline standards. PwC confirmed to the Committee that following this review it was satisfied that it had acted in accordance with relevant regulatory and professional requirements and that its objectivity is not compromised.

To ensure no conflicts of independence arising from auditors being responsible for non-audit work, the Audit & Risk Committee reviewed and approved the policy on non-audit services. The review included consideration of the process to manage the engagement of PwC, regulatory changes and good practice.

As a result of reduction in Group size, together with the impact of Covid-19, the materiality thresholds have been revised downwards. This decrease results in additional audit effort which is reflected in an increase in audit fees. Additional audit work resulting from regulatory changes has also been reflected. Added with this are non-recurring fees for acquisitions such as the 'i' and additional work undertaken related to Covid-19 on impairments and Going concern.

Management has worked with PwC to identify ways in which we can eliminate any inefficiencies or help reduce audit effort in order to help lower audit fees where possible.

The audit fee payable to PwC amounts to £2.3 million (2019 £2.7 million). The Audit & Risk Committee is satisfied that the fee is commensurate with the quality of audit provided by PwC. In addition to the Group's policy, PwC has confirmed that any non-audit work commissioned by the Group is reviewed for compliance with its internal policy on the provision of non-audit services.

The cap on non-audit service fees is set at 70% of the average audit fees for the preceding three years. The total non-audit fees paid to PwC amounted to £0.4 million (2019 £0.8 million) which translates to a non-audit fee to audit fee percentage of 17% (2019 29%). The Committee is satisfied that PwC was selected based on individuals' particular expertise, knowledge and experience and that the work did not impair PwC's independence as External Auditor (see Note 5). All non-audit work undertaken by PwC was approved by the Committee.

The Committee, having taken account of PwC's confirmations, is satisfied that PwC is independent of DMGT and its subsidiaries and has no connection with any member of the Committee.

Audit quality and materiality

The Audit & Risk Committee places great importance on ensuring that there are high standards of quality and effectiveness in the external audit process.

In addition, the Committee reviewed PwC's scope and approved the external audit plan to ensure that it is consistent with the scope of the External Audit engagement.

The Committee discussed significant and elevated risk areas that are most likely to give rise to a material financial reporting error or those that are perceived to be of a higher risk and requiring audit emphasis (including those set out in PwC's report on pages 97 to 106). The Committee considered the audit scope and materiality threshold. This included the Group-wide risks and local statutory reporting, enhanced by desktop reviews for smaller, low-risk entities. 83% (2019 83%) of the revenue and 75% (2019 78%) of adjusted profit was fully audited; the balance of revenue and profit was covered by desktop reviews.

We have discussed the accuracy of financial reporting (known as materiality) with PwC, both as regards to accounting errors that will be brought to the Audit & Risk Committee's attention, and as regards to amounts that would need to be adjusted so that the financial statements give a true and fair view. Errors can arise for many reasons, ranging from deliberate errors (fraud), to good estimates that were made at a point in time that, with the benefit of more time, could have been more accurately measured.

Overall audit materiality has been set at £4.3 million (2019 £7.25 million). This equates to approximately 5% (2019 5%) of adjusted profit before tax, as reported in the income statement. This is within the range that audit opinions are conventionally thought to be reliable. To manage the risk that aggregate uncorrected errors become material, we agreed that audit testing would be performed to a lower materiality threshold of £3.2 million (2019 £5.4 million). PwC has drawn the Committee's attention to all identified uncorrected misstatements greater than £215,000 (£0.2 million).

The aggregate net difference between the reported adjusted profit before tax and the Auditor's judgement of net adjusted profit before tax was £1.0 million, which was significantly less than audit materiality. The gross differences were attributable to various individual components of the income statement.

No audit difference was material to any line item in either the income statement or the balance sheet. Accordingly, the Committee did not require any adjustment to be made to the financial statements as a result of the audit differences reported by the External Auditor.

PwC has outlined to the Audit & Risk Committee the professional development programme applicable to the partners and employees engaged on our audit, has reviewed key judgements taken during the course of the audit, and confirmed the audit complies with its internal independent review procedures. We have reviewed the professional skills, knowledge and scepticism of key members of the audit team including the Group team and partners responsible for the divisional audits.

We have reviewed PwC's latest available transparency report. The FY 2019 audit of DMGT was not subject to re-review by the FRC but was subject to PwC's internal review.

During the year, the Audit & Risk Committee reviewed the quality of the FY 2019 audit, taking account of PwC's internal assessment, management's assessment and the Committee's assessment. The Committee was satisfied with the robustness of the opinion and with the audit service. In particular, the Audit & Risk Committee was pleased with an overall improvement in service scores. Based on the information currently available, which draws on the enquiries outlined above and informal soundings of management, the Audit & Risk Committee anticipates it will conclude there has been a robust, high-quality audit for the year ended 30 September 2020, both in respect of PwC's opinion and service.

The Committee has consequently recommended that PricewaterhouseCoopers LLP be reappointed as Auditor at the 2021 AGM.

The Audit & Risk Committee Report was approved by the Board on 20 November 2020 and signed on its behalf by the Audit & Risk Committee Chairman.

On behalf of the Audit & Risk Committee

Kevin Parry
Audit & Risk Committee Chairman

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Remuneration & Nominations Committee

The Remuneration & Nominations Committee meetings are held together. Remuneration items are taken separately to the Nominations items.

The Remuneration element of the Committee is described within the Remuneration Report on pages 68 to 91.

The Nominations element of the Committee is described below. It keeps under regular review the structure and composition of the Board and its Committees, particularly the skills, knowledge and experience of the Directors to ensure that these remain aligned with the Group's developing requirements and strategic agenda.

Membership

The Chairman of the Committee is Lord Rothermere, and the majority of its members are not considered to be independent under the Code. Heidi Roizen and JP Rangaswami are both independent Non-Executives on the Committee. Dominique Trempont ceased to be considered independent under Provision 10 of the Code in February 2020 as he has served on the Board for nine years. David Nelson and Dominique Trempont are Non-Executives who, like Heidi Roizen and JP Rangaswami, are not involved in management.

Although Lord Rothermere as Chairman does not meet Provision 32 of the Code, as the holder of all the Ordinary Shares and the largest holder of A Shares of the Company through the Trust, the Board considers that Lord Rothermere's interests are fully aligned with those of other shareholders. Furthermore, the Board believes that although not independent under the Code, David Nelson and Dominique Trempont are independent of the Executive Directors, have invaluable experience of the Company, its businesses and its employees, and clearly represent the interests of shareholders. The Committee is confident that its membership ensures that it carries out all aspects of its role with proper and appropriate regard to long-term shareholder interests.

The Remuneration & Nominations Committee has been supported in its activities during the year by the CEO, the Group Chief Financial Officer and the Head of Reward and Benefits. Membership and meetings are shown below.

Member	Member for full period	Meetings held	Meetings attended
The Viscount Rothermere (Chairman)	Yes	6	6
D H Nelson	Yes	6	6
JP Rangaswami* (from 5 February 2020)	No	6	4
J H Roizen*	Yes	6	6
D Trempont	Yes	6	6

* Independent.

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- The combined Remuneration & Nominations Committee reviewed its Terms of Reference during the year.
- The Committee confirmed that it had complied with its Terms of Reference throughout the year.
- The Committee paid particular attention to extending the term of any Non-Executive Director who has served a term in excess of six years.
- The Committee reviewed the independence of Non-Executive Directors and agreed to recommend that Kevin Parry, JP Rangaswami and Heidi Roizen continued to be considered independent in accordance with Code Provision 10. Filippa Wallestam is considered independent under the Code.
- Andrew Lane, David Nelson and François Morin were not considered independent due to their connection to Rothermere Continuation Limited. Dominique Trempont ceased to be considered independent during the year as he has served on the Board for more than nine years.
- The process for appointing Directors depends on which role is being filled. External recruiters and other methods have been used to identify potential candidates.
- In line with Code Provision 12, the Non-Executive Directors met with the Chairman without the Executive Directors present.

Key activities of the Nominations element of the Remuneration & Nominations Committee

- Reviewing arrangements for the Salary Substitution Share Plan in response to Covid-19.
- Reviewing the Letter of Engagement with each Non-Executive Director to ensure the provisions remain in line with best practice, following shareholder approval at the AGM.
- Re-engaging the service of Non-Executive Directors for a further period of a minimum of one year.
- Reviewing time commitments required by Non-Executive Directors and confirming that it was satisfied that the Directors had met or exceeded the time commitment required.
- In line with Provision 18 of the Code, recommending that all Directors stand for re-election at the AGM.
- Discussing Board and Committee composition and longevity of service, and Board independence.
- Considering a diverse pipeline of candidates for Non-Executive appointments and recommending the appointment of Filippa Wallestam to the Board.
- Reviewing the Committee's effectiveness and governance activities against best practice.
- Reviewing the Board Evaluation process as described on page 57.
- Reviewing Gender Pay disclosure and gender balance of senior executives as described on page 33.

Looking ahead, the Committee's key activities for the forthcoming year are:

- reviewing the composition of the Board to ensure that the right skills and experience to support the Group's strategy are represented;
- reviewing Committee membership to ensure that there is a diverse balance of skills and experience reflected;
- continuing to review succession planning for the Executive Directors; and
- reviewing the Committee's effectiveness.

This Governance Report was approved by the Board on 20 November 2020 and signed on its behalf by the Chairman.

The Viscount Rothermere
Chairman

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Remuneration Report

The Viscount Rothermere
Chairman

Chairman's statement on remuneration

As Chairman of the Remuneration & Nominations Committee (Committee), I am pleased to present the Directors' Remuneration Report (DRR) for FY 2020.

I should firstly emphasise that the Directors' Remuneration Policy changes outlined below have been determined by the Non-Executive Directors of the Committee, without my personal involvement in these decisions.

Long-term Incentives Review and Policy change

A new Directors' Remuneration Policy was approved at the February 2020 AGM, further to a review by the Committee during FY 2019 and the requirement to submit a new policy three years after the last shareholder approved policy in February 2017.

Since then, discussions on long-term incentive arrangements for Executive Directors have continued throughout the course of FY 2020. The Committee has specifically reflected on how best to set appropriate and measurable financial and strategic performance objectives for DMGT over the long-term, especially in the context of the Group's actively managed portfolio which may change materially over the period covered by a long-term incentive plan.

The Committee recognises that DMGT has a particularly long-term approach to shareholder value creation and has therefore designed a bespoke long-term incentive plan for Executive Directors (ED LTIP) to best align their interests with those of shareholders. The planned awards for the current Executive Directors will span 12 years – three awards pursuant to which shares will accrue and be delivered at the end of a different ten year period.

The Executive Directors will therefore be strongly incentivised to deliver value creation through share price appreciation and dividend payments over that period.

The structure of the ED LTIP, with an annual tranche of share awards, will be phased in over three consecutive financial years, as the 2017 LTIP matures.

The ED LTIP will be introduced from FY 2020 onwards, subject to formal shareholder approval at the February 2021 AGM. Accordingly, no awards have been made under either part of the 2020 LTIP (Performance LTIP and Conditional Share Award), as described in last year's Annual Report.

The key design features of the ED LTIP are as follows:

- The Committee intends to grant three Awards to the Executive Directors under the ED LTIP covering the following periods: 1 October 2019 to 30 September 2029, 1 October 2020 to 30 September 2030, and 1 October 2021 to 30 September 2031. Once these three Awards have been made, no further Awards are intended to be made to the current Executive Directors until after 30 September 2029.
- The combined Award will be calculated on the basis of an annual amount multiplied by ten years. This value will then be split in three and there will be a different accrual schedule for each of the three Awards.
- For the purposes of calculating the combined Award to the current Executive Directors, the annual amount has been set at 40% of the previous Maximum LTIP award for the Executive Chairman, CEO and Group Chief Financial Officer and 38% of the previous Maximum LTIP award for the Chief Executive of dmg media, resulting in a combined award value of 2,000% of base salary for the Executive Chairman, CEO and Group Chief Financial Officer and 1,600% of base salary for the Chief Executive of dmg media.

> "The proposed changes to our incentive arrangements recognise that DMGT has a particularly long-term approach, focusing on delivering value to shareholders over the long term."

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Key Strategic Priorities

Improving operational execution | **Increasing portfolio focus** | **Maintaining financial flexibility**

- The number of shares subject to each Award will be calculated by reference to the Volume Weighted Average of DMGT's share price (VWAP) in the twelve months period up to and including the third day after the announcement of the financial results for the financial year prior to the beginning of the accrual schedule. For the first Award (for the period 1 October 2019 to 30 September 2029), the share price for the purpose of the calculation will be £6.82 based on the above VWAP methodology for the twelve months up to and including 9 December 2019.
- The Awards will be granted on the terms that the shares will be delivered at the end of a ten year period (aligning with the Company's financial year). The Awards will accrue at a rate of one-eighth on the last day of each financial year from year three through to year ten.
- Executive Directors who leave DMGT during the ten-year period will be treated according to leaver provisions in the ED LTIP rules, with pro-rating typically applied after the third anniversary of the award. Executive Directors who are good leavers will have pro-rating applied from the start of the ten-year period. Awards for Executive Directors who are dismissed for cause will lapse in full.
- Awards will vest subject to satisfactory financial performance over the ten-year period or earlier if the Executive Director leaves during the ten-year period or there is a Company event. Further details of the performance condition(s) will be disclosed when the first Awards are made under the ED LTIP after the February 2021 AGM.
- Awards will normally be delivered in shares following the announcement of the results for the final financial year of the accrual schedule, usually in December. The Committee has the discretion to alternatively settle Awards in cash.
- Awards are entitled to dividend equivalents that will be paid after the shares are delivered. For those Executive Directors that remain employed for the entire accrual period, they will receive an amount (in cash or shares) equivalent in value to the sum of all dividends declared during the accrual period as if the dividends had been reinvested in DMGT shares at the time the dividends would have been paid.

The above changes to Policy (which apply to long-term incentives only) and the new ED LTIP will be submitted for formal shareholder approval at the February 2021 AGM.

Salary Substitution Plan

Due to the significant impact of Covid-19 on DMGT and its operating companies portfolio, in particular the Consumer businesses, the Salary Substitution Plan (SSP) was introduced this year, as a one-off Award for Executive Directors and eligible employees, above a set base salary threshold, at DMGT Centre, dmg media in the UK, US, Australia and Ireland and Landmark in the UK and Ireland.

Participants in the SSP were asked to exchange a percentage of base salary and corresponding employer pension contributions, over a three-month period during FY 2020, in return for an award of equivalent value in DMGT shares which will vest on 29 January 2021. The number of shares subject to an Award was calculated based on a share price of £6.69 and the Company has provided an underpin, so that if the share price on the vesting date is below that share price, participants will not incur any loss.

The SSP was well received by employees, many of whom welcomed the opportunity of becoming shareholders in DMGT. Some employees with a base salary below the threshold opted to participate in the SSP, whilst other employees opted to increase their participation percentage up to a maximum of 30% base salary.

All of the Non-Executive Directors have participated in the SSP on a cash basis only.

SSP awards for the EDs are shown in table 1 on page 82 and table 4.1 on page 84.

Pay review for FY 2021

The Committee regularly reviews all aspects of the competitive position of remuneration for the Executive Directors by undertaking periodic market benchmarking. This year, the Committee decided not to award base salary increases to Executive Directors from the start of FY 2021, in line with a general pay freeze for the majority of DMGT employees, due to the impact of Covid-19 on our businesses.

Executive Directors' bonus payments for FY 2020

In FY 2020, as disclosed in last year's DRR, we used two metrics in the annual bonus; revenue and cash operating income, weighted evenly. Cash operating income, which is operating profit plus depreciation and amortisation less capital expenditure, is a metric that captures both profit and the underlying cash generation of the Group. The same two metrics will continue to be used in the annual bonus plan for FY 2021.

The FY 2020 plan included an adjustment, to ensure that participants did not benefit from, and were not penalised by, short-term currency fluctuations beyond Management's control. This will also continue in FY 2021.

The purpose of the annual bonus plan is to focus the participants on delivering short-term financial expectations. Covid-19 impacted on all of DMGT's businesses and as a result revenue and cash OI targets were not achieved. In reviewing performance for the year, the Committee reviewed DMGT's reaction to Covid-19 and concluded that Management reacted quickly and appropriately to the pandemic, balancing the short-term impact on profitability with the longer-term success of the businesses.

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Remuneration Report

Throughout the period, DMGT services and offerings were uninterrupted, including the provision of essential news channels. As a result the Committee determined that it would apply a discretionary annual bonus payment for two of DMGT's businesses, 25% of Maximum for media and 16.6% of Maximum for events, to recognise the respective management teams' significant contributions and efforts during the year.

The effect of this discretion was then recognised and approved by the Committee in the calculation of the annual bonus for the Executive Directors which resulted in them receiving a discretionary annual bonus of 36% of Maximum against a calculated result of 23% of Maximum.

The bonus paid to Kevin Beatty, Chief Executive of dmg media, at 28% of Maximum, reflects the effect of Committee discretion applied to the media and DMGT bonus calculations.

Details of the Executive Directors' bonuses for FY 2020 are shown in tables 2.1 and 2.2 on page 83.

Long-term incentive awards vesting in FY 2020

2017 LTIP

The second LTIP award under the Executive Incentive Plan (EIP) over the period FY 2018 to FY 2020 is based on the Executive Directors receiving a percentage of the growth in profit above a defined threshold (eligible profit) over the three-year performance period converted into shares.

The calculated result reflects exceptional performance during the LTIP period, driven by the value creation resulting from the sale of our stake in ZPG Plc and the April 2019 Distributions (disposal of Euromoney), and therefore the maximum award vests for each of the Executive Directors.

Further details are shown in table 4.3 on page 86.

2015 LTIP

The vesting of the LTIP award made in December 2015 was measured against the following priorities:

- grow the B2B businesses;
- continue to grow and invest in strong brands of digital consumer media, particularly MailOnline;
- grow sustainable earnings and dividends; and
- increase DMGT's exposure to growth economies and to international opportunities.

We have continued to make progress against these priorities:

- Over the last five years B2B revenues, excluding Euromoney, achieved an average annual increase of 1% on an underlying basis. Prior to FY 2020 the increase was 3%, with growth in FY 2020 being negatively impacted by the Covid-19 pandemic.
- MailOnline revenues have grown from £73 million in FY 2015 to £144 million in FY 2020.
- Dividends per share continued to grow in real terms and international revenues, despite declining from 49% to 43% over the period as a result of business disposals, continued to represent a significant focus of DMGT's diversified portfolio.

Given this performance, the Committee has determined that the 2015 LTIP award should vest in full in December 2020. For more information see table 4.2 on page 85.

Operating company incentive plans

Incentive plans across our operating companies are designed to reward sustainable revenue and profitable growth and act as a retention tool to motivate and incentivise senior employees.

We focus on ensuring that performance measures and targets are consistent with business objectives and circumstances, the Group's long-term strategy and the creation of shareholder value.

For each operating company, we also consider its sector, geography and portfolio role within the Group.

Directors' Remuneration Policy

As noted above, the new Directors' Remuneration Policy and ED LTIP will be submitted for approval by shareholders at the February 2021 AGM. The Policy will apply for three years from FY 2021 to FY 2023.

The Viscount Rothermere
Chairman

FY 2020 Remuneration outcomes for the Executive Directors

The table below summarises the remuneration for the Executive Directors in FY 2020:

	The Viscount Rothermere £000	P A Zwillenberg £000	T G Collier £000	K J Beatty £000	Total £000
Salary 2020	822	737	492	723	**2,774**
Bonus	634	568	378	132	**1,712**
As a % of salary	72%	72%	72%	17%	
Taxable benefits	56	48	43	23	**170**
Salary Substitution Plan	72	61	39	75	**248**
Pension benefits	304	221	123	267	**916**
LTIP awards vesting in year including dividend equivalents	5,091	5,091	3,055	3,906	**17,144**
Other awards realised in year including dividend equivalents	–	–	1,278	4	**1,282**
Total remuneration FY 2020	**6,981**	**6,727**	**5,407**	**5,130**	**24,245**
Total remuneration FY 2019	3,714	3,719	2,841	2,916	13,191

Key elements of remuneration for the Executive Directors in FY 2021

The key elements of remuneration applicable for the Executive Directors in FY 2021 are shown below:

	Salary	Annual bonus opportunity	Annual bonus deferral	ED LTIP	Pension	Benefits
The Viscount Rothermere	£875,200	100% of salary on target. 200% of salary maximum.	None applies.	Annual amount of 200% of salary translating to a total ED LTIP award of 2,000% base salary, split evenly into three conditional share awards, with full vesting over a 12-year period.	Allowance of 37% of salary	Car allowance and driver. Family medical insurance, Life assurance.
P A Zwillenberg	£784,400	100% of salary on target. 200% of salary maximum.	Any amount above target deferred into nil cost options for two years.	Annual amount of 200% of salary translating to a total ED LTIP award of 2,000% base salary, split evenly into three conditional share awards, with full vesting over a 12-year period.	Allowance of 30% of salary	Car allowance and driver. Family medical insurance, Life Assurance, Tax reporting.
T G Collier	£522,750	100% of salary on target. 200% of salary maximum.	Any amount above target deferred into nil cost options for two years.	Annual amount of 200% of salary translating to a total ED LTIP award of 2,000% base salary, split evenly into three conditional share awards, with full vesting over a 12-year period.	Allowance of 25% of salary	Car allowance. Family medical insurance, Life Assurance, Tax reporting.
K J Beatty	£777,750	30% of salary on target. 60% of salary maximum.	Any amount above target deferred into nil cost options for two years.	Annual amount of 160% of salary translating to a total ED LTIP award of 1,600% base salary, split evenly into three conditional share awards, with full vesting over a 12-year period.	Allowance of 37% of salary	Car allowance and driver. Family medical insurance, Life assurance.

Governance

Remuneration Report

Directors' Remuneration Policy

This part of the report sets out the Company's proposed policy for the remuneration of Directors (Policy) for FY 2021 to FY 2023 which will be put forward for formal approval by shareholders at the AGM on 3 February 2021. The current and proposed Policy can be found on the Company website.

At the AGM in February 2020 the current Policy was formally approved by shareholders, the Policy received 19,890,364 (100%) votes for, with no votes against and no abstentions.

The Committee has reviewed key aspects of the Policy. The proposed changes to LTIP arrangements are set out in the Chairman's statement on remuneration and described in the Policy set out on pages 72 to 80. This Policy is intended to apply for a three-year period after the 3 February 2021 AGM.

Policy overview

The Committee aims to structure remuneration packages which attract, motivate and retain Executive Directors, drive the right behaviours and pay at competitive market rates. The Committee considers that a successful Policy needs to be sufficiently flexible to take account of commercial demands, changing market practice and shareholder expectations. Our approach is to align base salary with reference to market levels of pay and to ensure that a significant part of Executive Director pay is variable and linked to the success of DMGT.

The Committee regularly reviews remuneration structures to ensure they are aligned to business strategy. The Policy incorporates a degree of flexibility to allow the Committee to manage remuneration over its three-year life.

Policy applied to Executive Directors

Purpose and link to strategy	Operation	Opportunity	Performance metrics
Base salary To recruit, retain and reflect responsibilities of the Executive Directors and be competitive with peer companies.	The base salary for each Executive Director is reviewed annually for the following year taking into account contractual agreements, general economic and market conditions and the level of salary increases made across the Group as a whole. Given the location of the Company's principal operations, a particular focus is put on US and UK market conditions. Benchmarking based on media, B2B, technology and other relevant companies is performed periodically and the Committee's intention is to apply judgement in evaluating such market data.	Annual base salary increases, where made, are normally in line with average UK and US-based employees, subject to particular circumstances, such as changes in roles, responsibilities or organisation, or as the Committee determines otherwise based on factors listed under 'Operation'. The base salary for each Executive Director is set at a level the Committee considers appropriate taking account of the individual's skills, experience and performance, and the external environment. Base salaries for FY 2021 are set out on page 91.	Not performance related.
Pension To recruit, retain and reflect responsibilities of the Executive Directors and be competitive with peer companies.	Executive Directors may participate in a defined contribution pension scheme or may receive a cash allowance in lieu of employer pension contributions. Any contributions paid to the Company pension scheme will be offset from the cash allowance.	For Executive Directors who previously participated in the defined benefit scheme, the pension allowance was agreed at 37% of base salary. 30% of base salary or less for other Executive Directors and new recruits.	Not performance related.

Purpose and link to strategy	Operation	Opportunity	Performance metrics
Benefits To recruit, retain and reflect responsibilities of the Executive Directors and be competitive with peer companies.	Benefits typically include cash allowances such as car allowance and non-cash benefits such as medical insurance and life assurance. Where appropriate, the Committee may also offer allowances for relocation or other benefits where it concludes that it is in the interest of the Company to do so, having regard to the particular circumstances of the Executive Director and to market practice. Allowances do not form part of pensionable earnings. Executive Directors are also eligible to participate in the DMGT SharePurchase+ plan, an all-employee HMRC approved share incentive plan, on the same basis as other employees.	Benefits may vary by role and individual circumstances. The cost of benefits changes periodically and may be determined by outside providers.	Benefits are not performance related.
Annual bonus To focus Executive Directors on the delivery of financial performance and strategic objectives which create value for the Company and shareholders.	The annual bonus is based on in-year performance against financial objectives. The performance targets and measures are determined annually by the Committee and may change from year to year: • up to 100% of total bonus opportunity is based on financial performance at corporate and business unit level; and • a proportion of total bonus opportunity however, may be based on performance against strategic non-financial objectives if the Committee so chooses. The bonus weightings applied for each of the Executive Directors may vary from time to time and may include financial measures and targets relating to the Group as well as their specific business. The weightings that apply to the bonus may vary if the Committee determines that it is appropriate in order to achieve the strategic aims of the business. Performance is measured separately for each item as shown in table 2.2 on page 83. Annual bonus payments do not form part of pensionable earnings. Annual bonus plans are discretionary and the Committee reserves the right to make adjustments to payments up or down if it believes that exceptional circumstances warrant doing so. Annual bonuses are subject to malus prior to payment, and to clawback for two years after payment, in circumstances including a material misstatement in results, an error in calculating or assessing satisfaction of any performance condition, the participant causing material reputational damage to any member of the Group or serious misconduct by the participant causing loss to any member of the Group.	Target and Maximum annual bonus opportunity are as follows: • for the Executive Chairman, CEO and Group Chief Financial Officer, 100%/200% of salary; and • for the Chief Executive of dmg media, 30%/60% of salary. The Maximum for new recruits will not exceed 200% of salary. The achievement of stretch targets results in Maximum payout. Target bonus is set at 50% of Maximum. There is normally no payout for performance at or below Threshold. Payout between Threshold, Target and Maximum is calculated on a straight-line basis. The performance range sets a balance between upside opportunity and downside risk and is normally based on targets in accordance with the annual budget.	Bonuses are subject to the achievement of financial measures set by the Committee. These measures may be varied from year to year. The measures for determining the annual bonus in FY 2020 were revenue and cash operating income and this will continue to be the case for FY 2021. The performance required for a Maximum payout is set at a stretch performance level that is above the level of the Company's forecasts. If performance is in line with forecast, then typically the Target level of the annual bonus will be paid. The weightings that were applied to the FY 2020 bonus targets are as reported in table 2.2 on page 83.

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Purpose and link to strategy	Operation	Opportunity	Performance metrics
Bonus deferral To provide an element of retention and align Executive Directors' interests with those of shareholders.	Amounts above Target of some Executive Directors' annual bonus is deferred for a period of two years into nil-cost options. Following the exercise of an option, a cash payment with a value equivalent to the sum of all of the dividends declared for the award between the grant date and the date of delivery of the shares will be made. Clawback of vested and unvested awards is possible in the event of material misstatement of information or misconduct.	All Executive Directors (with the exception of Lord Rothermere) are required to defer any above-Target annual bonus into nil cost options for two years.	No further performance conditions are imposed except for continued employment during the two-year period.
Long-term incentives To focus Executive Directors on the delivery of financial and strategic priorities creating sustainable long-term value for the Company and shareholders, thereby aligning Executive Directors' interests with the interests of the Company and shareholders.	The new Executive Director Long-term Incentive Plan (ED LTIP) will be introduced, subject to formal shareholder approval at the 3 February 2021 AGM. The Committee intends to grant three Awards to the Executive Directors under the ED LTIP covering the following periods: 1 October 2019 to 30 September 2029, 1 October 2020 to 30 September 2030, and 1 October 2021 to 30 September 2031. Once these three Awards have been made, no further Awards are intended to be made to the existing Executive Directors until after 30 September 2029, but awards could be made to new Executive Directors. Awards will be made in the form of conditional share awards, but the ED LTIP also allows for the grant of nil-cost options. The number of shares subject to each Award will be calculated by dividing the value of the Award by the Volume Weighted Average of DMGT's share price (VWAP) in the twelve months period up to and including the third day after the announcement of the financial results for the financial year prior to the beginning of the accrual schedule are announced. The three planned Awards to the Executive Directors will be granted on the terms that shares will normally only be delivered at the end of a ten-year period (aligning with the Company's financial year), subject to leaver provisions and Company event provisions. The three planned Awards to existing Executive Directors will accrue over an accrual period of ten years. The accrual period for the three planned Awards to existing Executive Directors will work in such a way that the Awards will accrue annually at a rate of one-eighth in each year from the end of year three through to the end of year ten. For Awards to new Executive Directors, the Committee will set the accrual schedule.	The annual amount has been set at two-fifths of the previous Maximum LTIP award for the Executive Chairman, CEO and Group Chief Financial Officer, and 38% of the previous Maximum LTIP award for the Chief Executive of dmg media, resulting in a combined award value of 2,000% of base salary for the Executive Chairman, CEO and Group Chief Financial Officer and 1,600% of base salary for the CEO – dmg media. The Maximum value will be calculated using the FY 2021 base salary for existing Executive Directors and converted into shares as set out left. Dividend equivalents will also be payable on awards under the ED LTIP and these are in addition to the Maximums set out above.	Awards will vest subject to satisfactory Company financial performance over the ten-year period or earlier if the Executive Director leaves during the ten-year period or there is a Company event. Further details of the performance condition(s) will be disclosed when the first Awards are made under the ED LTIP after the February 2021 AGM.

Purpose and link to strategy	Operation	Opportunity	Performance metrics
Long-term incentives continued	Awards will normally be delivered in shares following the announcement of the results for the final financial year of the accrual schedule, usually in December. The Committee has the discretion to alternatively settle Awards in cash. Awards are entitled to dividend equivalents that are paid when the shares are delivered. For those Executive Directors that remain employed for the entire accrual period, they receive an amount equivalent in value to the sum of all dividends declared during the accrual period as if the dividends had been reinvested in Company shares at the time when the dividends were paid. Dividend equivalents can be paid in cash or shares at the Committee's discretion. The Committee has discretion, within the rules of the ED LTIP, to make adjustments to avoid any unjustified, unfair or undeserved benefit. Awards are subject to malus prior to the delivery of shares, and to clawback for three years after entitlement, in circumstances including a material misstatement in results, an error in calculating/assessing satisfaction of any condition, an act or omission of the participant causing material reputational damage to any member of the Group, serious misconduct by the participant, corporate failure or significant loss in respect of the business unit that employs the participant. Awards are subject to the rules of the ED LTIP (as may be amended from time to time in accordance with the rules) and any other terms and conditions applicable to the Awards as the Committee may determine.		
Shareholding requirement To align the interests of Executive Directors and shareholders.	Executive Directors are encouraged to build up a substantial shareholding in the Company. Shares which have been awarded subject to satisfaction of performance measures are not included in the calculation of the value of the Executive Director's shareholding. Hedging by Executive Directors of any shares held in the Company is prohibited.	The Committee recommends a minimum shareholding of 500% of base salary for the Chairman and the CEO, and 150% for all other Executive Directors. There is no time frame over which the guidelines should be met.	Not performance related.

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Differences in Executive Directors remuneration policy and remuneration policy for all employees

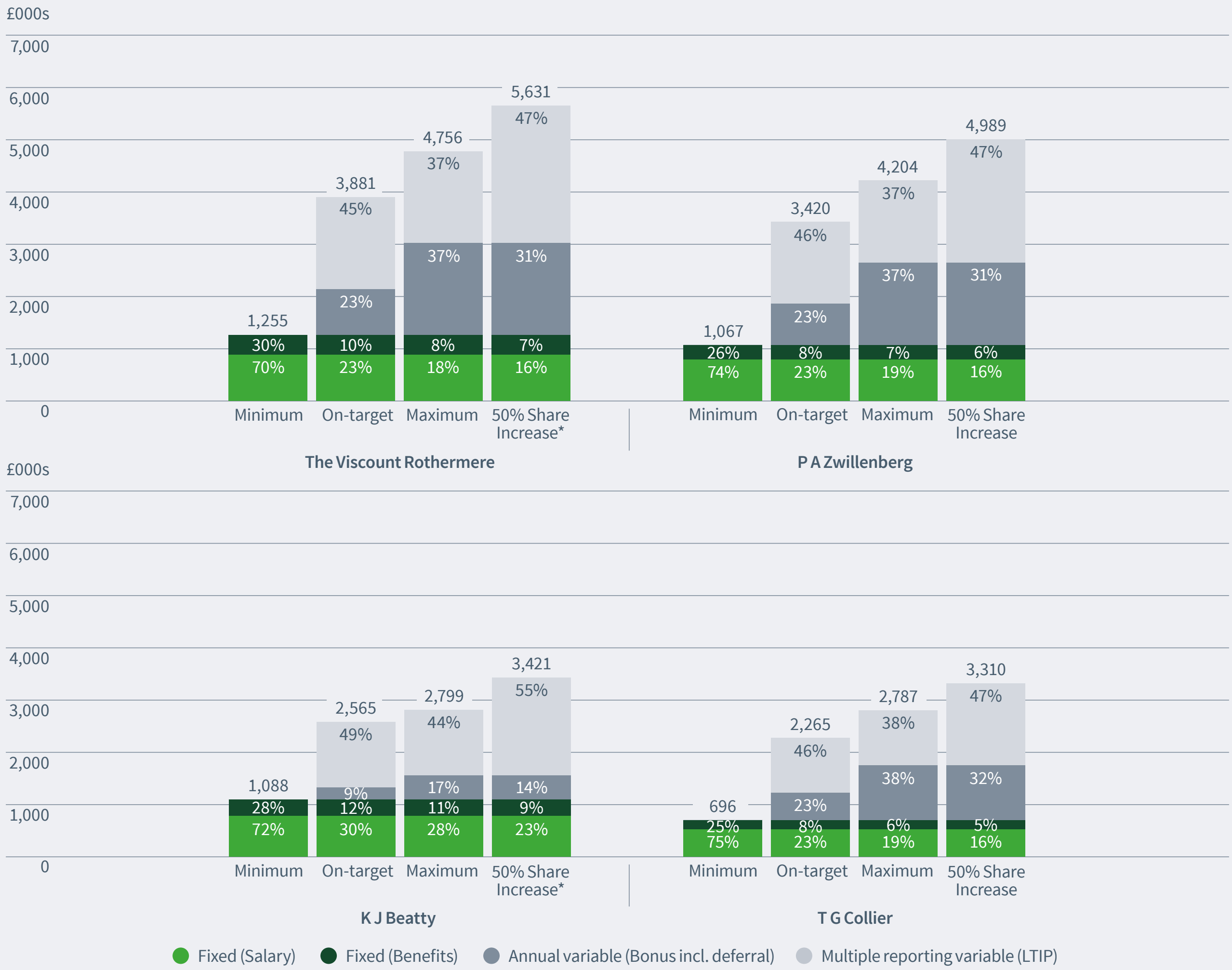
Base Salary	Base salary increases elsewhere in the Group are set at a business level, taking into account economic factors, business sector, location and circumstances, competitive market rates, roles, skills, experience and individual performance.
Pension	Employees in the UK are auto-enrolled into a Company defined contribution pension scheme. There are a number of defined contribution schemes in operation across the rest of the Group, all of which offer levels of employer matching contributions to employee contributions. Employees in the US participate in 401(k) defined contribution retirement plans.
Benefits	Cash and non-cash benefits for employees reflect the local labour market in which they are based.
Annual bonus	The majority of employees participate in some form of cash-based annual bonus or commission plan. The annual bonus plan for the Executive Directors forms the basis of the annual bonus plan for other DMGT Centre executives. Plans across the Group are designed and tailored for each business, with the purpose of incentivising the achievement of their annual targets. Most annual bonus plans around the Group do not include a requirement for bonus deferral.
Long-term incentives	The Committee this year has agreed a new LTIP for senior DMGT Centre executives (excluding Executive Directors) based on the achievement of annual financial and personal performance objectives with resulting conditional share awards then restricted for a period of three years. LTIPs for executives in other businesses across the Group are considered and approved by the Committee. Plans are designed to be appropriate to the stage of development of the operating company and to incentivise the achievement of the mid- to long-term strategic aims of the business.
Shareholding requirement	There is no shareholding requirement for employees below Executive Director level.

Policy applied to Non-Executive Directors

Purpose and link to strategy	Operation	Opportunity	Performance metrics
Non-Executive Directors fees and benefits To pay Non-Executive Director fees and allowances which are reflective of responsibilities and to be competitive with peer companies.	Non-Executive Directors fees and allowances are payable in cash and reviewed regularly. An annual base fee is paid to the Non-Executive Directors with additional fees paid for other responsibilities such as chairing a Board Committee, membership of various sub-committees or leading a project. The Executive Directors consider and approve the fees of the Non-Executive Directors.	A travel allowance of £4,000 is payable for travel involving between five and 10 hours and £10,000 for travel involving more than 10 hours.	Not performance related.

Pay scenario charts

Chart 1: Illustrations of application of Executive Directors' remuneration policy
The elements of remuneration have been categorised into three components: (i) Fixed; (ii) Annual variable; and (iii) Multiple reporting period variable, which are set out in the future policy chart below:



*May not add up due to roundings.

Notes
Potential reward opportunities illustrated above are based on this Policy, applied to the latest-known base salaries and incentive opportunities.
Minimum in the graphs above is fixed remuneration only (salary, pension and benefits).
On-target assumes that the target bonus and the standard long-term incentive award have been awarded as stated in the Policy table.
Maximum assumes that the maximum bonus and the standard long-term incentive award have been awarded as stated in the Policy table.
50% share increase assumes that the maximum bonus and the standard long-term incentive award have been awarded as stated in the Policy table and that the share price has increased by 50%.

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Executive Directors' service contracts

The Executive Directors are employed under service contracts, the principal terms of which are summarised below.

Executive Director	Position	Effective date of contract	Employer	Notice period (by either party)	Compensation on termination by employer without notice or cause
The Viscount Rothermere	Executive Chairman	17 October 1994	Daily Mail and General Holdings Limited	3 months	Base salary, benefits, pension entitlement and, as appropriate, a prorated bonus payment for the notice period.
P A Zwillenberg	CEO	1 June 2016	Daily Mail and General Holdings Limited	12 months	Base salary, pension allowance, car allowance and cash equivalent value of other benefits for the notice period. Compensation is subject to mitigation if the Director obtains an alternative remunerated position.
T G Collier	Group Chief Financial Officer	2 May 2017	Daily Mail and General Trust plc	12 months	Base salary, pension allowance, car allowance and cash equivalent value of other benefits for the notice period. Compensation is subject to mitigation if the Director obtains an alternative remunerated position.
K J Beatty	Chief Executive of dmg media	19 May 2002	Associated Newspapers Limited	12 months	Base salary, benefits, pension entitlement and, as appropriate, a prorated bonus payment for the notice period.

External appointments

The Company allows its Executive Directors to take a very limited number of outside directorships. Individuals retain the payments received from such services since these appointments are not expected to impinge on their principal employment. Lord Rothermere was appointed a Director of Cazoo Ltd in December 2018. None of the other Executive Directors currently have external appointments.

Legacy arrangements

For the avoidance of doubt, in approving this Policy, authority is given to the Company to honour any commitments entered into with current or former Directors prior to the approval and implementation of this Policy (such as payment of pensions or the vesting/exercise of past share awards), provided that such commitments complied with any Policy in effect at the time they were given.

Approach to recruitment remuneration

When appointing or recruiting a new Executive Director from outside the Company, the Committee will aim to set remuneration at a level which is consistent with the Policy in place for other Executive Directors and in particular the Executive Director who previously filled the relevant role, although it is recognised that, in order to secure the best candidate for a role, the Company may need to pay a new Executive Director more than it pays its existing Executive Directors. Pre-existing contractual agreements for internal candidates may be maintained on promotion to an Executive Director role.

The Committee may make use of any of the below components in the (recruitment) remuneration package.

Component	Approach	Maximum annual grant level
Base salary	Base salary will be determined by reference to the individual's role and responsibilities, location of employment, and the salary paid to the previous incumbent.	Not applicable.
Pension	The appointed Executive Director will be eligible to participate in the Group's defined contribution pension plan and/or receive a cash pension allowance.	30% of base salary.
Benefits	New appointments will be eligible to receive benefits in line with the Policy for current Executive Directors and potentially benefits relating to relocation such as (but not limited to) cost of living, housing and tax equalisation support.	Not applicable.
Annual bonus	The appointed Executive Director will be eligible to participate in the Company's annual bonus plan in accordance with the Policy for current Executive Directors and may be required to defer some or all of any bonus granted in accordance with the Policy.	200% of base salary.
Long-term incentives	The appointed Executive Director will be eligible to participate in the LTIP in accordance with the Policy for current Executive Directors.	2,000% of base salary at the time the award is made.
Replacement awards	If in joining DMGT a new Executive Director would forfeit any existing award under variable remuneration arrangements with a previous employer, the Committee will consider on a case-by-case basis what replacement awards (if any) are reasonably necessary to facilitate that individual's recruitment, taking into account all relevant factors such as performance achieved or likely to be achieved, the proportion of the performance period remaining and the form of the award due to be forfeited.	Not applicable.

Exit payment policy

The Company normally sets the notice period of Executive Directors as 12 months, but may decide to vary this in circumstances it deems appropriate.

On termination, the Company will normally make a payment in lieu of notice (PILON) which is equal to the aggregate of: the base salary at the date of termination for the applicable notice period; the pension allowance over the relevant period; the cost to the Company of providing all other benefits (excluding pension allowance) or a sum equal to the amount of benefits as specified in the Company's most recent Annual Report; and may include an annual bonus payment calculated in accordance with the service contract of the Executive Director. The treatment of awards under the Company's long-term incentive plans on termination will be in accordance with the rules of the plan and, where appropriate, at the discretion of the Committee. Under the rules of the long-term incentive plans, participants will be considered 'good leavers' if their participation ceases due to death, retirement, long-term sickness, disability and any other reason, at the discretion of the Committee (such discretion being applied fairly and reasonably).

The Company may pay the PILON either as a lump sum or in equal monthly instalments from the date on which the employment terminates until the end of the relevant period. If alternative employment (paid above a pre-agreed rate) is commenced, for each month that instalments of the PILON remain payable, the amounts, in aggregate (excluding the pension payment), may be reduced by half of one month's base salary in excess of the pre-agreed rate.

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In the event that a participant's employment is terminated, treatment of outstanding awards under the Group's incentive plans will be determined based on the relevant plan rules, which are summarised below:

Incentive plan	Treatment of awards
DMGT SharePurchase+	Under HMRC regulations, all leavers have to exit DMGT SharePurchase+ and either sell or transfer their shares. If identified as a 'good leaver', under the rules of DMGT SharePurchase+, no tax or National Insurance contributions are paid.
Annual bonus	If identified as a 'good leaver' for the purposes of the bonus, the Committee may determine that the leaver's contribution was significant against performance targets for the year, in which case, it may decide to make a payment which is equivalent of up to a full year's bonus.
Deferred bonus plan	If identified as a 'good leaver' under the deferred bonus plan rules (including those identified at the discretion of the Committee), outstanding awards shall vest in full on the normal vesting date or on such earlier date as the Committee may determine.
Long-term incentive plans	If identified as a 'good leaver' under the rules (including those identified at the discretion of the Committee), outstanding awards will vest pro-rata between the start of the accrual schedule and the leaving date. Dividend equivalents will be made based on the initial number of shares subject to the Award (not the pro-rated amount), but only based on dividends paid between start of the accrual schedule and leaving.

The Committee may make payments it considers reasonable in settlement of potential legal claims, e.g. unfair dismissal or where agreed under a settlement agreement. This may include an entitlement to compensation in respect of their statutory rights under employment protection legislation and such reasonable reimbursement of fees for legal and/or tax advice in connection with such agreements and/or costs of outplacement services.

Where an Executive Director is a 'good leaver', the Committee reserves the discretion to approve any or all of the following additional benefits:

- continuation of private medical insurance or life assurance for a period of time following termination;
- use of business premises for a period after termination;
- retention of IT equipment by the Executive Director; and/or
- use of a company car and/or driver for a period after termination.

Consideration of pay and employment conditions elsewhere across the Group

The Committee considers pay and employment conditions elsewhere in the Group when making decisions on remuneration matters affecting the Executive Directors. The Committee receives a report annually on the salary increase budget for each business. The Committee makes reference, where appropriate, to pay and employment conditions elsewhere in the Group (whilst remaining aware of the variety of geographies and sectors in which it operates) when determining annual base salary increases and to external benchmarks of remuneration levels in other companies.

The Committee makes reference to data provided by and advice sought from internal and external advisers when making decisions on remuneration matters affecting the Executive Directors. It does not specifically consult with employees over the effectiveness and appropriateness of the Remuneration Policy and framework.

Consideration of shareholder views

The Committee receives annual updates on the views and best practices of shareholders and their representative bodies and, notwithstanding the Company shareholder structure, takes these into account. The Committee seeks the views of shareholders on matters of remuneration where appropriate.

This report covers the reporting period to 30 September 2020 and has been prepared in accordance with the relevant requirements of the Large and Medium-Sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended) and of the Listing Rules of the Financial Conduct Authority.

Annual Report on Remuneration

The report has been audited in accordance with 2008 Regulations.

Remuneration & Nominations Committee role and activities

The Committee's responsibilities with respect to remuneration include:

- Group remuneration policy; and
- setting the remuneration and terms and conditions of employment of the Company's Executive Directors and other senior executives in line with the Committee's Terms of Reference. The Committee's Terms of Reference are available on the Company's website. The Committee is chaired by Lord Rothermere with Committee members David Nelson, JP Rangaswami, Heidi Roizen and Dominique Trempont.

The Code recommends that a remuneration committee should be composed entirely of independent non-executive directors. The Board, however, considers that, as the beneficiary of the Company's largest shareholder, Lord Rothermere's interests are fully aligned with those of other shareholders. The Committee is confident that its make-up ensures that it carries out all aspects of its role with proper and appropriate regard to shareholders' long-term interests and that this alignment is, in fact, stronger as a direct consequence of its membership. The Non-Executive Directors meet regularly and independently outside of the formal meetings. To avoid conflicts of interest, the Group remuneration policy mandates that no Director or manager shall be involved in any decisions as to their own remuneration.

The Committee spends a large portion of its time reviewing the remuneration and incentive plans of the different businesses which are diverse both in geography and sector. There are a variety of incentive plans requiring significant consideration and oversight, which are designed to reflect the business type and stage of development, the market and locations it operates in and aims to incentivise the delivery of the business' strategic plan. The Committee's objective is to combine the necessary attention to short-term financial performance, through annual bonus plans, with a stronger focus on the fundamentals that drive long-term growth, through long-term incentive plans.

Committee performance and effectiveness

In September 2020, the Committee conducted a formal review of its effectiveness and concluded that it had fulfilled its remit and had been effective during the year.

Remuneration & Nominations Committee agenda items (selected)

Date	Agenda items
October 2019	• Approval of long-term incentive and share awards vesting at the end of FY 2019. • Funding of EBT for outstanding share awards.
December 2019	• Final approval of FY 2019 annual bonus payments. • RMS year end approvals. • Operating company long-term incentive plans for FY 2020.
February 2020	• New long-term incentive plan for RMS.
May 2020	• Performance measures for DMGT long-term incentive plan. • Projected FY 2020 annual bonus and long-term incentive plan outcomes as at half-year. • Gender pay update.
July 2020	• New DMGT long-term incentive plan arrangements. • RMS 409a valuation. • Review of Board composition.
September 2020	• 2020 salary and NED fees review. • Approval of new ED and DMGT Centre long-term incentive plans. • New LTIP for dmg ventures. • Review of Committee effectiveness and Terms of Reference.

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Risk and reward

During the year, the Committee reviewed and confirmed that the plans in operation throughout the Group did not incentivise taking excessive risk and, in particular, that the annual bonus and long-term incentive plans in the Company are aligned with DMGT's risk policies and systems.

Advice to the Remuneration & Nominations Committee

The Committee referred, where relevant, to independent benchmarking on executive remuneration provided through Group Reward by Willis Towers Watson. In addition the Committee received advice and commentary, where appropriate, from members of the senior management team during the year.

Table 1: Single figure of remuneration paid to Executive Directors for FY 2020 (Audited)

The table below sets out the single total figure of remuneration and breakdown for each Executive Director in FY 2020 and FY 2019. Details of the calculation of the annual bonus figure for FY 2020 can be found in the section variable pay awards vesting in FY 2020, on page 83. Details of the calculation of LTIP Awards that are vesting this year can be found in tables 4.2 and 4.3 on pages 85 and 86 respectively. Details of nil-cost options that were realised during the year can be found in table 3 on page 84.

	Financial year	Salary and fees £000	Taxable benefits[2] £000	Pension benefits £000	Other payments £000	Total fixed £000	Annual bonus[3] £000	Total annual remuneration £000	LTIP and dividend equivalents £000	Other Awards and payments £000	Total variable £000	Total remuneration £000
The Viscount Rothermere	**2020**	**822[1]**	**56[2]**	**304[1]**	**72[1]**	**1,254**	**634**	**1,888**	**5,091[4]**	–	**5,725**	**6,979**
	2019	858	56	317	–	1,231	1,229	2,460	904[5]	350[12]	2,483	3,714
P A Zwillenberg	**2020**	**737[1]**	**48[2]**	**221[1]**	**61[1]**	**1,067**	**568**	**1,635**	**5,091[6]**	–	**5,659**	**6,726**
	2019	769	38	225	–	1,032	857	1,889	904[7]	983[13]	2,744	3,719
T G Collier	**2020**	**492[1]**	**43[2]**	**123[1]**	**39[1]**	**697**	**378**	**1,075**	**3,055[8]**	**1,278[14]**	**4,711**	**5,408**
	2019	513	31	128	–	672	571	1,243	473[9]	1,602[15]	2,646	2,842
K J Beatty	**2020**	**723[1]**	**23[2]**	**267[1]**	**75[1]**	**1,088**	**132**	**1,220**	**3,906[10]**	**4[16]**	**4,042**	**5,130**
	2019	763	24	282	–	1,069	420	1,489	1,415[11]	969[17]	2,804	2,916
Total	**2020**	**2,774**	**169[2]**	**915[1]**	**247[1]**	**4,106**	**1,712**	**5,818**	**17,143**	**1,282**	**20,137**	**24,243**
	2019	2,903	149	952	–	4,004	3,077	7,081	3,696	3,904	10,677	13,191

Notes
1. Amounts shown reflect the exchange of a percentage of base salary and pension benefits as a result of the Executive Directors' participation in the Salary Substitution Plan for an award of equivalent value which were £72,248 for Lord Rothermere; £61,349 for Paul Zwillenberg; £39,019 for Tim Collier and £75,071 for Kevin Beatty which were converted into shares restricted until 29 January 2021 at a price per share of £6.69 to 10,800 for Lord Rothermere; 9,171 for Paul Zwillenberg; 5,833 for Tim Collier and 11,222 for Kevin Beatty. The deferred amounts are reflected in the other payments column.
2. Taxable benefits for 2020 comprise car allowances which are £34,000 p.a. for Lord Rothermere; £18,000 p.a. for Paul Zwillenberg; £16,000 p.a. for Tim Collier; and £16,000 p.a. for Kevin Beatty. Lord Rothermere, Paul Zwillenberg and Kevin Beatty also received benefits in respect of home-to-work travel. Amounts, including tax paid by the Company, are £16,774; £8,327; and £2,321 respectively. Lord Rothermere and Paul Zwillenberg, received UK medical benefits with a cost to the Company of £5,375 p.a., £4,480 for Tim Collier and £4,300 p.a. for Kevin Beatty. Paul Zwillenberg and Tim Collier received US medical benefits with a cost to the Company of £11,917 p.a. and £11,876 p.a. respectively (converted at a rate of £1:$1.28). Paul Zwillenberg and Tim Collier received £4,145 and £10,752 respectively in relation to tax compliance requirements paid for by the Company.
3. Details of the calculation of the bonus are shown in tables 2.1 and 2.2 on page 83.
4. The figure shown is the vesting value of the 2017 award for Lord Rothermere under the EIP which will be realised in December 2020, details of which can be found in table 4.3 on page 86.
5. The figure shown has been adjusted from the estimated payment stated in the 2019 report to reflect the actual amount realised by Lord Rothermere in respect of the 2016 award in December 2019. Details can be found in table 4.3 on page 86.
6. The figure shown is the vesting value of the 2017 award for Paul Zwillenberg under the EIP which will be realised in December 2020, details of which can be found in table 4.3 on page 86.
7. The figure shown has been adjusted from the estimated payment stated in the 2019 report to reflect the actual amount realised by Paul Zwillenberg in respect of the 2016 award in December 2019. Details can be found in table 4.3 on page 86.
8. The figure shown is the vesting value of the 2017 award for Tim Collier under the EIP which will be realised in December 2020, details of which can be found in table 4.3 on page 86.
9. The figure shown has been adjusted from the estimated payment stated in the 2019 report to reflect the actual amount realised by Tim Collier in respect of the 2016 award in December 2019. Details can be found in table 4.3 on page 86.
10. The figure shown is the vesting value of the 2017 award for Kevin Beatty under the EIP which will be realised in December 2020, details of which can be found in table 4.3 on page 86.
11. The figure shown has been adjusted from the estimated payment stated in the 2019 report to reflect the actual amount realised by Kevin Beatty in respect of the 2016 award and the 2015 award in December 2019. Details can be found in table 4.3 on page 86.
12. The figure shown is the value of the cash dividend equivalent received in respect of Lord Rothermere's 2011 and 2012 nil cost option awards which were exercised in December 2019, details of which can be found in table 4.3 on page 86.
13. The figure shown is the value of Paul Zwillenberg's recruitment award of 114,809 (after adjustment to reflect the April 2019 Distributions) which vested and was realised in June 2019 at a share price of £7.42 and a cash dividend equivalent payment of £74,507 plus a discretionary payment of £57,313 relating to the April 2019 Distributions as disclosed in the 2019 report.
14. The figure shown is the value of the second tranche of Tim Collier's recruitment award of 143,217 shares (after adjustment to reflect the April 2019 Distributions) which vested and was realised in December 2019 at a share price of £8.41 and a cash dividend equivalent payment of £72,851.
15. The figure shown is the value of the first tranche of Tim Collier's recruitment award of 188,284 shares which vested and was realised in December 2018 at a share price of £5.69 and a cash dividend equivalent payment of £54,619, plus a discretionary payment of £476,472 relating to the April 2019 Distributions as disclosed in the 2019 report.
16. The figure shown is the value of the cash dividend equivalent received in respect of Kevin Beatty's 2017 nil cost option award which was exercised in February 2020, details of which can be found in table 3 on page 84.
17. The figure shown is the value of the cash dividend equivalent received in respect of Kevin Beatty's 2015 nil cost option award which was exercised in September 2019, plus a discretionary payment of £957,219 relating to the April 2019 Distributions as disclosed in the 2019 report.

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Variable pay awards vesting in FY 2020

Table 2.1: Annual bonus weightings, opportunity and outcomes (Audited)

The details of the weightings and opportunity relating to the annual bonus paid to Executive Directors for the year ended 30 September 2020 and included in the single figure in table 1 on page 82 are shown below. The performance measures for FY 2020 are a combination of revenue and cash operating income, both equally weighted. The resulting bonus amounts are shown in the table below:

	Weightings		Opportunity as a % of salary					
	Revenue	Cash operating income	Threshold	Target	Maximum	Actual outcome as a % of salary[1]	Actual outcome as a % of maximum[1]	Actual outcome £000
The Viscount Rothermere	50%	50%	0%	100%	200%	72%	36%	634
P A Zwillenberg	50%	50%	0%	100%	200%	72%	36%	568
T G Collier	50%	50%	0%	100%	200%	72%	36%	378
K J Beatty[2]	50%	50%	0%	30%	60%	17%	28%	132

Notes
1. Bonuses have been calculated with reference to Executive Directors salaries before Salary Substitution Plan deductions which were; £875,200 for Lord Rothermere; £784,400 for Paul Zwillenberg; £522,750 for Tim Collier and £777,750 for Kevin Beatty.
2. See Table 2.2 below.

Table 2.2: DMGT annual bonus targets (Audited)

The financial measures are split into two categories and weighted evenly (shown in table 2.1). Kevin Beatty's bonus is weighted 70% against targets specific to dmg media and 30% against DMGT targets.

The Board considers the performance targets for the measures to be commercially sensitive, as it would disclose information of value to competitors, and they will not be disclosed. The final targets were adjusted to reflect the final US$/£ average exchange rate over the year.

Due to the impact of the Covid-19 pandemic on the media and events businesses, Threshold revenue and cash OI targets were not achieved. The Committee however determined a discretionary annual bonus payment of 25% of Maximum for media and 16.6% of Maximum for events to recognise Management's significant contributions and efforts during the year.

The effect of this discretion was then recognised and approved by the Committee in the calculation of DMGT's revenues and cash OI performance for the year, with the Executive Directors receiving a discretionary annual bonus of 36% of Maximum against a calculated result of 23% of Maximum.

The bonus paid to Kevin Beatty, Chief Executive of dmg media, at 28% of Maximum, reflects the effect of Committee discretion applied to the media and DMGT bonus calculations.

The following tables illustrate performance against DMGT and dmg media bonus targets and the corresponding outcome after the use of discretion described above:

DMGT bonus targets (All)	Below 0%	Threshold 0%	Target 100%	Maximum 200%	Outcome as a % of target	Outcome as a % of maximum
Revenue					57%	29%
Cash operating income					88%	44%

dmg media bonus targets (Kevin Beatty only)	Below 0%	Threshold 0%	Target 100%	Maximum 200%	Outcome as a % of target	Outcome as a % of maximum
Revenue					50%	25%
Cash operating income					50%	25%

Deferred annual bonus (Audited)

No deferrals apply in respect of FY 2020 bonuses since payments are below Target.

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Awards made under share schemes

The Company funds the purchase of shares by an Employee Benefits Trust in order to ensure that its obligations under its share schemes are adequately funded and this also ensures that there is no impact on share dilution. Share awards made to Lord Rothermere are settled using Treasury Shares.

Table 3: Nil cost options (Audited)

The table below sets out the details of all outstanding awards of nil cost options as part of the deferred bonus plan. Following the exercise of an award, a cash payment with a value equivalent to the sum of all of the dividends declared for the award between the grant date and the date of delivery of the shares is made. No further performance conditions are imposed except for the employee's continued employment. The December 2019 award was based on the average price of the first three days of trading after the announcement of the financial results for FY 2019 of £8.40.

Outstanding awards that were made before the April 2019 Distributions will be adjusted at vesting by 4.7825%.

Award date	Jan 2018	Dec 2018	Dec 2019	
Award type	Nil cost options	Nil cost options	Nil cost options	
Relating to	2017 Bonus	2018 Bonus	2019 Bonus	
Exercisable from	Jan 2020	Dec 2020	Dec 2021	
Expiry date	Jan 2025	Dec 2025	Dec 2026	
Status of awards	Exercised	Outstanding	Outstanding	
Award price	£5.63	£6.29	£8.40	
Exercise price	£8.10	N/A	N/A	
Outstanding awards				**Total**
P A Zwillenberg	–	52,685	37,897[4]	90,582
T G Collier	–	35,124	25,257[4]	60,381
K J Beatty	–	12,729	22,745[4]	35,474
Total outstanding	–	**100,538**	**85,899**	**186,437**
Exercised awards				**Total**
K J Beatty	15,092[123]	–	–	15,092
Total exercised during the year	**15,092**	**–**	**–**	**15,092**

Shaded columns show options that have vested.

Notes
1. Reflects the adjustment for the April 2019 Distributions made at exercise to the number of options originally awarded of 14,404.
2. Kevin Beatty received a dividend equivalent payment of £4,408 in relation to the exercise of his 2017 bonus award at a price of £8.10 with a value at exercise of £122,301.
3. The value change attributable at exercise to share price appreciation since the award was made was an increase of £37,277 (including the April 2019 Distributions adjustment).
4. The value of the awards made in December 2019 was £318,331 for Paul Zwillenberg, £212,152 for Tim Collier and £191,053 for Kevin Beatty.

Table 4.1 : Awards made under the Salary Substitution Plan (Audited)

The table below sets out the details of all outstanding awards of restricted shares made under the Salary Substitution Plan. No performance conditions are imposed except for the employee's continued employment. The May 2020 award was based on the average price of the three days 6 April to 8 April 2020, £6.69.

Outstanding awards	May 2020	Value at Grant
The Viscount Rothermere	10,800	£72,248
P A Zwillenberg	9,171	£61,349
T G Collier	5,833	£39,019
K J Beatty	11,222	£75,071
Total outstanding	**37,026**	**£247,687**

Table 4.2: Awards made under the 2012 Long-Term Executive Incentive Plan (LTIP) (Audited)

Outstanding share based awards subject to performance conditions under the LTIP are summarised in the table below. The Board considers the performance targets for the measures to be commercially sensitive, as it would disclose information of value to competitors, and they will not be disclosed.

Following the realisation of an award, a cash payment with a value equivalent to the sum of all of the dividends declared for the award between the grant date and the date of delivery of the shares is made. Outstanding awards that were made before the April 2019 Distributions will be adjusted at vesting by 4.7825%.

The 2015 LTIP award made to Kevin Beatty vested in full during the year based on an evaluation by the Committee of the performance against the performance measures, further details can be found on page 70. No further awards are being made under the LTIP.

Award name	2014 LTIP award	2015 LTIP award	
Award date	Dec 2014	Dec 2015	
Performance period ends	Sep 2019	Sep 2020	
Standard award as a % of salary	100%	100%	
Award price	£8.29	£7.06	
Price at vesting	£7.95	£6.62	
Performance measures	• Grow B2B business. • Continue to invest in strong brands of digital consumer media, particularly MailOnline. • Grow sustainable earnings and dividends. • Increase the Company's exposure to growth economies and to international opportunities.		
Status of award	Vested	Vested	
Maximum percentage of face value that could vest	100%	100%	
Vesting level as a percentage of maximum	100%	100%	
Outstanding awards			**Total**
K J Beatty	–	110,421[1]	110,421
Value (including cash dividend equivalent)	–	£851,439[1,2]	£851,439
Realised during year			**Total**
K J Beatty	92,142	–	92,142
Value (including cash dividend equivalent)	£872,609[3,4]	N/A	£872,609

Shaded columns show options that have vested.

Notes
1. The value of the 2015 LTIP award for Kevin Beatty (adjusted for the April 2019 Distributions) was £730,987 calculated using the average share price for the fourth quarter of FY 2020 which was £6.62. A cash dividend equivalent payment of £120,452 will be paid at realisation with a total value of £851,439.
2. The value change attributable to share price appreciation on vesting since the award was made was a reduction of £48,585 (including the April 2019 Distributions adjustment).
3. The value of the 2014 LTIP award for Kevin Beatty on realisation at a share price of £8.41 in December 2019 was £775,087. A cash dividend equivalent payment of £97,522 was also paid with a total value of £872,609.
4. The value change attributable to share price appreciation on realisation since the award was made was an increase of £11,229 (including the April 2019 Distributions adjustment).

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Table 4.3: Awards made under the 2017 Executive Incentive Plan (EIP) (Audited)

Outstanding share based awards subject to performance conditions under the EIP are summarised in the table below. The Board considers the performance targets for the measures to be commercially sensitive as it would disclose information of value to competitors, and they will not be disclosed.

Following the realisation of an award, a cash payment with a value equivalent to the sum of all of the dividends declared for the award between the beginning of the performance period and the date of delivery of the shares is made. Outstanding awards that were made before the April 2019 Distributions will be adjusted at vesting by 4.7825%.

	2016 EIP	2017 EIP	2018 EIP
Award date	Jun 2017	Jun 2018	Jun 2019
Performance period ends	Sep 2019	Sep 2020	Sep 2021
Performance period starts	Oct 2016	Oct 2017	Oct 2018
Award price	£7.88/£7.17[1]	£5.63	£6.29
Status of award	Vested	Vested	Outstanding
Vesting level as a percentage of maximum	20%	100%	N/A
Percentage receivable if maximum performance achieved	If the performance level is on target or above, Lord Rothermere and Paul Zwillenberg would receive 1.25% and Tim Collier and Kevin Beatty 0.75% of eligible profits. No amounts are payable if there are no eligible profits.	If the performance level is on target or above, Lord Rothermere and Paul Zwillenberg would receive 2.5% and Tim Collier and Kevin Beatty 1.25% of eligible profits. No amounts are payable if there are no eligible profits.	If the performance level is on target or above, Lord Rothermere and Paul Zwillenberg would receive 2.6% and Tim Collier and Kevin Beatty 1.5% of eligible profits. No amounts are payable if there are no eligible profits.
Basis on which award is made	Percentage share of growth in eligible profit over the performance period, converted at the end of the performance period to shares based on the average share price for the first three days following the release of the financial results of the preceding financial year in which the awards were made.		
Maximum payable	There is a cap on the maximum amounts payable which is five times target at the time the award was made with the number of shares being calculated by reference to the award price above.		
Performance measures	Outcomes are linked to stretching profit targets over a minimum threshold, subject to fair adjustment for any change in capital usage.		

	2016 EIP		2017 EIP		2018 EIP	
	Vesting shares[2]	Value at realisation including cash dividend equivalents[3,4]	Vesting shares	Value at vesting including cash dividend equivalents[5,6]	Maximum shares that could vest[7]	Shares vesting at target[7]
The Viscount Rothermere	99,728	£904,190	698,130	£5,091,341	613,831	122,766
P A Zwillenberg	99,728	£904,190	698,130	£5,091,341	611,287	122,257
T G Collier	52,970[1]	£472,522	418,880	£3,054,820	366,653	73,330
K J Beatty	59,837	£542,516	418,880	£3,054,820	363,672	72,734

Notes
1. The 2016 award made to Tim Collier was based on the closing share price on his employment start date in May 2017 of £7.17. His award outcome was pro-rated to reflect his start date.
2. The Committee determined to exercise discretion to allow the 2016 EIP awards to vest at 100% of target, recognising the significant value that management has created for shareholders as a result of the ZPG Plc sale and the April 2019 Distributions (disposal of Euromoney) during the performance period. The value created by these transactions was not reflected by the formulaic outcome from the performance conditions.
3. The value of the 2016 LTIP award at realisation in December 2019 (adjusted for the April 2019 Distributions), was £838,899 for Lord Rothermere and Paul Zwillenberg, £445,577 for Tim Collier and £503,341 for Kevin Beatty. A cash dividend equivalent payment was paid at realisation of £65,291 for Lord Rothermere and Paul Zwillenberg, £26,945 for Tim Collier and £39,175 for Kevin Beatty.
4. The value change attributable at realisation to share price appreciation since the award was made was an increase of £53,042 for Lord Rothermere and Paul Zwillenberg, £65,782 for Tim Collier and £31,825 for Kevin Beatty (including the April 2019 Distributions adjustment).
5. The value of the 2017 LTIP at vesting (adjusted for the April 2019 Distributions) calculated using the average share price for the fourth quarter of FY 2020 which was £6.62 was £4,621,621 for Lord Rothermere and Paul Zwillenberg and £2,772,986 for Tim Collier and Kevin Beatty. A cash dividend equivalent payment will be paid at realisation of £469,720 for Lord Rothermere and Paul Zwillenberg, and £281,834 for Tim Collier and Kevin Beatty.
6. The value change attributable at vesting to share price appreciation since the award was made was an increase of £691,149 for Lord Rothermere and Paul Zwillenberg and £414,691 for Tim Collier and Kevin Beatty (including the April 2019 Distributions adjustment).
7. Figures shown do not include the adjustment for April 2019 Distributions that will take place when the award vests.

Payments to past Directors (Audited)

Martin Morgan vested share awards

The Committee was satisfied that the performance conditions had been met for the 2015 award made to Martin Morgan in December 2015 under the DMGT 2012 Long-Term Incentive Plan. The award of 149,307 shares (after adjustment for the April 2019 Distributions) will vest at 100% and be realised in December 2020.

Martin Morgan received a total amount of £1,180,239 in December 2019 in relation to the realisation of the 2014 award made under the DMGT 2012 Long-Term Incentive Plan. The award of 124,626 shares (after adjustment for the April 2019 Distributions) was realised at a share price of £8.41 with a value of £1,048,337 and a dividend equivalent payment of £131,902.

Paul Dacre vested share awards

The Committee was satisfied that the performance conditions had been met in full for the 2017 award made to Paul Dacre in January 2018 under the DMGT 2017 Executive Incentive Plan. The award of 188,646 shares (after adjustment for the April 2019 Distributions) will vest and be realised in December 2020.

Paul Dacre received a total amount of £1,221,991 in December 2019 in relation to the realisation of the 2016 award made under the DMGT 2017 Long-Term Incentive Plan. The award of 134,780 shares was realised at a share price of £8.41 with a value of £1,133,751 and a dividend equivalent payment of £88,239.

Payments for loss of office (Audited)

There were no payments for loss of office to any Directors during the year.

Table 5: Executive Directors' accrued entitlements under DMGT Senior Executives' Pension Fund (Audited)

The defined benefit scheme is closed for future accrual. It is the Company's policy that annual bonuses and benefits in kind are not pensionable.

No Executive Directors are now accruing further pension in the DMGT Senior Executives' Pension Fund. The normal retirement age under the Fund for the Executive Directors is 60.

	Defined benefit: accrued annual benefit as at 30 September 2020 based on normal retirement age £000	Defined benefit: normal retirement age	Defined benefit: additional value of benefits if early retirement taken	Weighting of pension benefit value as shown in single figure table
The Viscount Rothermere	83	3 December 2027	–	Cash allowance: 100%

Notes
The key elements of remuneration table on page 71 shows the cash allowances paid to each Executive Director as a percentage of salary in lieu of pension.

Table 6: Single figure of remuneration paid to Non-Executive Directors (Audited)

The table below sets out the single total figure of remuneration for each Non-Executive Director (NED) in FY 2020 and FY 2019.

There were no changes to NED fees during FY 2020.

Travel allowances of £4,000 are paid for each Board meeting that requires a single (one way) flight of between five and 10 hours and £10,000 for each Board meeting that requires a single (one way) flight of more than 10 hours. Additional fees are paid for membership and chairmanship of sub-committees and subsidiary boards.

	2020				2019		
	Fees £000	Other[1] £000	Travel allowance £000	Total £000	Fees[3] £000	Travel allowance £000	Total £000
Lady Keswick	49	1	–	**50**	50	4	54
A H Lane	85	4	–	**89**	114	4	122
F L Morin	49	1	8	**58**	50	16	66
D H Nelson	142	7	4	**153**	174	4	178
K A H Parry	100[2]	5	14	**119**	205	4	209
JP Rangaswami	85[2]	4	14	**103**	60	4	64
J H Roizen	212	11	–	**223**	224	10	234
D Trempont	212	11	20	**243**	223	44	267
Total	**934**	**44**	**60**	**1,038**	1,100	94	1,194

Notes
1. The amounts shown are the amount of fees that each of the NEDs deferred in cash until 29 January 2021 through the Salary Substitution Plan which were £875 for Lady Keswick and François Morin; £3,563 for Andrew Lane; £6,700 for David Nelson; £4,500 for Kevin Parry; £3,375 for JP Rangaswami and $14,531 for Heidi Roizen and Dominique Trempont.
2. Kevin Parry and JP Rangaswami were paid £15,000 for their work on the RMS Special Committee in FY 2020.
3. Fees of £25,000 to Andrew Lane; David Nelson and JP Rangaswami and £100,000 to Kevin Parry were paid in FY 2019 for their work in relation to the April 2019 Distributions.

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Table 7: Chief Executive remuneration outcomes FY 2010 to FY 2020

Financial year ending	FY 2010 £000	FY 2011 £000	FY 2012 £000	FY 2013 £000	FY 2014 £000	FY 2015 £000	FY 2016[2] £000	FY 2017 £000	FY 2018 £000	FY 2019 £000	FY 2020 £000
CEO	Martin Morgan							Paul Zwillenberg			
Total remuneration (single figure)	2,961	1,722	2,809	2,949	2,021	1,944	3,342	1,450	1,867	3,736	**6,726**
Annual variable pay[1] (% maximum)	98%	40%	63%	88%	54%	58%	63%	42.5%	81%	80%	**36%**
LTIP achieved (% maximum)	25%	25%/100%	52.5%	37.5%	40%	–	100%	–	–	20%	**100%**
Share price at vesting	£4.14	£5.72/£3.68	£4.82	£7.62	£8.31	–	£6.95	–	–	£7.95	**£6.62**

Notes
1. Maximum bonus opportunity was 100% of salary from FY 2010 to FY 2017 when it increased to 140% and then to 200% in FY 2020.
2. The single figure shown for FY 2016 combines the period of Martin Morgan's service to 31 May 2016 and his successor Paul Zwillenberg from 1 June 2016.

Chart 2: Comparison of overall performance of DMGT vs comparators

The chart compares the Company's TSR with the Media Sector Total Return Index and both the FTSE 100, FTSE 250 and FTSE 350 Indices over the past 10 financial years, assuming an initial investment of £100.

The Company is a constituent of the Media Sector Total Return Index and, accordingly, this is considered to be the most appropriate comparison to demonstrate the Company's relative performance.

Source: Thomson Reuters Datastream

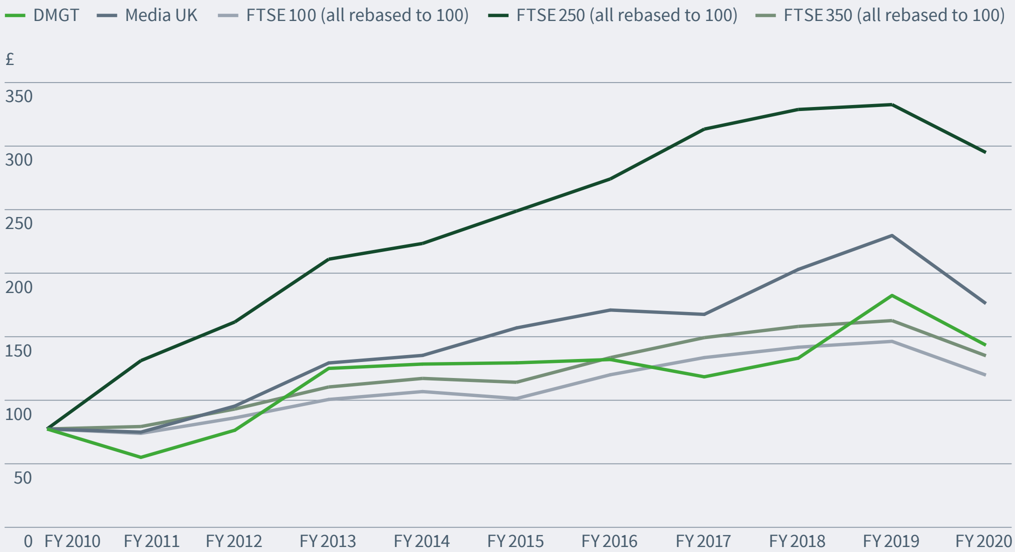

Table 8: Relative importance of spend on pay in the financial year

The table below sets out the relative importance of spend on pay in FY 2019 and FY 2020 across the Group compared with cash operating income and dividends paid to shareholders. Cash OI is considered by the Board to be a good indicator of the underlying cash generation of the businesses and it is included as a core element of the incentive plans for all senior management teams.

Financial year ending	FY 2019	FY 2020	Percentage Change
Cash Operating Income (£m)	162	110	(32%)
Dividends paid in the year (£m)[2]	936	55	(94%)
Total Employment pay (£m)[1]	533	542	1.7%
Total employees[1]	6,101	6,069	(0.5%)

Notes
1. Figures taken from Note 6 in the Consolidated Financial Statement.
2. Dividends paid in FY 2019 include £862m associated with the April 2019 Distributions.

Table 9: CEO pay ratios

New legislation requires listed companies with more than 250 employees to publish the ratio of their CEO's pay to that of the 25th percentile, median and 75th percentile total remuneration of full time equivalent employees. The regulations provide for three calculation approaches to determine the pay ratio (Options A, B and C). The data in the table below has been calculated using Option A which is considered to be the most accurate methodology and uses the same calculation basis as required for the CEO's total remuneration as shown in the single figure table 1 on page 82.

- All UK employees of the Company who received base salary during the year ended 30 September 2020 and who were still employed on that date were included.
- The calculations were carried out using their total pay and benefits received in respect of the year ended 30 September 2020, although it should be noted that as bonuses for the financial year are not paid until December 2020, bonuses used for the calculation were paid in December 2019 in relation to the previous financial year (FY 2019).
- For employees who were employed on a part-time basis, or who were not employed for the full year, their remuneration has been annualised to reflect the full-time equivalent.
- No other estimates or adjustment have been used in the calculations and no other remuneration items have been omitted.
- Employees at recent acquisitions One Search Direct and The 'i' were excluded from the calculation due to insufficient data being available.

Total Remuneration

		Total Compensation			All UK Employees		
Financial year	Method	75th percentile	Median	25th percentile	75th percentile	Median	25th percentile
FY 2020	Option A	89:1	134:1	199:1	£75,400	£50,243	£33,800

Base Salary

		Total Compensation			All UK Employees		
Financial year	Method	75th percentile	Median	25th percentile	75th percentile	Median	25th percentile
FY 2020	Option A	12:1	17:1	25:1	£65,000	£45,000	£31,200

Table 10: Director v employee pay increases

	Year-on-year change in pay for Directors compared to the global average employee													
		Executive Directors				Non-Executive Directors								
2020	Average employee[1]	The Viscount Rothermere	P A Zwillenberg	T G Collier	K J Beatty	Lady Keswick	A H Lane	F L Morin	D H Nelson	K A H Parry	JP Rangaswami	J H Roisen	D Trempont
Salary and Fees[2]	2%	2%	2%	2%	2%	0%	(22%)	0%	(14%)	(49%)	48%	0%	0%
Benefits[3]	2%	2%	8%	9%	2%	0%	0%	(50%)	0%	250%	250%	0%	(55%)
Bonus[4]	(21%)	(48%)	(34%)	(34%)	(69%)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Incentives[5]	76%	168%	139%	229%	142%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Notes
1. DMGT Centre employees are used for comparison purposes in this table.
2. Salaries were increased by an average 2% for DMGT Centre staff in October 2019 in line with most of the other operating companies and the Executive Directors.
3. There were no changes to benefits for most DMGT Centre staff in FY 2020, the increase reflects the fact that pension contributions are linked to salary, the higher increases for Paul Zwillenberg and Tim Collier are related to them joining the US healthcare scheme and UK healthcare schemes respectively to ensure that they have adequate healthcare coverage in light of their extensive business travel schedules. Benefits for the NEDs is travel fees which are entirely dependent upon overseas board meetings during the year.
4. Bonus outcomes for DMGT Centre employees reduced in FY 2020 in line with the outcomes for the Executive Directors.
5. Incentives include bonus and long-term incentive outcomes for DMGT Centre participant employees as well as for Executive Directors.

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Table 11: Statement of Directors' shareholding and share interests (Audited)

The number of shares of the Company in which the Executive Directors and NEDs or their families had a beneficial or non-beneficial interest during FY 2020 and details of Long-Term Incentive (LTI) interests as at 30 September 2020 are set out in the table below. The shareholding guideline for Executive Directors is 500% of salary for Lord Rothermere and Paul Zwillenberg and 150% of salary for Tim Collier and Kevin Beatty. The value as a percentage of salary has been calculated using the 30 September 2020 share price of £6.50.

Beneficial								
As at 30 September 2020	**Ordinary**	**A Ordinary Non-Voting**	**LTI interests not subject to performance conditions[1] Vested**	**Awards not subject to performance conditions[1] Unvested**	**Value (as a percentage of salary)[2]**	**Guideline met**	**LTI interests subject to performance conditions[3]**	**Total outstanding interests[4]**
The Viscount Rothermere	19,890,364[5]	59,270,240	–	10,800	58,800%	Yes	1,311,961	1,322,761
P A Zwillenberg	–	127,029	–	99,753	188%	No	1,309,417	1,409,170
T G Collier	–	211,829	–	66,214	346%	Yes	785,533	851,747
K J Beatty	–	315,095	–	46,696	302%	Yes	892,973	939,669
K A H Parry	–	12,565	–	–	N/A	N/A	N/A	N/A
	19,890,364	**59,936,758**	–	**223,463**			**4,299,884**	**4,523,347**
Non-beneficial								
The Viscount Rothermere	–	4,687,424						
D H Nelson	–	204,221						
		4,891,645						
Total Directors' interests	**19,890,364**	**64,828,403**						
Less duplications	–	(204,221)						
	19,890,364	**64,624,182**						

Notes
1. The Awards not subject to performance conditions (vested and unvested) are the nil cost options awarded as the bonus deferral; full details can be found in table 3 on page 84 and restricted shares resulting from participation in the Salary Substitution Plan in table 4.1 on page 84.
2. The value as a multiple of salary includes LTI interests not subject to performance conditions.
3. The LTI interests subject to performance conditions are detailed in tables 4.2 and 4.3 on pages 85 and 86 and include those shares which have vested but are not yet realised as well as those that are outstanding.
4. Total outstanding interests are the sum of the LTI interests subject to performance conditions and unvested LTI interests not subject to performance conditions.
5. The Company has been notified that under Sections 793 and 824 of the Companies Act 2006, Lord Rothermere was deemed to have been interested as a shareholder in 19,890,364 Ordinary Shares at 30 September 2020.

None of the other Directors held any shares in the Company, either beneficial or non-beneficial.

At 30 September 2020, Lord Rothermere was beneficially interested in 110,597,377 Ordinary Shares of Rothermere Continuation Limited, the Company's ultimate holding company.

For Paul Zwillenberg and Kevin Beatty, purchases of shares were made between 30 September 2020 and 30 November 2020 through the SharePurchase+ plan. These purchases increased the beneficial holdings of these Executive Directors by 43 shares for Paul Zwillenberg and 42 shares for Kevin Beatty. There were no other changes in Directors share interests between these dates.

Voting at general meeting

At the February 2020 AGM, the advisory vote on the Remuneration Report and the Remuneration Policy received 19,890,364 (100%) votes for, with no votes against and no abstentions. The Committee consults with major shareholders prior to any other major changes to remuneration policy and practice.

Non-Executive Directors' appointment

The Non-Executive Directors are appointed for specified terms under the Company's Articles of Association and are subject to annual re-election at the AGM. Each appointment can be terminated before the end of the one-year period with no notice or fees due. Directors' service contracts/letters of appointment are available for inspection at DMGT's registered office. The dates of each NED's original appointment and latest reappointment are set out below:

Non-Executive Director	Appointment commencement date	Latest reappointment date
Lady Keswick[1]	23 September 2013	6 February 2020
A H Lane	6 February 2013	6 February 2020
F L Morin	8 February 2017	6 February 2020
D H Nelson	1 July 2009	6 February 2020
K A H Parry	22 May 2014	6 February 2020
JP Rangaswami	7 February 2018	6 February 2020
J H Roizen	26 September 2012	6 February 2020
D Trempont	9 February 2011	6 February 2020

Notes
1. Lady Keswick retired on 1 October 2020.
2. F Wallestam was appointed as a NED on 19 November 2020.

Implementation of Policy in FY 2021

Executive Directors' base salary	The Executive Directors did not receive an increase in salary in October 2020, in line with the majority of employees in businesses across the Group. Annual salaries from 1 October 2020 remain £875,200 for Lord Rothermere, £784,400 for Paul Zwillenberg, £522,750 for Tim Collier and £777,750 for Kevin Beatty.
Executive Directors' pension	No change to prior year. Pension allowances are reported in the key elements of remuneration on page 71.
Executive Directors' benefits in kind	No change to nature of benefits since prior year.
Executive Directors' annual bonus	Awards in FY 2021 will be measured against two financial metrics: Group level revenue and cash operating income. In addition to Group level performance, Kevin Beatty will be measured on the performance of dmg media against the same financial metrics (weighting 30% Group, 70% divisional). The Board considers the specific targets and relative weightings for each measure to be commercially sensitive and they will not be disclosed.
Executive Directors' Bonus deferral	Amounts above Target bonus for Paul Zwillenberg, Tim Collier and Kevin Beatty will be deferred into nil-cost options for two years. No deferral will apply for Lord Rothermere.
Executive Directors' long-term incentive	Two (of the three) Awards under the new ED LTIP will be made covering the periods: 1 October 2019 to 30 September 2029 and 1 October 2020 to 30 September 2030, subject to approval of the ED LTIP at the February 2021 AGM.
Executive Directors' service contracts	A review of Executive Directors' service contracts is planned for FY 2021.
External appointments	The Company allows EDs to take a very limited number of outside directorships. Individuals retain the payments from such services since these appointments are not expected to impinge on their principal employment.
Executive Directors' shareholding guidelines	The guideline is 500% of base salary for Lord Rothermere and Paul Zwillenberg and 150% of base salary for all other Executive Directors. Directors' interests are reported in detail in table 11 on page 90.
Recruitment award	None.
Exit payments	None.

Implementation of Policy for Non-Executive Directors FY 2021

Non-Executive Directors' fees	No change to prior year.

Governance

Statutory Information

Directors' Report

Other statutory information

Required information can be found in the Strategic Report on pages 2 to 47, which is incorporated into this report by reference. Information on employees, community and social issues is given in the Our Stakeholders section on pages 32 to 39.

In accordance with the Financial Conduct Authority's Listing Rules (LR 9.8.4C), the information to be included in the Annual Report, where applicable, under LR 9.8.4, is set out in the Governance section, with the exception of details of transactions with controlling shareholders (if any) which are set out in Note 44.

Forward-looking statements

This Annual Report contains certain forward-looking statements with respect to principal risks and uncertainties facing the Group. By their nature, these statements involve risk and uncertainty because they relate to events and depend on circumstances that may or may not occur in the future. There are a number of factors that could cause actual results or developments to differ materially from those expressed or implied by those forward-looking statements. No assurances can be given that the forward-looking statements are reasonable as they can be affected by a wide range of variables.

The forward-looking statements reflect the knowledge and information available at the date of preparation of this Annual Report and will not be updated during the year. Nothing in this Annual Report should be construed as a profit forecast.

Tangible fixed assets and investments

The Company's subsidiaries are set out in Note 47. Changes to the Group's tangible fixed assets and investments during the year are set out in Notes 23 to 26. There was no material difference in value between the book value and the market value of the Group's land and buildings.

Directors

The names of the Directors, plus brief biographical details are given on page 49. All Directors held office throughout the year. In accordance with the UK Corporate Governance Code, all existing Directors will stand for election or re-election at the Annual General Meeting (AGM) on 3 February 2021.

Principal activities

A description of the principal activities of the Group and likely future developments and important events occurring since the end of the year are given in the Strategic Report on pages 2 to 47.

Results and dividends

The profit for the year of the Group and the profit for the year attributable to owners of the Company amounted to £189 million. The Board recommends a final dividend of 16.6 pence per share. If approved at the AGM on 3 February 2021, the final dividend will be paid on 5 February 2021 to shareholders who are on the register at the close of business on 4 December 2020. Together with the interim dividend of 7.5 pence per share paid on 26 June 2020, this makes a total dividend for the year of 24.1 pence per share (2019 23.9 pence).

Directors' interests

The number of shares of the Company and of securities of other Group companies in which the Directors, or their families, had an interest at the year end, are stated in the Remuneration Report on page 68.

Employee Benefit Trust

The Executive Directors of the Company, together with other employees of the Group, are potential beneficiaries of the Employee Benefit Trust (EBT) and, as such, are deemed to be interested in any A Shares held by the EBT. At 30 September 2020, the EBT's shareholding totalled 3,705,104 A Shares. The EBT has waived its right to dividends on the shares held.

Between 30 September 2020 and 20 November 2020 the EBT transferred nil A Shares to satisfy the exercise of awards under employee share plans.

Significant shareholdings

Rothermere Continuation Limited (RCL) is a holding company incorporated in Jersey, in the Channel Islands. The main asset of RCL is its 100% holding of DMGT's issued Ordinary Shares. It also holds DMGT A Ordinary Shares. RCL is controlled by a discretionary trust (the Trust) which is held for the benefit of Lord Rothermere and his immediate family. The Trust represents the ultimate controlling party of the Company. Both RCL and the Trust are administered in Jersey. RCL, its directors and the Trust are related parties of the Company as explained in Note 44.

On 5 December 2019, pursuant to a consolidation of the Group's holding structure, RCL acquired a Bermudan company known as Rothermere Continuation (Old Co) Limited (previously named Rothermere Continuation Limited), (RCOCL), and certain assets held by RCOCL, including 100% of the issued Ordinary Shares of the Company. RCL now holds 100% of the issued Ordinary Shares of the Company, however the underlying control of DMGT remains unchanged and continues to lie with the Trust.

The Board regards holdings in the Company's securities of greater than 15% to be significant. There are no significant holdings in the Company's securities other than those shown in the Remuneration Report on page 68.

Share capital

The Company has two classes of shares. Its total share capital, including Treasury Shares, is comprised of 8% Ordinary Shares and 92% A Shares. Full details of the Company's share capital are given in Note 38.

Holders of Ordinary and A Shares are entitled to receive the Company's Annual Report. Holders of Ordinary Shares are entitled to attend and speak at general meetings and to appoint proxies and exercise voting rights.

During the year, the Company transferred 1.3 million shares out of Treasury and the EBT, representing 0.6% of called-up A Shares, in order to satisfy incentive schemes. The Company held 8,160,697 shares in Treasury and the DMGT EBT with a nominal value of £1.0 million at 30 September 2020. The maximum number of shares held in Treasury and by the DMGT EBT during the year was 8,297,451 which had a nominal value of £1.0 million. The Company also purchased 0.2 million shares for holding in Treasury having a nominal value of £28,815, and 2.6 million shares for holding in the EBT having a nominal value of £0.3 million, in order to match obligations under various incentive plans. The consideration paid for these shares was £19.7 million. Shares purchased during the year represented 1.3% of the called-up A Share capital as at 30 September 2020.

On 20 November 2020 the Company held 4,455,593 Treasury Shares.

Details of allotments of share capital which arose solely from the exercise of options are given at Note 39.

April 2019 Distributions

In April 2019 there was a reduction of 127.3 million A shares. These were cancelled as part of the April 2019 Distributions.

See further information on www.dmgt.com

Authority to purchase shares

At the Company's AGM on 5 February 2020, the Company was authorised to make market purchases of 21,491,333 A Shares representing approximately 10% of the total number of A Shares in issue at the time. During the period from 4 December 2019 to 30 September 2020, the Company purchased 0.2 million shares into Treasury, at a total cost of £1.8 million (see Note 39).

External Auditor and disclosure of information to the External Auditor

So far as the Directors are aware, there is no relevant audit information of which the Company's External Auditor is unaware. The Directors have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's External Auditor is aware of that information. The Company's External Auditor, PricewaterhouseCoopers (PwC), has indicated its willingness to serve and, in accordance with Section 489 of the Companies Act 2006, a resolution proposing the reappointment of PwC will be put to the AGM on 3 February 2021.

Directors' indemnity

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

Going concern

A full description of the Group's business activities, financial position, cash flows, liquidity position, committed facilities and borrowing position, together with the factors likely to affect its future development and performance, is set out in the Strategic Report, particularly the Financial Review on pages 23 to 31 and in the Notes to the Accounts on page 107.

The Group has significant financial resources and the Directors, having reviewed the Group's operating budgets, investment plans and financing arrangements, have assessed the future funding requirements of the Group and compared this to the level of committed facilities and cash resources. Accordingly, the Directors are satisfied that it is appropriate to adopt the going concern basis in preparing the Annual Report.

Viability Statement

A Viability Statement in respect of the Company can be found on page 27.

Directors' responsibilities

The Directors are responsible for preparing the Annual Report, the Directors' Remuneration Report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Financial Statements for each financial year. Under that law, the Directors have prepared the Group Financial Statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU), and the parent Company Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Under company law, the Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss of 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 IFRS as adopted by the European Union and applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the Group and parent Company Financial Statements respectively; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and enable them to ensure that the Financial Statements and the Directors' Remuneration Report comply with the Companies Act 2006 and, as regards the Group Financial Statements, Article 4 of the International Accounting Standards Regulation. They are also responsible for safeguarding the assets of the Company and the Group 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. Each of the Directors confirms that, to the best of his/her knowledge:

- the Group Financial Statements, which have been prepared in accordance with IFRS as adopted by the EU, give a true and fair view of the assets, liabilities, financial position and profit of the Group; and
- the Strategic Report contained on pages 2 to 47 includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal risks and uncertainties that it faces.

Political donations

No political donations were made during the year.

Governance

Statutory Information

Principal risks
The principal risks and how they are being managed or mitigated are shown on pages 40 to 47. The Directors have reviewed the Group's principal risks including those that would threaten the Group's business model, future performance, solvency or liquidity.

Events after the balance sheet date
Details are provided in Note 45.

Material contracts
Group companies undertake business with a range of customers and suppliers. There is no dependence on any particular contractual arrangement other than those disclosed in Note 41 as regards to ink and printing, where arrangements are in place until FY 2022 and FY 2024 respectively in order to obtain competitive prices and to secure supplies. Six-month contracts with different start dates are agreed with a range of newsprint suppliers, to ensure the security of supply at the best available prices, having regard to the need for the necessary quality. Distribution arrangements are in place to ensure the delivery of newspapers to retail outlets.

Since the Group is a diversified international portfolio of businesses, DMGT is not dependent on any supplier of other commodities for its revenue or any particular customer.

Employees
Details in respect of employees are in the Our Stakeholders section on pages 32 to 39.

Articles of Association
The appointment and replacement of Directors is governed by the Company's Articles of Association. Any changes to the Articles of Association must be approved by the shareholders in accordance with the legislation in force at the time.

The Directors have authority to issue and allot A Shares pursuant to Article 9 of the Articles of Association and shareholder authority is requested at each AGM. The Directors have authority to make market purchases of A Shares. This authority is also renewed annually at the AGM.

Conflicts of interest
The Articles of Association permit the Board to authorise a conflict of interest in respect of any matter which would otherwise involve a Director breaching their duty, under the Companies Act 2006, to avoid conflicts of interest.

When authorising a conflict of interest the Board must do so without the conflicting Director counting as part of the quorum. In the event that the Board considers it appropriate, the conflicted Director may be permitted to participate in the debate, but will neither be permitted to vote nor count in the quorum when the decision is being agreed. The Directors are aware that it is their responsibility to inform the Board of any potential conflicts as soon as possible. Procedures are in place to facilitate disclosure. The Board reviews its position on conflicts of interest annually and at such other times as are appropriate.

Change of control
The Company is not party to any significant agreements that would take effect, alter or terminate upon a change of control of the Company following a takeover bid. However, certain of the Group's third-party funding arrangements would terminate upon a change of control of the Company.

The Company does not have agreements with any Director or employee providing compensation for loss of office or employment that occurs because of a takeover bid, except for provisions in the rules of the Company's share schemes which may result in options or awards granted to employees vesting on a takeover.

Transactions with Directors
No transaction, arrangement or agreement required to be disclosed in terms of the Companies Act 2006 and IAS 24, Related Parties, was outstanding at 30 September 2020, nor was entered into during the year for any Director and/or connected person except as detailed in Note 44 (2019 none).

Annual General Meeting
The AGM will be held at 1.00 pm on Wednesday 3 February 2021 at Northcliffe House, 2 Derry Street, London W8 5TT. The resolutions to be put to the meeting are set out on pages 95 and 96. A notice of meeting will be issued to the holders of Ordinary Shares and their nominees only. Only Ordinary Shareholders will be entitled to attend.

A resolution to reappoint the Group's External Auditor PricewaterhouseCoopers LLP, will be proposed at the 2021 AGM.

By order of the Board

F Sallas
Company Secretary

Governance

Annual General Meeting 2021: Resolutions

The Company's Annual General Meeting (AGM) will be held at 1.00 pm on Wednesday 3 February 2021. Only the holders of Ordinary Shares are entitled to attend and vote. For information, below are the resolutions that will be put to the Ordinary shareholders at the AGM. The results will be posted on the Company's website following the meeting in the usual way.

Report and Accounts

1. To receive the Directors' Report, the Accounts, the Strategic Report and the Auditor's Report for the financial year ended 30 September 2020.

Remuneration Report

2. To receive and approve the Directors' Remuneration Report (other than the part containing the Directors' Remuneration Policy) as set out on pages 72 to 80 of the Annual Report and Accounts for the financial year ended 30 September 2020, in accordance with section 439 of the Companies Act 2006 (the Act).

Remuneration Policy

3. To receive and approve the Directors' Remuneration Policy (contained in the Directors' Remuneration Report) as set out on pages 68 to 91 of the Annual Report and Accounts for the financial year ended 30 September 2020 in accordance with section 439A of the Act.

Share Plans

4. To approve the adoption of the proposed Daily Mail and General Trust Executive Director LTIP (ED LTIP) and authorise the Directors of the Company to establish further employee share plans based on the ED LTIP, but modified to take account of local tax, exchange control or securities laws in any overseas jurisdiction provided that the shares made available under such further employee share plans are treated as counting towards the limits on participation in the ED LTIP.
5. To approve amendments to the Trust Deed and Rules of the Daily Mail and General Trust 2010 Share Incentive Plan.

Dividend

6. To declare the final dividend recommended by the Directors of 16.6 pence per Ordinary Share or A Ordinary Non-Voting Share (A Share) for the year ended 30 September 2020 to all holders of Ordinary Shares and/or A Shares on the register at the close of business on 4 December 2020.

Directors

7. To re-elect Viscount Rothermere as a Director.
8. To re-elect Mr Beatty as a Director.
9. To re-elect Mr Collier as a Director.
10. To re-elect Mr Lane as a Director.
11. To re-elect Mr Morin as a Director.
12. To re-elect Mr Nelson as a Director.
13. To re-elect Mr Parry as a Director.
14. To re-elect Mr Rangaswami as a Director.
15. To re-elect Ms Roizen as a Director.
16. To re-elect Mr Trempont as a Director.
17. To elect Ms Wallestam as a Director.
18. To re-elect Mr Zwillenberg as a Director.

Auditor

19. To re-appoint PricewaterhouseCoopers LLP as the Company's External Auditors until the end of the next general meeting at which accounts are laid before the Company.
20. To authorise the Directors to determine the Company's External Auditor's remuneration.
21. That the Company be and is hereby generally and unconditionally authorised for the purposes of section 701 of the Act to make market purchases (within the meaning of section 693(4) of the Act) of A Shares on the London Stock Exchange provided that:
    a. the maximum aggregate number of A Shares which may be purchased is 21,491,333;
    b. the minimum price (excluding expenses) which may be paid for each A Share of 12.5 pence each in its share capital is not less than 12.5 pence per share;
    c. the maximum price (excluding expenses) which may be paid for each A Share of 12.5 pence each in its share capital does not exceed the higher of:
        i. 5% above the average of the middle market quotation taken from the London Stock Exchange Daily Official List for the five business days immediately preceding the date of purchase; and
        ii. the higher of the price of the last independent trade and the highest current independent bid as stipulated by Regulatory Technical Standards adopted by the European Commission under Article 5(6) of the Market Abuse Regulation (EU) No 596/2014; and
    d. the authority conferred by this Resolution shall expire on the date of the Annual General Meeting next held after the passing of this Resolution or on 3 May 2022 whichever is the earlier (except in relation to the purchase of shares the contract for which was concluded before such date and which would or might be executed wholly or partly after such date).

Governance

Annual General Meeting 2021: Resolutions

22. That the Directors be generally and unconditionally authorised pursuant to section 551 of the Act to:

    a. allot A Shares in the Company, and to grant rights to subscribe for or to convert any security into A Shares in the Company up to an aggregate nominal amount of £1,343,208 for a period expiring (unless previously renewed, varied or revoked by the Company in a general meeting) at the next Annual General Meeting of the Company after the date on which this Resolution is passed or on 3 May 2022, whichever is the earlier; and

    b. make an offer or agreement which would or might require A Shares to be allotted, or rights to subscribe for or to convert any security into A Shares to be granted, after expiry of this authority and the Directors may allot A Shares and grant rights in pursuance of that offer or agreement as if this authority had not expired.

    This authority revokes and replaces all unexercised authorities previously granted to the Directors to allot A Shares but without prejudice to any allotment of A Shares or grant of rights already made, offered or agreed to be made pursuant to such authority.

23. If Resolution 22 is passed, that the Directors be generally empowered pursuant to section 570 and section 573 of the Act to allot A Shares or grant rights to subscribe for or to convert any security into A Shares, for cash, or sell A Shares held by the Company as treasury shares for cash, pursuant to the authority conferred by Resolution 23, as if section 561(1) of the Act did not apply to the allotment. This power:

    a. expires (unless previously renewed, varied or revoked by the Company in a general meeting) at the next AGM of the Company after the date on which this Resolution is passed or on 3 May 2022, whichever is the earlier, but the Company may make an offer or agreement which would or might require such securities to be allotted after expiry of this power and the Directors may allot such securities in pursuance of that offer or agreement as if this power had not expired; and

    b. shall be limited to the allotment of such A Shares, the grant of rights to subscribe for or to convert any security into A Shares or the sale of A Shares held by the Company as treasury shares for cash, up to an aggregate nominal amount of £1,343,208.

24. If Resolution 22 is passed, that the Directors be generally and unconditionally empowered, in addition to any authority granted under Resolution 23, pursuant to section 570 and section 573 of the Act to allot equity securities for cash pursuant to the authority conferred by Resolution 22, and/or to sell A Shares held by the Company as treasury shares for cash, as if section 561(1) of the Act did not apply to the allotment or sale. This power:

    a. expires (unless previously renewed, varied or revoked by the Company in a general meeting) at the next AGM of the Company after the date on which this Resolution is passed or on 3 May 2022, whichever is the earlier, but the Company may make an offer or agreement which would or might require such securities to be allotted after expiry of this power and the Directors may allot such securities in pursuance of that offer or agreement as if this power had not expired;

    b. shall be limited to the allotment of equity securities and/or the sale of A Shares held by the Company as treasury shares for cash, up to an aggregate nominal amount of £1,343,208; and

    c. shall be used only for the purposes of financing (or refinancing, if the authority is to be used within six months after the original transaction) a transaction which the Board determines to be an acquisition or other capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of this notice.

Notice

25. That, a general meeting other than an Annual General Meeting may be called on not less than 14 clear days' notice.

By order of the Board

F Sallas

Company Secretary

Daily Mail and General Trust plc
Northcliffe House, 2 Derry Street,
London W8 5TT

20 November 2020

Registered in England and Wales
No. 184594

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Financial Statements

Independent Auditor's Report to the members of Daily Mail and General Trust plc

Report on the audit of the financial statements

Opinion

In our opinion:

- Daily Mail and General Trust plc's Group financial statements and Company financial statements (the 'financial statements') give a true and fair view of the state of the Group's and of the Company's affairs as at 30 September 2020 and of the Group's profit and cash flows for the year then ended;
- the Group financial statements have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union;
- the Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 'Reduced Disclosure Framework', and applicable law); and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and, as regards the Group financial statements, Article 4 of the IAS Regulation.

We have audited the financial statements, included within the Annual Report, which comprise: the Consolidated and Company Statements of Financial Position as at 30 September 2020, the Consolidated Income Statement and Consolidated Statement of Comprehensive Income, the Consolidated and Company Statements of Changes in Equity, and the Consolidated Cash Flow Statement for the year then ended; and the Notes to the financial statements, which include a description of the significant accounting policies.

Our opinion is consistent with our reporting to the Audit & Risk Committee.

Basis for opinion

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

Independence

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

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided to the Group or the Company.

Other than those disclosed in Note 5 to the financial statements, we have provided no non-audit services to the Group or the Company in the period from 1 October 2019 to 30 September 2020.

Our audit approach

Overview

Materiality

- Overall Group materiality: £4.3 million (2019: £7.25 million), based on approximately 5% of a rolling three-year average of underlying adjusted profit before tax and non-controlling interests using FY20, FY19 and FY18 actuals.
- Overall Company materiality: £33 million (2019: £32 million), based on approximately 1% of total assets.

Audit scope

- Of the Group's five operating divisions, we obtained full scope audits for Consumer Media and Insurance Risk. For Events and Exhibitions, Property Information and EdTech, we scoped our audit at a business level, and identified six businesses over which we performed either a full scope audit or specified audit procedures on certain balances or transactions.
- Taken together, the components where we performed audit work accounted for 83% of Group revenue and 75% of absolute adjusted profit before taxation and non-controlling interests.

Key audit matters

- Impairment of intangible assets and goodwill (Group)
- Accounting for deferred taxation and uncertain tax positions (Group)
- Accounting for acquisitions and disposals (Group)
- Presentation of adjusted profit (Group)
- Impact of Covid-19 (Group and Company)
- Carrying value of shares in Group undertakings (Company)

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain.

Capability of the audit in detecting irregularities, including fraud

Based on our understanding of the Group and industry, we identified that the principal risks of non-compliance with laws and regulations related to data protection, competition and anti-trust legislation, EU Market Abuse Regulation, libel legislation, and tax compliance, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, including but not limited to, the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase revenue, and management bias in accounting estimates. The Group engagement team shared this risk assessment with the component auditors so that they could include appropriate audit procedures in response to such risks in their work. Audit procedures performed by the Group engagement team and/or component auditors included:

- review of the financial statement disclosures to underlying supporting documentation;
- enquiry with senior management and internal counsel;
- review of material component auditors' work;
- review of internal audit reports in so far as they related to the financial statements;
- review of the Directors' Litigation report and bribery, fraud, whistleblowing and internal controls review report; and
- testing journal entries, in particular those with unusual financial statement line item combinations.

Financial Statements

Independent Auditor's Report to the members of Daily Mail and General Trust plc

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

Key audit matters

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

Key audit matter	How our audit addressed the key audit matter
Impairment of intangible assets and goodwill (Group) Refer to the Audit & Risk Committee report on pages 60 to 66 and to Notes 21 and 22 in the Group financial statements. The Group had £255.4 million of goodwill and a further £94.9 million of intangible assets on the balance sheet at 30 September 2020. There has been an impairment charge recorded of £11.8 million against goodwill and £3.8 million against other intangible assets for businesses which remain in the statement of financial position at 30 September 2020. For the Groups of CGUs to which goodwill relates (which require an annual impairment test), the determination of the recoverable amount, being the higher of value in use (VIU) and fair value less costs of disposal (FVLCD), requires judgement and estimation by management. This is because the determination of a recoverable amount includes management's consideration of key internal inputs and external market conditions such as future cash flows, long-term growth rates, and the determination of the most appropriate discount rate. There is a risk that if these cash flows do not meet the Directors' expectations, some of these assets may be impaired. Therefore, we considered it to be a key audit matter. Our work focussed principally on the carrying value of the Group of CGUs most at risk of impairment, being Events & Exhibitions, Consumer Media and EU Property.	As part of our audit of the Directors' impairment assessments (for both goodwill and intangible assets) we evaluated future cash flow forecasts and the process by which they were drawn up. This included comparing them to the latest Board approved five-year plan, and testing the mathematical accuracy of the assessments. For the impairment assessment of goodwill and intangible assets allocated to the material individual lowest level CGUs within the Events & Exhibitions and Consumer Media segments and the EU Property Group of CGUs, we tested all key assumptions, including: • revenue and profit assumptions included within the future forecasts, by considering independent third party support available and the recovery time from the impact of Covid-19; • the long-term growth rates in the forecasts by comparing them to historical results, market data, and economic and industry forecasts using our valuation expertise; • the discount rate by comparing the cost of capital for the Group with comparable organisations, and assessing the specific risk premium applied to the business using our valuation expertise; and • the Directors' potential bias by performing our own sensitivity analysis on key assumptions, particularly those driving underlying cash flows. We assessed the appropriateness of the related disclosures in Note 21, including the sensitivities provided and considered them to be reasonable. For those assets where the Directors determined that no impairment was required and that no additional sensitivity disclosures were necessary, we found that these judgements were supported by reasonable assumptions that would require significant downside changes before any material impairment was necessary.

Key audit matter	How our audit addressed the key audit matter
Accounting for deferred taxation and uncertain tax positions (Group) Refer to the Audit Committee report on pages 60 to 66 and to Notes 11 and 37 in the Group financial statements. The Group's recognition of deferred tax assets in respect of tax losses and deferred interest expense in the Group is an area of focus due to the quantum of the tax attributes and the requirement to make estimates of future taxable profits in determining the valuation of deferred tax assets. The recognition and measurement of these items in the financial statements involves estimation, and we focussed on the Directors' forecasts of future profits against which to utilise accumulated losses and deferred interest expenses, and the technical interpretation of taxation law in respect to transactions giving rise to deferred tax assets and uncertain tax positions.	We involved our tax specialists in our testing of the appropriateness of the estimates taken in relation to deferred taxation and in respect of uncertain tax positions recognised in the Group financial statements. In assessing the likelihood of the Group being able to generate sufficient future taxable profits against which to offset accumulated losses and deferred interest expenses, we considered: • key inputs to the calculation including revenue and profit assumptions, in line with our work over the carrying value of goodwill and intangible assets; • the impact of changes to intra-Group financing between the UK and the US during the year; and • the Directors' ability to accurately forecast future profits. In understanding and evaluating the Directors' technical interpretation of tax law in respect of specific transactions that gave rise to deferred tax assets and uncertain tax positions we considered: • third party tax advice received by the Group; • the status of recent and current tax authority audits and enquiries; • the outturn of previous claims; • judgemental positions taken in tax returns and current year estimates; and • developments in the tax environment, including the continuing impact of US tax reform. We consider the valuation of the deferred tax assets and amounts recorded for uncertain tax positions to be supportable based on our evaluation of the technical interpretations outlined above. We assessed the appropriateness of the related disclosures in the notes to the Group financial statements and considered them to be reasonable.
Accounting for acquisitions and disposals (Group) Refer to the Audit & Risk Committee report on pages 60 to 66 and to Notes 8, 17, 18, 19, and 20 in the Group financial statements. The Group has made a number of acquisitions and disposals during the year. The following acquisitions and disposals where the judgements are more significant were identified: • acquisition of the entire shareholding of the 'i' newspaper within the Consumer Media segment; • acquisition of the entire shareholding of OneSearch Direct Holdings Limited within the Property Information segment; • acquisition of CWC Energy Holdings Limited within the Events & Exhibitions segment; • disposal of the Group's Energy Information segment; and • disposal of Buildfax, Inc. within the Property Information segment.	**Accounting for acquisitions** For all acquisitions, we obtained and reviewed the sale and purchase agreements and any supporting due diligence reports to gain an understanding of the key terms of the agreement to validate that it is appropriately recorded as a business combination under IFRS 3 in the correct period. With regards to the accounting for acquisitions undertaken during the year, we: • obtained and recalculated the Directors' calculation of the goodwill upon acquisition as a function of the consideration paid and the net assets or liabilities acquired; • validated the consideration paid to underlying support including cash paid and sale agreements; • validated transaction costs to underlying support; • performed certain procedures on the opening balance sheet of the acquired businesses; and • engaged our valuation experts to assess the valuation methodology in determining the fair value of assets acquired.

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Independent Auditor's Report to the members of Daily Mail and General Trust plc

Key audit matter	How our audit addressed the key audit matter
	Specifically, with regards to testing the valuation of the intangible assets acquired in relation to the 'i', we: • considered whether the identified intangible assets were appropriate by reference to the sale and purchase agreement, due diligence reports and other supporting documentation; • deployed our valuations experts and engaged with management and with management's third party expert to assess the methodology employed for calculating the fair values of the assets and liabilities and the appropriateness of the key assumptions used, including discount rates; and • checked that the material fair value adjustments to the acquired net assets were consistent with the accounting standard requirements. Based on the evidence obtained, we did not identify any indication that the fair value adjustments identified by management were inappropriate or that material fair value adjustments were omitted from management's assessment. We read the disclosures in the Group's financial statements to satisfy ourselves that they are in line with the requirements of the relevant accounting standards. **Accounting for disposals** With regards to the calculation of the profit on disposals of the Energy Information segment and Buildfax, Inc. we: • obtained and recalculated the Directors' calculation of the profit on disposal; • verified the fair value of consideration received to underlying support including cash transactions and sale agreements; • validated disposal costs to underlying support; and • recalculated foreign exchange differences that were appropriately recycled on disposal. In addition to the above, specifically in relation to the Energy Information segment, we: • validated that the disposal meets the disclosure criteria of discontinued operations under IFRS 5 as a separate major line of business; and • reviewed and tested the Directors' calculation of capital gain arising for tax purposes. We assessed the appropriateness of the related disclosures in the notes to the Group financial statements and considered them to be reasonable. Based on the procedures performed, we concluded that the accounting for acquisitions and disposals was accurate.

Key audit matter	How our audit addressed the key audit matter
Presentation of adjusted profit (Group)	
Refer to the Audit & Risk Committee report on pages 60 to 66 and to Notes 2, 13, 19 and 41 in the Group financial statements. The Group presents adjusted profit before taxation and non-controlling interests to enable users of the financial statements to gain a better understanding of the underlying results. In arriving at adjusted profit a number of items are considered to have a distortive effect on current year earnings by management and as a result are excluded from underlying earnings. The classification of items as an adjustment to profit is an area of judgement and the appropriateness and consistency of the presentation of adjusted measures of performance continues to attract scrutiny from the financial reporting regulators. During the current year, the Group undertook a review of each business product offerings and costs to identify savings to improve profitability. The reviews resulted in severance, associated consultancy costs and other exit costs in Consumer Media, Property and Events & Exhibitions, totalling £8.7 million and the Group has treated these costs as an adjustment to profit before taxation and non-controlling interests. In addition, as referenced in Note 3 in the Group financial statements, the Group modified the existing 2015 RMS Equity Incentive Plan within its Insurance Risk segment to remove existing performance conditions such that vesting occurs solely on the satisfaction of the service period. This resulted in a charge totalling £20.4 million in relation to the cumulative service rendered by participants from original grant date to modification date. The associated charge has been recorded as an adjustment to profit before taxation and non-controlling interests on the basis of materiality and non-recurring nature of the resulting charge.	Our testing was directed at the significant amounts classified as adjustments to profit before taxation and non-controlling interests identified during the year. We have understood the rationale for classifying items as adjustments to profit before taxation and non-controlling interests and considered whether this was reasonable and consistent, in that it includes items that both increase and decrease the adjusted profit measure, the adjustments were consistent year on year, and were in accordance with the Group's accounting policy. We have also audited the reconciliation of adjusted profit to statutory profit in Note 13, and agreed all material adjustments to underlying accounting records and our audit work performed over other balances. We consider the Group's disclosures setting out the reasons for its use of alternative performance measures and the reconciliations of these measures to the statutory amounts to be in line with regulatory guidance in this area. With regards to £8.7 million costs recorded in relation to the review of the Group's product offerings, we: • tested all severance costs to payment evidence and verified correspondence to employees prior to 30 September 2020; • validated that professional costs recorded were clearly linked to the review; and • determined that the categorisation of costs is appropriate and consistent with the Group's stated policy and past practice for recognition of such items. Specifically, with regards to the modification of the 2015 RMS Equity Incentive Plan and the resulting charge, we: • obtained and reviewed the relevant Remuneration & Nomination Committee papers and updated scheme rules detailing the amendments; • assessed the key inputs to the Black Scholes option pricing model compared with comparable organisations using our valuations expertise; • tested a sample of the modified awards to award letters issued to participants, and recalculated the associated modification charge; and • concluded that the modification charge recorded is appropriate and that the Group financial statements appropriately disclosed the modification.

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Independent Auditor's Report to the members of Daily Mail and General Trust plc

Key audit matter	How our audit addressed the key audit matter
Impact of Covid-19 (Group and Company) The Covid-19 pandemic has had a significant impact on the recent trading performance of the Group, particularly within the Consumer Media, EU Property and Events & Exhibitions businesses. The extent of the negative impact of the pandemic on future trading performance is difficult to predict. Therefore, there is inherent uncertainty in determining the impact of the pandemic on certain aspects of the financial statements. The key impacts of Covid-19 on the Group and Parent Company financial statements are: • The budgets and models supporting the goodwill and intangible asset impairment assessments have been updated to reflect management's best estimate of the impacts of Covid-19. The assumptions applied in this analysis have been determined internally, however they incorporate views of external commentators and other third-party data sources, where relevant. Consideration of the impact on the carrying value of goodwill and intangible assets is described in the related key audit matter above. • Similarly, management's reassessment of the carrying value of the Company's shares in Group undertakings resulted in a reduction to the valuations at the year end, as described in the related key audit matter below. • These models and related assumptions also underpin management's going concern and viability assessments. Management have modelled severe but plausible downside scenarios to its base case trading forecast. Having considered these models, together with a robust assessment of planned and possible mitigating actions, management have concluded that the Group remains a going concern, and that there is no materiality uncertainty in respect of this conclusion. • Due to Covid-19, the Events & Exhibitions business cancelled events held for the second half of the year and wrote off £18.2 million of costs capitalised in respect of cancelled events. The business also successfully claimed \$20 million insurance cover for lost revenues associated with communicable diseases. At the date of this report, an amount of \$8.3 million has been received. The insurers have provided confirmation that the audit of the remaining balance of \$11.7 million has been completed. This balance has been accrued on 30 September by management on the basis that it was virtually certain to receive the remaining amounts at that date.	We validated that the cash flow forecast models used across the goodwill impairment, going concern and viability assessments were consistent. Our procedures in respect of the goodwill and intangible asset impairment assessments are covered in the related key audit matter above. Our procedures in respect of the Company's investments in subsidiary undertakings are covered in the related key audit matter above. With respect to management's going concern assessment, we: • evaluated management's base case and downside scenarios, challenging the key assumptions; • considered the Group's available financing and maturity profile to assess liquidity through the assessment period; • tested the mathematical integrity of the forecasts and the models and reconciled these to Board approved budgets; • performed our own independent sensitivity analysis to assess further appropriate downside scenarios; and • we assessed the reasonableness of management's planned or potential mitigating actions. Our conclusions in respect of going concern are set out separately within this report. We increased the frequency and extent of our oversight over component audit teams, using video conferencing and remote working paper reviews, to satisfy ourselves as to the appropriateness of audit work performed at significant and material components. In relation to the Events & Exhibitions write-off of costs in relation to cancelled events and \$20 million insurance claim, we have agreed upon the accounting treatment in accordance with IAS 37 'Provisions, contingent liabilities and contingent assets', validating the claims to supporting insurance documentation and vouching received payments bank statements. Based on the evidence obtained, we validated that the claims are virtually certain at 30 September 2020 and are therefore appropriately recognised. In addition, our component audit teams in the UK and UAE validated the amounts recognised. We considered the appropriateness of management disclosures in the financial statements in respect of the impact of the current environment and the increased uncertainty on certain accounting estimates and consider these to be appropriate.

Key audit matter	How our audit addressed the key audit matter
Carrying value of shares in Group undertakings (Company) Refer to Notes 2 and 8 to the Company financial statements. Shares in Group undertakings of £3,237.6 million are accounted for at cost less any provision for impairment in the Company balance sheet at 30 September 2020. Shares in Group undertakings are tested for impairment if impairment indicators exist. If such indicators exist, the recoverable amounts of the shares in Group undertakings are estimated in order to determine the extent of the impairment loss, if any. The key assumptions included in those estimates include cash flow projections, nominal long-term (decline)/ growth rates and discount rates of the CGUs. Management identified an impairment indicator as the carrying value of investments in subsidiaries exceeds the market capitalisation of the Group. During the year, impairments of net £78.4 million were recognised to the Company's investments.	For each discounted cash flow prepared for the relevant undertakings, we tested all key assumptions, including: • cash flow projections by considering the historical accuracy of forecasts against actual performance; • the nominal long-term (decline)/growth rates by comparing them to historical results and industry forecasts; and • the discount rates applied in the models by comparing the cost of capital for the Group with comparable organisations and assessing the specific risk premium applied to each business using our valuation expertise. Where applicable, we have performed an independent sensitivity analysis to understand the impact of reasonable changes in management's assumptions on the available headroom. We also considered the implied multiples of the individual CGUs and the business as a whole in comparison to available external market data. As a result of our work, we considered the impairment charge to be appropriate and that the remaining carrying values of the shares in undertakings held by the Company are supportable in the context of the Company financial statements taken as a whole.

How we tailored the audit scope

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

The Group consists of a head office and five operating divisions: Insurance Risk; Consumer Media; Property Information; EdTech; and Events & Exhibitions. As each of these prepares a sub-consolidation, we considered each of these to be separate divisions. We scoped our audit of Consumer Media and Insurance Risk at the divisional level. For Property Information, EdTech, and Events & Exhibitions, we scoped our audit at the business level, with divisional consolidation adjustments audited at the Group level.

We identified Consumer Media as requiring an audit of their complete financial information due to its significance to the Group. In order to obtain sufficient and appropriate audit evidence over the Group as a whole we also instructed our Information Risk component team to complete an audit of the division's complete financial information.

Within Property Information; EdTech; and Events and Exhibitions, we identified six businesses, for which we instructed our component team to complete an audit of their complete financial information, either due to their relative size or risk. These businesses are located in the United States, the United Kingdom and the United Arab Emirates.

Taken together, the components where we performed audit work accounted for 83% of Group revenue and 75% of absolute adjusted profit before taxation and non-controlling interests.

At the Group level, we also carried out analytical and other procedures on the reporting components not covered by the procedures described above.

Where the work was performed by component auditors, we determined the level of involvement we needed to have in the audit work at those locations to be able to conclude whether sufficient appropriate audit evidence had been obtained as a basis for our opinion on the Group financial statements as a whole. We issued formal, written instructions to component auditors setting out the work to be performed by each of them and maintained regular communication throughout the audit cycle.

These interactions included attending component clearance meetings and holding regular conference calls, as well as reviewing and assessing matters reported. The Group engagement team also reviewed selected audit working papers for material components.

This, together with audit procedures performed at the Group level (including procedures over impairment of goodwill and intangibles, material head office entities, tax, pensions and consolidation adjustments), gave us the evidence we needed for our opinion on the Group financial statements as a whole.

Materiality

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

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Independent Auditor's Report to the members of Daily Mail and General Trust plc

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

	Group financial statements	Company financial statements
Overall materiality	£4.3 million (2019: £7.25 million).	£33 million (2019: £32 million).
How we determined it	5% of rolling three-year average of underlying adjusted profit before tax using FY20, FY19 and FY18 actuals.	1% of total assets.
Rationale for benchmark applied	The Group is profit-oriented. Adjusted profit before taxation is the adjusted performance measure that is reported to investors and shareholders and is the measure which the Directors consider best represents the underlying performance of the Group. Considering the impact of Covid-19 on the Group's performance during FY20 which indicates a decline in profitability in the short term, our methodology allows us to consider alternative materiality benchmarks, such as the historical average performance of the Group across a three-year period. We have applied a 5% rule of thumb, which is the rule of thumb suggested by ISAs (UK) for the audit of profit-oriented entities.	The Company is not profit-oriented. Total assets is used as the benchmark as the Company's principal activity is to hold investments, creditors', and debtors' balances. We have applied a 1% rule of thumb suggested by ISAs (UK) as the Company is a public interest entity.

For each component in the scope of our Group audit, we allocated a materiality that is less than our overall Group materiality. The range of materiality allocated across components was between £0.6 million and £3.6 million. Certain components were audited to a local statutory audit materiality that was also less than our overall Group materiality.

We agreed with the Audit & Risk Committee that we would report to them misstatements identified during our audit above £0.2 million (Group audit) (2019: £0.5 million) and £1.6 million (Company audit) (2019: £1.6 million) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

Going concern
In accordance with ISAs (UK) we report as follows:

Reporting obligation	Outcome
We are required to report if we have anything material to add or draw attention to in respect of the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting in preparing the financial statements and the directors' identification of any material uncertainties to the Group's and the Company's ability to continue as a going concern over a period of at least twelve months from the date of approval of the financial statements.	We have nothing material to add or to draw attention to. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Group's and Company's ability to continue as a going concern.

Reporting on other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

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

Based on the responsibilities described above and our work undertaken in the course of the audit, the Companies Act 2006 (CA06) and ISAs (UK) require us also to report certain opinions and matters as described below (required by ISAs (UK) unless otherwise stated).

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 30 September 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements. *(CA06)*

In light of the knowledge and understanding of the Group and Company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report. *(CA06)*

The directors' assessment of the prospects of the Group and of the principal risks that would threaten the solvency or liquidity of the Group

As a result of the directors' reporting on how they have applied the UK Corporate Governance Code (the 'Code'), we are required to report to you if we have anything material to add or draw attention to regarding:

- The directors' confirmation on pages 40 to 47 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 disclosures in the Annual Report that describe those risks and explain how they are being managed or mitigated.
- The directors' explanation on page 27 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.

We have nothing to report in respect of this responsibility.

Other Code Provisions

As a result of the directors' reporting on how they have applied the Code, we are required to report to you if, in our opinion:

- The statement given by the directors, on page 93, that they consider the Annual Report taken as a whole to be fair, balanced and understandable, and provides the information necessary for the members to assess the Group's and Company's position and performance, business model and strategy is materially inconsistent with our knowledge of the Group and Company obtained in the course of performing our audit.
- The section of the Annual Report on page 60 describing the work of the Audit Committee does not appropriately address matters communicated by us to the Audit Committee.

We have nothing to report in respect of this responsibility.

Directors' Remuneration

In our opinion, the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006. *(CA06)*

Financial Statements

Independent Auditor's Report to the members of Daily Mail and General Trust plc

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Directors' Responsibilities set out on page 93, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

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

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

Use of this report

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

Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.

Appointment

Following the recommendation of the audit committee, we were appointed by the members on 4 February 2015 to audit the financial statements for the year ended 30 September 2015 and subsequent financial periods. The period of total uninterrupted engagement is 6 years, covering the years ended 30 September 2015 to 30 September 2020.

Other voluntary reporting

Going concern

The directors have requested that we review the statement on page 93 in relation to going concern as if the Company were a premium listed Company. We have nothing to report having performed our review.

The directors' assessment of the prospects of the Group and of the principal risks that would threaten the solvency or liquidity of the Group

The directors have requested that we perform a review of the directors' statements on pages 92 to 94 and 27 that they have carried out a robust assessment of the principal risks facing the Group and in relation to the longer-term viability of the Group, as if the Company were a premium listed Company. Our review was substantially less in scope than an audit and only consisted of making inquiries and considering the directors' process supporting their statements; checking that the statements are in alignment with the relevant provisions of the Code; and considering whether the statements are consistent with the knowledge and understanding of the Group and Company and their environment obtained in the course of the audit. We have nothing to report having performed this review.

Other Code provisions

The directors have prepared a corporate governance statement and requested that we review it as though the Company were a premium listed Company. We have nothing to report in respect of the requirement for the auditors of premium listed companies to report when the directors' statement relating to the Company's compliance with the Code does not properly disclose a departure from a relevant provision of the Code specified, under the Listing Rules, for review by the auditors.

Philip Stokes (Senior Statutory Auditor)
for and on behalf of
PricewaterhouseCoopers LLP
Chartered Accountants and
Statutory Auditors
London

20 November 2020

Financial Statements
Consolidated Income Statement

For the year ended 30 September 2020

	Note	Year ended 30 September 2020 £m	Year ended 30 September 2019 £m
CONTINUING OPERATIONS			
Revenue	3	**1,203.4**	1,337.0
Adjusted operating profit	3, (i)	**88.3**	135.8
Exceptional operating costs, impairment of internally generated and acquired computer software	3	**(36.6)**	(11.9)
Amortisation and impairment of acquired intangible assets arising on business combinations and impairment of goodwill	3, 21, 22	**(25.4)**	(29.3)
Operating profit before share of results of joint ventures and associates	4	**26.3**	94.6
Share of results of joint ventures and associates	7	**(11.4)**	(28.1)
Total operating profit		**14.9**	66.5
Other gains and losses	8	**42.6**	73.7
Profit before investment revenue, net finance costs and tax		**57.5**	140.2
Investment revenue	9	**8.3**	11.5
Finance expense	10	**(17.8)**	(24.5)
Finance income	10	**4.4**	7.1
Net finance costs		**(13.4)**	(17.4)
Profit before tax		**52.4**	134.3
Tax	11	**0.7**	(20.4)
Profit after tax from continuing operations		**53.1**	113.9
DISCONTINUED OPERATIONS	19		
Profit/(loss) from discontinued operations		**135.9**	(22.6)
PROFIT FOR THE YEAR		**189.0**	91.3
Attributable to:			
Owners of the Company	39	**189.3**	90.9
Non-controlling interests*	40	**(0.3)**	0.4
Profit for the year		**189.0**	91.3
Earnings/(loss) per share	14		
From continuing operations			
Basic		**23.4p**	38.3p
Diluted		**22.9p**	37.8p
From discontinued operations			
Basic		**59.7p**	(7.6)p
Diluted		**58.3p**	(7.5)p
From continuing and discontinued operations			
Basic		**83.1p**	30.7p
Diluted		**81.2p**	30.3p
Adjusted earnings per share from continuing and discontinued operations			
Basic		**26.1p**	38.6p
Diluted		**25.5p**	38.1p

* All attributable to continuing operations.

(i) Adjusted operating profit is defined as total operating profit from continuing operations before share of results of joint ventures and associates, exceptional operating costs, impairment of goodwill and intangible assets, amortisation of acquired intangible assets arising on business combinations and impairment of property, plant and equipment.

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Consolidated Statement of Comprehensive Income

For the year ended 30 September 2020

	Note	Year ended 30 September 2020 £m	Year ended 30 September 2019 £m
Profit for the year		**189.0**	91.3
Items that will not be reclassified to Consolidated Income Statement			
Actuarial loss on defined benefit pension schemes	39	**(112.1)**	(45.3)
Foreign exchange differences on translation of foreign operations of non-controlling interests	40	**–**	(0.1)
Tax relating to items that will not be reclassified to Consolidated Income Statement	39	**17.5**	7.7
Fair value movement of financial assets through Other Comprehensive Income	26, 39	**295.0**	(4.5)
Total items that will not be reclassified to Consolidated Income Statement		**200.4**	(42.2)
Items that may be reclassified subsequently to Consolidated Income Statement			
Gain/(loss) on hedges of net investments in foreign operations	39	**0.8**	(13.5)
Costs of hedging	39	**0.5**	(0.1)
Share of joint ventures' and associates' items of other comprehensive expense	7, 39	**–**	(0.7)
Translation reserves recycled to Consolidated Income Statement on disposals	8, 18, 19, 39	**10.6**	(3.6)
Foreign exchange differences on translation of foreign operations	39	**2.1**	16.2
Total items that may be reclassified subsequently to Consolidated Income Statement		**14.0**	(1.7)
Other comprehensive income/(expense) for the year		**214.4**	(43.9)
Total comprehensive income for the year		**403.4**	47.4
Attributable to:			
Owners of the Company		**403.7**	47.1
Non-controlling interests		**(0.3)**	0.3
		403.4	47.4
Continuing operations		**250.3**	67.4
Discontinued operations		**153.1**	(20.0)
		403.4	47.4
Total comprehensive income/(expense) for the year from continuing operations attributable to:			
Owners of the Company		**250.6**	67.1
Non-controlling interests		**(0.3)**	0.3
		250.3	67.4

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Consolidated Statement of Changes in Equity

For the year ended 30 September 2020

	Note	Called-up share capital £m	Share premium account £m	Capital redemption reserve £m	Own shares £m	Translation reserve £m	Retained earnings £m	Equity attributable to owners of the Company £m	Non-controlling interests £m	Total equity £m
At 30 September 2018		**45.3**	**17.8**	**5.0**	**(57.2)**	**53.5**	**1,597.5**	**1,661.9**	**13.5**	**1,675.4**
Adjustment for transition to IFRS 15	39	–	–	–	–	–	(2.4)	(2.4)	–	(2.4)
Adjustment for transition to IFRS 9	39	–	–	–	–	–	(2.9)	(2.9)	–	(2.9)
Restated at 1 October 2018		45.3	17.8	5.0	(57.2)	53.5	1,592.2	1,656.6	13.5	1,670.1
Profit for the year	39, 40	–	–	–	–	–	90.9	90.9	0.4	91.3
Other comprehensive expense for the year	39, 40	–	–	–	–	(1.0)	(42.8)	(43.8)	(0.1)	(43.9)
Total comprehensive income/(expense) for the year		–	–	–	–	(1.0)	48.1	47.1	0.3	47.4
Cancellation of A Ordinary Non-Voting Shares		(16.0)	–	16.0	–	–	–	–	–	–
Dividends	12, 39, 40	–	–	–	–	–	(74.1)	(74.1)	(1.0)	(75.1)
Euromoney dividend in specie	12, 39	–	–	–	–	–	(661.8)	(661.8)	–	(661.8)
Euromoney impairment	39	–	–	–	–	–	(11.8)	(11.8)	–	(11.8)
Euromoney cash distribution	12, 39	–	–	–	–	–	(200.0)	(200.0)	–	(200.0)
Own shares acquired in the year	39	–	–	–	(2.5)	–	–	(2.5)	–	(2.5)
Own shares released on exercise of share options	39	–	–	–	10.6	–	–	10.6	–	10.6
Changes in non-controlling interests following disposal and closure of businesses	40	–	–	–	–	–	–	–	(12.8)	(12.8)
Credit to equity for share-based payments	39	–	–	–	–	–	21.1	21.1	–	21.1
Settlement of exercised share options of subsidiaries	39	–	–	–	–	–	(11.5)	(11.5)	–	(11.5)
Deferred tax on other items recognised in equity	37, 39	–	–	–	–	–	0.6	0.6	–	0.6
At 30 September 2019		**29.3**	**17.8**	**21.0**	**(49.1)**	**52.5**	**702.8**	**774.3**	**–**	**774.3**
Adjustment for transition to IFRS 16	2, 39	–	–	–	–	–	1.1	1.1	–	1.1
Restated at 1 October 2019		**29.3**	**17.8**	**21.0**	**(49.1)**	**52.5**	**703.9**	**775.4**	**–**	**775.4**
Profit/(loss) for the year	39, 40	–	–	–	–	–	189.3	189.3	(0.3)	189.0
Other comprehensive income for the year	39	–	–	–	–	14.0	200.4	214.4	–	214.4
Total comprehensive income/(expense) for the year		–	–	–	–	14.0	389.7	403.7	(0.3)	403.4
Dividends	12, 39	–	–	–	–	–	(54.9)	(54.9)	–	(54.9)
Own shares acquired in the year	39	–	–	–	(19.7)	–	–	(19.7)	–	(19.7)
Own shares released on exercise of share options	39	–	–	–	9.5	–	–	9.5	–	9.5
Credit to equity for share-based payments	39	–	–	–	–	–	42.2	42.2	–	42.2
Settlement of exercised share options of subsidiaries	39	–	–	–	–	–	(10.4)	(10.4)	–	(10.4)
Non-controlling interest arising on acquisition	40	–	–	–	–	–	–	–	1.3	1.3
Deferred tax on other items recognised in equity	37, 39	–	–	–	–	–	(0.6)	(0.6)	–	(0.6)
At 30 September 2020		**29.3**	**17.8**	**21.0**	**(59.3)**	**66.5**	**1,069.9**	**1,145.2**	**1.0**	**1,146.2**

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Consolidated Statement of Financial Position

At 30 September 2020

	Note	At 30 September 2020 £m	At 30 September 2019 £m
ASSETS			
Non-current assets			
Goodwill	21	**255.4**	251.2
Other intangible assets	22	**94.9**	69.9
Property, plant and equipment	23	**63.0**	74.4
Right of use assets	24	**89.8**	–
Investments in joint ventures	25	**8.6**	8.1
Investments in associates	25	**48.4**	90.9
Financial assets at fair value through Other Comprehensive Income	26	**410.7**	33.8
Trade and other receivables	28	**10.5**	26.6
Other financial assets	29	**14.2**	12.0
Derivative financial assets	34	**3.2**	3.6
Retirement benefit assets	35	**136.7**	225.7
Deferred tax assets	37	**70.3**	54.9
		1,205.7	851.1
Current assets			
Inventories	27	**12.4**	26.8
Trade and other receivables	28	**247.3**	288.7
Current tax receivable	32	**0.4**	0.8
Other financial assets	29	**21.7**	15.4
Derivative financial assets	34	**0.6**	–
Cash and cash equivalents	30	**500.3**	299.1
Total assets of businesses held for sale	20	**4.1**	153.5
		786.8	784.3
Total assets		**1,992.5**	1,635.4
LIABILITIES			
Current liabilities			
Trade and other payables	31	**(406.7)**	(478.0)
Current tax payable	32	**(5.3)**	(3.5)
Borrowings	33	**(21.2)**	(11.8)
Lease liabilities	33	**(22.7)**	–
Derivative financial liabilities	34	**–**	(18.7)
Provisions	36	**(46.6)**	(44.7)
Total liabilities of businesses held for sale	20	**(19.7)**	(72.6)
		(522.2)	(629.3)
Non-current liabilities			
Trade and other payables	31	**(1.5)**	(2.3)
Borrowings	33	**(202.7)**	(202.8)
Lease liabilities	33	**(77.1)**	–
Derivative financial liabilities	34	**(23.1)**	(5.7)
Retirement benefit deficit	35	**(13.5)**	(10.7)
Provisions	36	**(5.9)**	(7.8)
Deferred tax liabilities	37	**(0.3)**	(2.5)
		(324.1)	(231.8)
Total liabilities		**(846.3)**	(861.1)
Net assets		**1,146.2**	774.3

Consolidated Statement of Financial Position

At 30 September 2020

	Note	At 30 September 2020 £m	At 30 September 2019 £m
SHAREHOLDERS' EQUITY			
Called-up share capital	38	**29.3**	29.3
Share premium account	39	**17.8**	17.8
Share capital		**47.1**	47.1
Capital redemption reserve	39	**21.0**	21.0
Own shares	39	**(59.3)**	(49.1)
Translation reserve	39	**66.5**	52.5
Retained earnings	39	**1,069.9**	702.8
Equity attributable to owners of the Company		**1,145.2**	774.3
Non-controlling interests	40	**1.0**	–
		1,146.2	774.3

The financial statements of DMGT plc (Company number 184594) on pages 107 to 206 were approved by the Directors and authorised for issue on 20 November 2020. They were signed on their behalf by

The Viscount Rothermere
P A Zwillenberg

Directors

Financial Statements

Consolidated Cash Flow Statement

For the year ended 30 September 2020

	Note	Year ended 30 September 2020 £m	Year ended 30 September 2019 £m
Cash generated by operations	15	**150.3**	165.0
Taxation paid		**(12.5)**	(20.0)
Taxation received		**4.7**	9.8
Net cash generated from operating activities		**142.5**	154.8
Investing activities			
Interest received		**8.7**	7.4
Dividends received from joint ventures and associates	25	**0.7**	12.3
Purchase of property, plant and equipment	23	**(12.2)**	(15.9)
Expenditure on internally generated intangible fixed assets	22	**(4.2)**	(13.9)
Expenditure on other intangible assets	22	**(1.5)**	–
Purchase of financial assets held at fair value through Other Comprehensive Income	26	**(48.0)**	(6.1)
Proceeds on disposal of property and plant and equipment		**–**	9.3
Purchase of businesses and subsidiary undertakings	17	**(69.8)**	(27.6)
Settlements and collateral payments on treasury derivatives		**(8.7)**	(12.3)
Investment in joint ventures and associates	25	**(2.5)**	(39.4)
Loans to joint ventures and associates repaid		**0.1**	0.2
Proceeds/(costs) on disposal of businesses and subsidiary undertakings	18	**301.1**	(11.6)
Proceeds on disposal of joint ventures and associates	8, 25	**9.5**	81.4
Sale of other financial assets		**–**	237.3
Net cash generated from investing activities		**173.2**	221.1
Financing activities			
Equity dividends paid	12, 39	**(54.9)**	(274.1)
Dividends paid to non-controlling interests	40	**–**	(1.0)
Purchase of own shares	39	**(19.7)**	(2.5)
Net payment on settlement of subsidiary share options		**(0.8)**	(0.8)
Interest paid		**(14.9)**	(28.7)
Bonds repaid	33	**–**	(218.5)
Bonds redeemed	33	**–**	(6.7)
Premium on redemption of bonds	10, 33	**–**	(0.9)
Loan notes repaid	16	**(1.6)**	(0.1)
Amounts received on sublease receivable		**3.8**	–
Repayments of lease liabilities	16	**(26.0)**	–
Net cash used in financing activities		**(114.1)**	(533.3)
Net increase/(decrease) in cash and cash equivalents	16	**201.6**	(157.4)
Cash and cash equivalents at beginning of year	30	**289.2**	435.9
Exchange (loss)/ gain on cash and cash equivalents	16	**(10.9)**	10.7
Net cash and cash equivalents at end of year	16, 30	**479.9**	289.2

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Notes to the accounts

1 Basis of preparation

DMGT plc is a company incorporated and domiciled in the United Kingdom. The address of the registered office is Northcliffe House, 2 Derry Street, London, W8 5TT.

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and related IFRS Interpretations Committee (IFRS IC) interpretations as adopted by the European Union and with those parts of the Companies Act 2006 applicable to companies preparing their accounts under IFRS.

These financial statements have been prepared for the year ended 30 September 2020.

Other than the Daily Mail, The Mail on Sunday, Metro and the 'i' businesses, the Group prepares accounts for a year ending on 30 September. The Daily Mail, The Mail on Sunday, Metro and the 'i' businesses prepare financial statements for a 52 or 53 week period or for the period since acquisition if shorter, ending on a Sunday near to the end of September and do not prepare additional financial statements corresponding to the Group's financial year for consolidation purposes as it would be impracticable to do so. The Group considers whether there have been any significant transactions or events between the end of the financial year of these businesses and the end of the Group's financial year and makes any material adjustments as appropriate.

The significant accounting policies used in preparing this information are set out in Note 2.

The Group's financial statements incorporate the financial statements of the Company and all of its subsidiaries together with the Group's share of all of its interests in joint ventures and associates. The financial statements have been prepared on the historical cost basis, except for derivative financial instruments, hedged items, equity investments, contingent consideration, put options and the pension scheme surplus/(deficit) all of which are measured at fair value.

The Group presents the results from discontinued operations separately from those of continuing operations. An operation is classed as discontinued if it has been, or is in the process of being disposed and represents either a separate major line of business or a geographical area of operations, or is part of a single coordinated plan to dispose of a separate major line of business or exit a major geographical area of operations.

Prior period amounts have been re-presented to conform to the current period's presentation, as prescribed by IFRS 5, Non-current Assets Held for Sale and Discontinued Operations.

All amounts presented have been rounded to the nearest £0.1 million.

Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Financial Review, and the Strategic Report.

As highlighted in Note 33 and 34 to the financial statements, the Company has long-term financing in the form of bonds and meets its day-to-day working capital requirements through surplus cash balances and committed bank facilities which expire in March 2023. The Board's forecasts and projections, after taking account of reasonably possible changes in trading performance, show that the Group is expected to operate within the terms of its current facilities.

In light of the continuing Covid-19 pandemic the Directors have performed a detailed going concern review. This included the preparation of a five-year forecast which was re-modelled to incorporate a pessimistic scenario and a severe but plausible scenario for the period through to 31 December 2021. In addition, the Directors considered the availability of the Group's committed but undrawn bank facilities of £373.2 million which expire in March 2023.

The Directors' severe but plausible scenario model for the period to 31 December 2021 included the effect of mitigating actions within the Group's control, the impact of not holding shows in the Events and Exhibitions segment, the UK residential housing market to operate at volumes at the floor of a functioning market in the Property Information segment and revenues in the Consumer Media segment to demonstrate no growth year on year.

In this severe but plausible scenario the Group does not forecast a draw down on its bank facilities nor does it forecast a breach of its banking covenants.

After due consideration the Directors have concluded that there is a reasonable expectation that the Group has adequate resources to continue in operational existence for at least 12 months from the date of this report.

Accordingly, the Directors continue to adopt the going concern basis in preparing these financial statements.

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Notes to the accounts

2 Significant accounting policies

The following new and amended IFRSs have been adopted during the period:

- IFRS 16, Leases (effective 1 October 2019)
- Amendment to IFRS 2, Share-based Payments (effective 1 October 2019)
- IFRIC 23, Uncertainty over Income Tax Treatments (effective 1 October 2019)
- IAS 19, Employee Benefits (effective 1 October 2019)
- IAS 28, Investments in Associates and Joint Ventures (effective 1 October 2019)

Other than IFRS 16, the adoption of standards, amendments and interpretations during the period did not have a material impact on the Group's Consolidated Financial Statements.

IFRS 16, effective for the 2020 fiscal year, has eliminated the distinction between operating and finance leases for lessees and requires lessees to recognise right of use assets and corresponding liabilities for all leases. The new standard replaces operating lease charges with depreciation charges included within operating costs on the underlying right of use asset and interest charges included within finance costs on the lease liabilities.

On 1 October 2019, on the adoption of IFRS 16 the Group has recognised right of use assets of £78.2 million and lease liabilities of £92.0 million which had previously been classified as operating leases under the principles of IAS 17 Leases. This includes right of use assets of £8.3 million and lease liabilities of £8.5 million relating to businesses held for sale. In addition, the Group recognised £11.0 million of sublease receivable.

The lease liabilities were measured at the present value of the remaining lease payments, discounted using an incremental borrowing rate as at 1 October 2019. The weighted average incremental borrowing rate applied to these liabilities as at 1 October 2019 was 3.1%. The corresponding right of use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments as at 30 September 2019.

The Group has adopted IFRS 16 on a modified retrospective basis such that the Group has applied the simplified transition approach and has not restated comparative information.

As permitted by IFRS 16 the Group has applied the following practical expedients:

- The Group has not brought onto the Consolidated Statement of Financial Position short-term leases (those with 12 months or less to run as at 1 October 2019 including reasonably certain options to extend) or low-value assets. These items therefore continue to be expensed directly in the Consolidated Income Statement.
- The Group has relied on its onerous lease assessments under IAS 37 to impair right of use assets in place of performing an impairment assessment on adoption of IFRS 16.
- The Group has measured right of use assets at an amount equal to the lease liability on adoption of IFRS 16 as adjusted by existing lease accruals, prepayments and dilapidations and onerous lease provisions.
- The Group has separated non-lease components from lease components as part of the transition adjustment.

The impact on the Group's Statement of Financial Position as at 1 October 2019 is summarised as follows:

		£m
Right of use assets	Increase	78.2
Sublease receivable	Increase	11.0
Deferred tax liabilities	Decrease	(0.3)
Prepayments	Decrease	(2.3)
Accruals	Decrease	4.5
Deferred revenue	Decrease	0.7
Trade and other payables	Decrease	0.2
Provisions	Decrease	1.1
Lease liabilities	Increase	(92.0)
Retained earnings	Increase	(1.1)

In the Consolidated Cash Flow Statement there has been no impact in the total change in cash and cash equivalents. Under IFRS 16 the repayment of the lease liabilities and interest on IFRS 16 leases are included in financing activities whereas under IAS 17 lease rental payments were in operating activities.

The measurement of lease liabilities is set out as follows:

	£m
Operating lease commitments disclosed as at 30 September 2019	103.5
Discounted using the Group's incremental borrowing rate	(7.4)
Add	
Deferred rent	0.7
Lease incentive on transition	1.7
Accruals on transition	0.2
Assets not entered as lease commitments at 30 September 2019	1.9
Less	
Short term leases recognised on a straight-line basis as expense	(3.3)
Low value leases recognised on a straight-line basis as expense	(0.8)
Adjustments as a result of true ups to future cash payments	(2.0)
Prepayments on transition	(2.5)
Lease liability recognised as at 1 October 2019	92.0

Following the implementation of IFRS 16, Group EBITDA for the 12-month period to 30 September 2020 has increased by £22.2 million. This was the result of the IAS 17 operating lease expense of £26.0 million being replaced with depreciation and interest charges combined with sublease income of £3.8 million no longer being recognised in the Consolidated Income Statement.

The Group has early adopted the following amendments to existing standards:

- Amendment to IFRS 9, IAS 39 and IFRS 7, Interest rate benchmark reform (effective 1 January 2020)

With effect from 1 October 2019, the Group has early adopted the amendments to IFRS 9, IAS 39 and IFRS 7, relating to interest rate benchmark (IBOR) reform. The amendments provide temporary relief from applying specific hedge accounting requirements to hedging relationships directly affected by IBOR reform.

The Group has the following interest rate swaps designated in fair value hedging relationships which are potentially impacted by IBOR reform:

- £20.0 million fixed to floating interest rate swap, maturing April 2021 which references 12-month GBP LIBOR.
- £53.1 million fixed to floating interest rate swap, maturing June 2027 which references 3-month GBP LIBOR.

As a result of adopting the amendments, the uncertainty around IBOR reform should not result in the above hedging relationships ceasing to meet the requirements for hedge accounting. For the swap maturing in April 2021, the reliefs will cease to apply when the swap matures and for the swap maturing in June 2027, the reliefs will cease to apply when the uncertainty arising from IBOR reform no longer exists.

There is no impact on the consolidated financial statements from the early adoption of these amendments.

The Group is currently assessing the wider implications of IBOR reform.

Business combinations

The acquisition of subsidiaries and businesses is accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of fair values of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in the Consolidated Income Statement as incurred.

Where the consideration for an acquisition includes any asset or liability resulting from a contingent arrangement, this is measured at its discounted fair value on the date of acquisition. Subsequent changes in fair values are adjusted through the Consolidated Income Statement in Financing. Changes in the fair value of contingent consideration classified as equity is not recognised.

Put options granted to non-controlling interests are recorded at present value as a reduction in equity on initial recognition, since the arrangement represents a transaction with equity holders. Changes in present value after initial recognition are recorded in the Consolidated Income Statement in Financing.

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

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

Financial Statements

Notes to the accounts

2 Significant accounting policies continued

Business combinations achieved in stages

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to fair value at the date the Group attains control and the resulting gain or loss is recognised in the Consolidated Income Statement. Amounts arising from interests in the acquiree prior to the acquisition date that were recognised in Other Comprehensive Income are reclassified to the Consolidated Income Statement where such treatment would be appropriate if the interest were disposed of.

Purchases and sales of shares in a controlled entity

Where the Group's interest in a controlled entity increases, the non-controlling interests' share of net assets, excluding any allocation of goodwill, is transferred to retained earnings. Any difference between the cost of the additional interest and the existing carrying value of the non-controlling interests' share of net assets is recorded in retained earnings.

Where the Group's interest in a controlled entity decreases, but the Group retains control, the share of net assets disposed, excluding any allocation of goodwill, is transferred to the non-controlling interests. Any difference between the proceeds of the disposal and the existing carrying value of the net assets or liabilities transferred to the non-controlling interests is recorded in retained earnings.

Disposal of controlling interests where non-controlling interest retained

Where the Group disposes of a controlling interest but retains a non-controlling interest in the business, the Group accounts for the disposal of a subsidiary and the subsequent acquisition of a joint venture, associate or financial assets at fair value through Other Comprehensive Income at fair value on initial recognition. On disposal of a subsidiary all amounts deferred in equity are recycled to the Consolidated Income Statement.

Contingent consideration receivable

Where the consideration for a disposal includes consideration resulting from a contingent arrangement, the contingent consideration receivable is discounted to its fair value, with any subsequent movement in fair value being recorded in the Consolidated Income Statement in Financing.

Discontinued operations

The Group presents the results from discontinued operations separately from those of continuing operations. An operation is classed as discontinued if it has been, or is in the process of being disposed and represents either a separate major line of business or a geographical area of operations, or is part of a single coordinated plan to dispose of a separate major line of business or exit a major geographical area of operations.

Assets and liabilities of businesses held for sale

An asset or disposal group is classified as held for sale if its carrying amount is intended to be recovered principally through sale rather than continuing use, is available for immediate sale and it is highly probable that the sale will be completed within 12 months of classification as held for sale. Assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Any impairment is recognised in the Consolidated Income Statement and is first allocated to the goodwill associated with the disposal group and then to the remaining assets and liabilities on a pro rata basis. No further depreciation or amortisation is charged on non-current assets classified as held for sale from the date of classification.

Accounting for subsidiaries

A subsidiary is an entity controlled by the Group. Control is achieved where the Group has power over an investee; exposure, or rights, to variable returns from its involvement with the investee; and the ability to use its power over the investee to affect the amount of the returns.

The results of subsidiaries acquired or disposed of during the period are included in the Consolidated Income Statement from the effective date control is obtained or up to the date control is relinquished, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Non-controlling interests

Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity therein, either at fair value or at the non-controlling interest's share of the net assets of the subsidiary, on a case-by-case basis. The total comprehensive income of a subsidiary is apportioned between the Group and the non-controlling interest, even if it results in a deficit balance for the non-controlling interest.

Interests in joint ventures and associates

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

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

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

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

Foreign currencies

For the purpose of presenting consolidated financial statements, the assets and liabilities of entities with a functional currency other than sterling are translated into sterling using exchange rates prevailing on the period end date.

Income and expense items and cash flows are translated at the average exchange rates for the period and exchange differences arising are recognised directly in equity. On disposal of a foreign operation, the cumulative amount recognised in equity relating to that operation is recognised in the Consolidated Income Statement as part of the gain or loss on sale.

The Group records foreign exchange differences arising on retranslation of foreign operations within the translation reserve in equity.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency are recorded at the exchange rate prevailing on the date of the transaction. At each period end date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the period end date.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rate prevailing on the date when fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in the Consolidated Income Statement for the period.

Goodwill, intangible assets and fair value adjustments arising on the acquisition of foreign operations after transition to IFRS are treated as part of the assets and liabilities of the foreign operation and are translated at the closing rate. Goodwill which arose pre-transition to IFRS is not translated.

In respect of all foreign operations, any cumulative exchange differences that have arisen before 4 October 2004, the date of transition to IFRS, were reset to £nil and will be excluded from the determination of any subsequent profit or loss on disposal.

Goodwill and intangible assets

Goodwill and intangible assets acquired arising on the acquisition of an entity represents the excess of the cost of acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses. Negative goodwill arising on an acquisition is recognised directly in the Consolidated Income Statement.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and are translated at the closing exchange rates on the period end date. On disposal of a subsidiary, associate or a jointly controlled entity, the attributable amount of goodwill is included in the determination of the profit or loss recognised in the Consolidated Income Statement on disposal.

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Notes to the accounts

2 Significant accounting policies continued

Impairment of goodwill

The Group tests goodwill annually for impairment, or more frequently if there are indicators that goodwill might be impaired.

For the purpose of impairment testing, assets are grouped at the lowest levels for which there are separately identifiable cash flows, known as cash-generating units (CGUs). If the recoverable amount of the CGU is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit, prorated on the basis of the carrying amount of each asset in the unit, but subject to not reducing any asset below its recoverable amount.

When testing for impairment, the recoverable amounts for all of the Group's CGUs are measured at the higher of value in use or fair value less costs to sell. Value in use is calculated by discounting future expected cash flows. These calculations use cash flow projections based on Board-approved budgets and forecasts which reflect management's current experience and future expectations of the markets in which the CGU operates. Risk adjusted pre-tax discount rates used by the Group in its impairment tests range from 10.50% to 15.28% (2019 10.50% to 15.28%) the choice of rates depending on the risks specific to that CGU. The Directors' estimate of DMGT's post tax weighted average cost of capital is 6.7% (2019 8.5%). The cash flow projections consist of Board-approved budgets for the following year, together with forecasts for up to four additional years and nominal long-term growth rates beyond these periods. The nominal long-term (decline)/growth rates used range from (3.0%) to 5.0% (2019 2.0% to 3.0%) and varies with management's view of the CGU's market position, maturity of the relevant market and does not exceed the long-term average growth rate for the industry in which the CGU operates.

An impairment loss recognised for goodwill is charged immediately in the Consolidated Income Statement and is not subsequently reversed.

Research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred. An internally generated intangible asset arising from the Group's development activity, including software for internal use, is recognised only if the asset can be separately identified, it is probable the asset will generate future economic benefits, the development cost can be measured reliably, the project is technically feasible and the project will be completed with a view to sell or use the asset. Additionally, guidance in Standing Interpretations Committee (SIC) 32 has been applied in accounting for internally developed website development costs.

Internally generated intangible assets are amortised on a straight-line basis over their estimated useful lives, when the asset is available for use, and are reported net of impairment losses. Where no internally generated intangible asset can be recognised, such development expenditure is charged to the Consolidated Income Statement in the period in which it is incurred.

Licences

Computer software licences are capitalised on the basis of the costs incurred to acquire and bring into use the specific software. These costs are amortised over their estimated useful lives, being three to five years.

Costs that are directly associated with the production of identifiable and unique software products controlled by the Group, and that are expected to generate economic benefits exceeding costs and directly attributable overheads, are capitalised as intangible assets.

Computer software which is integral to a related item of hardware equipment is accounted for as property, plant and equipment. Costs associated with maintaining computer software programs are recognised as an expense as incurred.

Other intangible assets

Other intangible assets with finite lives are stated at cost less accumulated amortisation and impairment losses. Amortisation is charged to Operating Profit in the Consolidated Income Statement on a reducing balance or straight-line basis over the estimated useful lives of the intangible assets from the date they become available for use. The estimated useful lives are as follows:

Publishing rights, mastheads and titles	5 – 30 years
Brands	3 – 20 years
Market- and customer-related databases and customer relationships	3 – 20 years
Computer software	2 – 5 years

Amortisation of intangible assets not arising on business combinations are included within Adjusted Operating Profit in the Consolidated Income Statement.

The Group has no intangible assets with indefinite lives.

Impairment of intangible assets

At each period end date, reviews are carried out of the carrying amounts of intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount, which is the higher of value in use and fair value less costs to sell, of the asset is estimated in order to determine the extent, if any, of the impairment loss. Where the asset does not generate cash flows that are independent from other assets, value in use estimates are made based on the cash flows of the CGU to which the asset belongs.

If the recoverable amount of an asset or CGU is estimated to be less than its net carrying amount, the net carrying amount of the asset or CGU is reduced to its recoverable amount. Impairment losses are recognised immediately in the Consolidated Income Statement.

At the end of each reporting period the Group assesses whether there is any indication that an impairment loss recognised in prior periods, for an asset other than goodwill, may no longer exist or may have decreased. If any such indication exists, the Group estimates the recoverable amount of that asset. In assessing whether there is any indication that an impairment loss recognised in prior periods for an asset other than goodwill may no longer exist or may have decreased, the Group considers, as a minimum, the following indications:

- whether the asset's market value has increased significantly during the period;
- whether any significant changes with a favourable effect on the entity have taken place during the period, or will take place in the near future, in the technological, market, economic or legal environment in which the entity operates or in the market to which the asset is dedicated; and
- whether market interest rates or other market rates of return on investments have decreased during the period, and those decreases are likely to affect the discount rate used in calculating the asset's value in use and increase the asset's recoverable amount materially.

Property, plant and equipment

Land and buildings held for use are stated in the Consolidated Statement of Financial Position at their cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Assets in the course of construction are carried at cost, less any recognised impairment loss. Depreciation of these assets commences when the assets are ready for their intended use. Plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Consolidated Income Statement.

Depreciation is charged so as to write off the cost of assets, other than property, plant and equipment under construction using the straight-line method, over their estimated useful lives as follows:

Freehold properties	50 years
Short leasehold properties	the term of the lease
Plant and equipment	3 – 25 years
Depreciation is not provided on freehold land	

Right of use assets

Right of use assets are depreciated over the shorter of the asset's useful economic life and the lease term on a straight-line basis.

Inventory

Inventory is stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. The Group uses the Average Cost method in the Consumer Media segment for newsprint and the First In First Out method for all other inventories.

Exhibition, training and event costs

Directly attributable costs relating to future exhibition, training and events are deferred within work in progress and measured at the lower of cost and net realisable value. These costs are charged to the Consolidated Income Statement when the exhibition, training or event takes place.

Pre-publication costs

Pre-publication costs represent direct costs incurred in the development of titles prior to their publication. These costs are recognised as work in progress on the Consolidated Statement of Financial Position to the extent that future economic benefit is virtually certain and can be measured reliably. These are recognised in the Consolidated Income Statement on publication.

Marketing costs

All marketing and promotional costs are charged to the Consolidated Income Statement in the period in which they are incurred. Direct event costs are charged to the Consolidated Income Statement within Direct Event Costs.

Cash and cash equivalents

Cash and cash equivalents shown in the Consolidated Statement of Financial Position includes cash, short-term deposits and other short-term highly liquid investments with an original maturity of three months or less and which are subject to insignificant changes in value. For the purpose of the Consolidated Cash Flow Statement, cash and cash equivalents are as defined above, net of bank overdrafts.

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2 Significant accounting policies continued
Revenue
Revenue is stated at the fair value of consideration, net of value added tax, trade discounts and commission where applicable and is recognised using methods appropriate for the Group's businesses.

Where revenue contracts have multiple elements (such as software licences, data subscriptions and support), all aspects of the transaction are considered to determine whether these elements can be separately identified. Where transaction elements can be separately identified and revenue can be allocated between them on a fair and reliable basis, revenue for each element is accounted for according to the relevant policy below. Where transaction elements cannot be separately identified, revenue is recognised over the contract period.

The Consumer Media segment enters into agreements with advertising agencies and certain clients, which are subject to a minimum spend and typically include a commitment to deliver rebates to the agency or client based on the level of agency spend over the contract period.

The principal revenue performance obligations are:

- subscriptions revenue, including revenue from information services, is recognised over the period of the subscription or contract;
- publishing and circulation revenue is recognised on issue of the publication or report;
- advertising revenue is recognised on issue of the publication or over the period of the online campaign;
- contract print revenue is recognised on completion of the print contract;
- exhibitions, training and events revenues are recognised over the period of the event;
- software revenue is recognised on delivery of the software or the technology or over a period of time where the transaction is a licence (the licence term). If support is unable to be separately identified from hosting and revenue is unable to be allocated on a fair and reliable basis, support revenue is recognised over the licence term. Commissions paid to acquire software and services contracts are capitalised in prepayments and recognised over the term of the contract;
- support revenue associated with software licences and subscriptions is recognised over the term of the support contract.

Adjusted measures
The Group presents adjusted operating profit and adjusted profit before tax adjusting for costs and profits which management believe to be significant by virtue of their size, nature or incidence or which have a distortive effect on current year earnings.

In the Director's judgement such items would include, but are not limited to, costs associated with business combinations, gains and losses on the disposal of businesses and subsidiary undertakings, finance costs relating to premium on bond buy backs, fair value movements, exceptional operating costs, impairment of goodwill, intangible assets and property, plant and equipment and amortisation of intangible assets arising on business combinations.

The board and management team believe these adjusted results, used in conjunction with statutory IFRS results, give a greater insight into the financial performance of the Group and the way it is managed. Similarly, adjusted results are used in setting management remuneration.

See Note 13 for a reconciliation of profit before tax to adjusted profit before and after tax.

The Group also presents a measure of net cash in Note 16. In the judgement of the Directors this measure should include the currency gain or loss on derivatives entered into with the intention of economically converting the currency borrowings into an alternative currency.

Other gains and losses
Other gains and losses comprise profit or loss on sale of financial assets at fair value through Other Comprehensive Income, profit or loss on sale of property, plant and equipment, profit or loss on sale of businesses and subsidiary undertakings and profit or loss on sale of joint ventures and associates.

EBITDA
The Group discloses EBITDA, being adjusted operating profit before depreciation of property, plant and equipment and right of use assets and amortisation of assets not arising on business combinations. EBITDA is broadly used by analysts, rating agencies, investors and the Group's banks as part of their assessment of the Group's performance. A reconciliation of EBITDA from operating profit is shown in Note 15.

Leases
The Group assesses whether a contract is or contains a lease at inception of the contract. A lease conveys the right to direct the use and obtain substantially all of the economic benefits of an identified asset for a period of time in exchange for consideration.

The Group as a lessee
Where the Group acts as a lessee it recognises a right of use asset and corresponding liability at the date at which a leased asset is made available for use by the Group, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low-value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

The lease liability is measured at the present value of the future lease payments, discounted at the rate implicit in the lease, or if that cannot be readily determined, at the Group's incremental borrowing rate specific to the term, country, currency and start date of the lease.

The Group's lease payments include: fixed payments; variable lease payments dependent on an index or rate, initially measured using the index or rate at commencement; and payments in an optional renewal period if the Group is reasonably certain to exercise an extension option or not exercise a break option less any lease incentives receivable.

The lease liability is subsequently measured at amortised cost using the effective interest rate method. It is remeasured, with a corresponding adjustment to the right of use asset, when there is a change in future lease payments resulting from a rent review, change in an index or rate such as inflation, or change in the Group's assessment of whether it is reasonably certain to exercise a purchase, extension or break option.

The right of use asset is initially measured at cost based on the value of the associated lease liability, adjusted for any payments made before inception, initial indirect costs and any dilapidation or restoration costs.

The right of use asset is subsequently depreciated on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset. The right of use asset is tested for impairment if there are any indicators of impairment.

Leases of low value assets and short-term leases of 12 months or less are expensed to the Consolidated Income Statement, as are non-lease service components.

The Group as a lessor
Leases for which the Group is a lessor are classified as finance or operating leases. A lease is classified as a finance lease if it transfers substantially all the risks and rewards of ownership to the lessee and classified as an operating lease if it does not.

When the Group is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right of use asset arising from the head lease. Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment in the lease. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

Dividends
Dividend income from investments is recognised when the shareholders' rights to receive payment have been established. Dividends are recognised as a distribution in the period in which they are approved by the shareholders. Interim dividends are recorded in the period in which they are paid.

Borrowing costs
Unless capitalised under IAS 23, Borrowing Costs, all borrowing costs are recognised in the Consolidated Income Statement in the period in which they are incurred. Finance charges, including premiums paid on settlement or redemption and direct issue costs and discounts related to borrowings, are accounted for on an accruals basis and charged to the Consolidated Income Statement using the effective interest method.

Retirement benefits
Pension scheme assets are measured at market value at the period end date. Scheme liabilities are measured using the projected unit credit method and discounted at a rate reflecting current yields on high-quality corporate bonds having regard to the duration of the liability profiles of the schemes.

For defined benefit retirement plans, the difference between the fair value of the plan assets and the present value of the plan liabilities is recognised as an asset or liability on the Consolidated Statement of Financial Position. Actuarial gains and losses arising in the year are taken to the Consolidated Statement of Comprehensive Income. For this purpose, actuarial gains and losses comprise both the effects of changes in actuarial assumptions and experience adjustments arising because of differences between the previous actuarial assumptions and what has actually occurred. For defined benefit schemes, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out triennially. In accordance with the advice of independent qualified actuaries in assessing whether to recognise a surplus, the Group has regard to the principles set out in IFRIC 14.

Other movements in the net surplus or deficit are recognised in the Consolidated Income Statement, including the current service cost, any past service cost and the effect of any curtailment or settlements. The net finance income/(expense) is also charged to the Consolidated Income Statement within net finance costs.

The Group's contributions to defined contribution pension plans are charged to the Consolidated Income Statement as they fall due.

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Notes to the accounts

2 Significant accounting policies continued

Taxation

Income tax expense represents the sum of current tax and deferred tax for the year.

The current tax payable or recoverable is based on the taxable profit for the year. Taxable profit differs from profit as reported in the Consolidated Income Statement because some items of income or expense are taxable or deductible in different years or may never be taxable or deductible. The Group's liability for current tax is calculated using the UK and foreign tax rates that have been enacted or substantively enacted by the period end date.

Current tax assets and liabilities are set off and stated net in the Consolidated Statement of Financial Position when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they either relate to income taxes levied by the same taxation authority or on the same taxable entity or on different taxable entities which intend to settle the current tax assets and liabilities on a net basis.

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

Deferred tax liabilities are recognised for taxable temporary differences arising in investments in subsidiaries, joint ventures and associates except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Goodwill arising on business combinations also includes amounts corresponding to deferred tax liabilities recognised in respect of acquired intangible assets. A deferred tax liability is recognised to the extent that the fair value of the assets for accounting purposes exceeds the value of those assets for tax purposes and will form part of the associated goodwill on acquisition.

The carrying amount of deferred tax assets is reviewed at each period end date, and is reduced or increased as appropriate to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered, or it becomes probable that sufficient taxable profits will be available.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised, based on tax rates that have been enacted or substantively enacted by the period end date, and is not discounted.

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

Tax is charged or credited to the Consolidated Income Statement, except when it relates to items charged or credited directly to equity, in which case the tax is recognised directly in equity.

Actual tax liabilities or refunds may differ from those anticipated due to changes in tax legislation, differing interpretations of tax legislation and uncertainties surrounding the application of tax legislation. In situations where uncertainties exist, provision is made for contingent tax liabilities and assets when it is more likely than not that there will be a cash impact. These provisions are made for each uncertainty individually on the basis of management judgement following consideration of the available relevant information. The measurement basis adopted represents the best predictor of the resolution of the uncertainty which is usually based on the most likely cash outflow. The Company reviews the adequacy of these provisions at the end of each reporting period and adjusts them based on changing facts and circumstances.

Financial instruments

Financial assets and financial liabilities are recognised on the Consolidated Statement of Financial Position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amount reported in the Consolidated Statement of Financial Position when there is a legally enforceable right to settle on a net basis, or realise the asset and liability simultaneously and where the Group intends to net settle.

Financial assets

Trade receivables

Trade receivables do not carry interest and are recognised initially at the value of the invoice sent to the customer i.e. amortised cost and subsequently reduced by allowances for estimated irrecoverable amounts.

Other receivables include loans which are held at the capital sum outstanding plus unpaid interest.

Estimates are used in determining the level of receivables that will not, in the opinion of the Directors, be collected. The Group applies the simplified approach permitted by IFRS 9, which requires the use of the lifetime expected loss provision for all receivables, including contract assets. These estimates are based on historic credit losses, macro-economic and specific country-risk considerations with higher default rates applied to older balances.

In addition, if specific circumstances exist which would indicate that the receivable is irrecoverable a specific provision is made. A provision is made against trade receivables and contract assets until such time as the Group believes there to be no reasonable expectation of recovery, after which the trade receivable or contract asset balance is written off.

Financial assets at fair value through Other Comprehensive Income

Financial assets are recognised and derecognised on a trade date where a purchase or sale of an investment is under a contract whose terms require delivery of the investment within the time frame established by the market concerned, and are measured at fair value, including transaction costs.

As permitted by IFRS 9, the Group classifies its equity investments at Fair Value through Other Comprehensive Income. All fair value movements are recorded in Other Comprehensive Income and gains and losses are not recycled to the Consolidated Income Statement on disposal.

Dividend income from Financial assets held at Fair Value through Other Comprehensive Income is recorded in the Consolidated Income Statement.

Unlisted equity investments are valued using a variety of approaches including comparable company valuation multiples and discounted cash flow techniques. In extremely limited circumstances, where insufficient recent information is available to measure fair value or when there is a wide range of possible fair value measurements, cost is used since this represents the best estimate of fair value in the range of possible valuations.

The fair value of listed equity investments is determined based on quoted market prices.

Financial liabilities and equity instruments

Trade payables

Trade payables are non-interest bearing and are stated at their nominal value.

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below:

Capital market and bank borrowings

Interest bearing loans and overdrafts are initially measured at fair value (which is equal to net proceeds at inception), and are subsequently measured at amortised cost, using the effective interest rate method. A portion of the Group's bonds are subject to fair value hedge accounting as explained below and this portion is adjusted for the movement in the hedged risk to the extent hedge effectiveness is achieved. Any difference between the proceeds, net of transaction costs and the settlement or redemption of borrowings is recognised over the term of the borrowing.

Equity instruments

Equity instruments issued by the Group are recorded at the proceeds received, net of transaction costs.

Derecognition

The Group derecognises a financial asset, or a portion of a financial asset, from the Consolidated Statement of Financial Position where the contractual rights to cash flows from the asset have expired, or have been transferred, usually by sale, and with them either substantially all the risks and rewards of the asset or significant risks and rewards, along with the unconditional ability to sell or pledge the asset.

Financial liabilities are derecognised when the liability has been settled, has expired or has been extinguished.

Derivative financial instruments and hedge accounting

Derivative financial instruments are used to manage exposure to market risks. The principal derivative instruments used by the Group are foreign currency swaps, interest rate swaps, foreign exchange forward contracts and options. The Group does not hold or issue derivative financial instruments for trading or speculative purposes.

Changes in the fair value of derivative instruments which do not qualify for hedge accounting are recognised immediately in the Consolidated Income Statement.

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

Fair value hedges

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

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2 Significant accounting policies continued

Derivative financial instruments and hedge accounting continued

Cash flow hedges

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

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

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

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

Net investment hedges

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

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

Provisions

Provisions are recognised when the Group has a present obligation, legal or constructive, as a result of a past event, and it is probable that the Group will be required to settle that obligation. Provisions are measured at the Directors' best estimate of the expenditure required to settle the obligation at the period end date and are discounted to present value where the effect is material.

Onerous contract provisions are recognised for losses on contracts where the forecast costs of fulfilling the contract throughout the contract period exceed the forecast income receivable. The provision is calculated based on cash flows to the end of the contract. Vacant property provisions are recognised when the Group has committed to a course of action that will result in the property becoming vacant.

Share-based payments

The Group issues equity-settled and cash-settled share-based payments to certain Directors and employees. Equity-settled share-based payments are measured at fair value (excluding the effect of non-market-based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of the shares that will eventually vest and adjusted for the effect of non-market-based vesting conditions.

Fair value is measured using a binomial pricing model which is calibrated using a Black-Scholes framework. The expected life used in the models has been adjusted, based on management's best estimate, for the effect of non-transferability, exercise restrictions and behavioural considerations.

A liability equal to the portion of the goods or services received is recognised at the current fair value determined at each period end date for cash-settled share-based payments.

Investment in own shares

Treasury shares

Where the Company purchases its equity share capital as Treasury Shares, the consideration paid, including any directly attributable incremental costs (net of income taxes) is recorded as a deduction from shareholders' equity until such shares are cancelled, reissued or disposed of. Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is recognised in equity, with any difference between the proceeds from the sale and the original cost being taken to retained earnings.

Employee Benefit Trust

The Company has established an Employee Benefit Trust (EBT) for the purpose of purchasing shares in order to satisfy outstanding share options and potential awards under long-term incentive plans. The assets of the EBT comprise shares in DMGT plc and cash balances. The EBT is administered by independent trustees and its assets are held separately from those of the Group. The Group bears the major risks and rewards of the assets held by the EBT until the shares vest unconditionally with employees. The Group recognises the assets and liabilities of the EBT in the consolidated financial statements and shares held by the EBT are recorded at cost as a deduction from shareholders' equity. Consideration received for the sale of shares held by the EBT is recognised in equity, with any difference between the proceeds from the sale and the original cost being taken to retained earnings.

Critical accounting judgements and key sources of estimation uncertainty

In addition to the judgement taken by management in selecting and applying the accounting policies set out above, management has made the following judgements concerning the amounts recognised in the consolidated financial statements:

Adjusted measures

Management believes that the adjusted profit and adjusted earnings per share measures provide additional useful information to users of the Report and Accounts on the performance of the business. Accordingly, the Group presents adjusted operating profit and adjusted profit before tax by adjusting for costs and profits which management judge to be significant by virtue of their size, nature or incidence or which have a distortive effect on current year earnings.

In management's judgement such items would include, but are not limited to, costs associated with business combinations, gains and losses on the disposal of businesses and subsidiary undertakings, finance costs relating to premium on bond buy backs, fair value movements, exceptional operating costs, impairment of goodwill, intangible assets and property, plant and equipment and amortisation of intangible assets arising on business combinations.

Exceptional operating costs include items of a significant and a non-recurring nature. In addition, the Group presents an adjusted profit after tax measure by making adjustments for certain tax charges and credits which management judge to be significant by virtue of their size, nature or incidence or which have a distortive effect. The Group uses these adjusted measures to evaluate performance and as a method to provide shareholders with clear and consistent reporting.

See Note 13 for a reconciliation of profit before tax to adjusted profit before and after tax.

The Group also presents a measure of net cash. In the judgement of management this measure should include the currency gain or loss on derivatives entered into with the intention of economically converting the currency borrowings into an alternative currency. See Note 16 for further detail.

Retirement benefits

When a surplus on a defined benefit pension scheme arises, management are required to consider the rights of the Trustees in preventing the Group from obtaining a refund of that surplus in the future. Where the Trustees are able to exercise this right, the Group would be required to restrict the amount of surplus recognised.

After considering the principles set out in IFRIC 14, the Directors have judged it appropriate to recognise a surplus of £136.7 million (2019 £225.7 million) and report a net surplus on its pension schemes amounting to £123.2 million (2019 £215.0 million).

Acquisition of the 'i'

The Group's acquisition of the 'i' on 29 November 2019 was subject to review by the UK Competition and Markets Authority (CMA).

On 24 March 2020 the CMA reported to the Secretary of State that DMGT's acquisition of the 'i' would not result in a substantial lessening of competition in any market which was accepted by the Secretary of State.

In addition, Ofcom reported that it did not expect DMGT's acquisition of the 'i' to reduce the plurality of views provided across newspaper groups in the UK. The Secretary of State accepted Ofcom's assessment also.

As part of its assessment of the acquisition the Group determined that it had control of the 'i' which was consolidated from the date of acquisition on 29 November 2019. See Note 17.

Investment in Cazoo Ltd

On 20 March 2020 and on 26 June 2020 the Group made additional investments in Cazoo Ltd (Cazoo) taking the Group's equity stake to 23.5% (21.4% on a fully diluted basis). The Group's Board representation remains at 25.0% with Board decisions being based on a simple majority.

In accordance with IAS 28 Investments in Associates and Joint Ventures, equity holdings of 20% or more of voting power (directly or through subsidiaries) indicates significant influence and result in equity accounting – unless it can be clearly demonstrated that significant influence does not exist.

The Group cannot participate in or veto any Cazoo Board decisions – which are based on a simple Board majority, due to the current composition of the other seats on the Board and has no other means that give it the ability to participate in the financial and operating policy decisions of Cazoo. The Group provides no essential technical information to develop the Cazoo business and there is no interchange of managerial personnel between DMGT and Cazoo. Therefore, the Directors have concluded that the Group does not possess the ability to exert significant influence over Cazoo and accordingly the Group has not equity accounted for its interest.

Cazoo has been recognised as an equity investment and measured at fair value through Other Comprehensive Income (OCI). The carrying value of Cazoo at the period end was £375.0 million and a gain of £293.5 million was recognised in OCI during the period.

Mail Force Charitable Incorporated Organisation (CIO)

The Group established the Mail Force CIO during the current year. The Group has assessed its relationship with the charity in accordance with IFRS 10, Consolidated Financial Statements and concluded that it does not have the power to affect returns to the Group from the Charity's activities, and does not control Mail Force. Accordingly Mail Force's accounts have not been consolidated within the Group's financial statements.

Financial Statements

Notes to the accounts

2 Significant accounting policies continued

Critical accounting judgements and key sources of estimation uncertainty continued

The following represent key sources of estimation uncertainty that have the most significant effect on the amounts recognised in the financial statements:

Forecasting

The Group prepares medium-term forecasts based on Board-approved budgets and four-year outlooks. These are used to support estimates made in the preparation of the Group's financial statements including the recognition of deferred tax assets in different jurisdictions, the Group's going concern and viability assessments and for the purposes of impairment reviews. Longer-term forecasts use long-term growth rates applicable to the relevant businesses. See Note 21 for a sensitivity assessment of these long-term growth rates on the carrying values of certain of the Group's goodwill and intangible assets.

Impairment of goodwill and intangible assets

Determining whether goodwill and intangible or other assets are impaired or whether a reversal of an impairment should be recorded requires a comparison of the balance sheet carrying value with the recoverable amount of the asset or CGU. The recoverable amount is the higher of the value in use and fair value less costs to sell.

The value in use calculation requires management to estimate the future cash flows expected to arise from the asset or CGU and calculate the net present value of these cash flows using a suitable discount rate. A key area of estimation is deciding the long-term growth rate and the operating cash flows of the applicable businesses and the discount rate applied to those cash flows. The key assumptions used and associated sensitivity analysis in relation to the Group's EdTech segment, UK Property Information business in the Property Information segment and CWC in the Events and Exhibitions segment is shown in Note 21. The carrying amount of goodwill and intangible assets within these segments at the period end amounted to £251.8 million.

Acquisitions and intangible assets

The Group's accounting policy on the acquisition of subsidiaries is to allocate purchase consideration to the fair value of identifiable assets, liabilities and contingent liabilities acquired with any excess consideration representing goodwill. Determining the fair value of assets, liabilities and contingent liabilities acquired requires significant estimates and assumptions, including assumptions with respect to cash flows and unprovided liabilities and commitments, including with respect to tax, to be used. The Group recognises intangible assets acquired as part of a business combination at fair value at the date of acquisition. The determination of these fair values is based upon management's estimate and includes assumptions on the timing and amount of future cash flows generated by the assets and the selection of an appropriate discount rate. Additionally, management must estimate the expected useful economic lives of intangible assets and charge amortisation on these assets accordingly.

Taxation

Being a multinational Group with tax affairs in many geographic locations inherently leads to a highly complex tax structure which makes the degree of estimation more challenging. The resolution of issues is not always within the control of the Group and actual tax liabilities or refunds may differ from those anticipated due to changes in tax legislation, differing interpretations of tax legislation and uncertainties surrounding the application of tax legislation. Such issues can take several years to resolve.

The Group accounts for unresolved issues based on its best estimate of the final outcome, however the inherent uncertainty regarding these items means that the eventual resolution could differ significantly from the accounting estimates and, therefore, impact the Group's results and future cash flows. In situations where uncertainties exist, provision is made for contingent tax liabilities and assets when it is more likely than not that there will be a cash impact. These provisions are made for each uncertainty individually based on management's estimates following consideration of the available relevant information. The measurement basis adopted represents the best predictor of the resolution of the uncertainty which is usually based on the most likely cash outflow. The Company reviews the adequacy of these provisions at the end of each reporting period and adjusts them based on changing facts and circumstances.

In addition, the Group makes estimates regarding the recoverability of deferred tax assets relating to losses based on forecasts of future taxable profits which are, by their nature, uncertain. See Note 37 for further information concerning recognised and unrecognised deferred tax assets.

Critical accounting judgements and key sources of estimation uncertainty continued

Retirement benefits

The cost of defined benefit pension plans is determined using actuarial valuations prepared by the Group's actuaries. This involves making certain assumptions concerning discount rates, future salary increases and mortality rates. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty. The assumptions and the resulting estimates are reviewed annually and, when appropriate, changes are made which affect the actuarial valuations and, hence, the amount of retirement benefit expense recognised in the Consolidated Income Statement and the amounts of actuarial gains and losses recognised in the Consolidated Statement of Changes in Equity.

The fair value of the Group's pension scheme assets includes quoted and unquoted investments. The value of unquoted investments are estimated as their values are not directly observable. Accordingly the assumptions used in valuing unquoted investments are affected by current market conditions and trends which could result in changes in their fair value after the measurement date. A 1.0% movement in the value of unquoted pension scheme assets is estimated to change the value of the Group's pension scheme assets by £23.0 million (2019 £23.4 million).

The carrying amount of the retirement benefit obligation at 30 September 2020 was a surplus of £123.2 million (2019 £215.0 million). The assumptions used and the associated sensitivity analysis can be found in Note 35.

Legal claim provision

DMGT and certain of its subsidiaries are involved in various lawsuits and claims which arise in the course of business. The Group records a provision for these matters when it is probable that a liability will be incurred and the amount of the loss can be reasonably estimated.

The amounts accrued for legal contingencies often result from complex judgements about future events and uncertainties that rely heavily on estimates and assumptions.

As disclosed in Note 19, Genscape has been involved in a dispute with the US Environmental Protection Agency (EPA) since 2016. In 2017 Genscape voluntarily paid a 2.0% liability cap associated with invalid Renewable Identification Numbers (RINs) at a cost of US$1.3 million, based on the then-prevailing market rates, subject to a reservation of rights. However, during 2019 the EPA ordered Genscape to replace 69.2 million additional RINs it had verified.

DMGT continues to cooperate with the EPA and settlement discussions are ongoing but considering the uncertainties involved, the length of time involved and taking note of the order from the EPA, the Group, without admitting any wrongdoing, made a provision for the total cost of replacing RINs at 30 September 2019.

At each period end IAS 37 requires DMGT to review this provision and make appropriate adjustments to reflect the current status of the claim. Accordingly, the Group has reduced its total provision. The Group's closing provision includes the cost of replacement RINs, estimated purchase costs, associated legal fees and currency fluctuations. The final settlement amount may be different than the provision made, however, it is not possible for the Group to predict with any certainty the potential impact of this litigation or to quantify the ultimate cost of a verdict or resolution. Accordingly, the provision could change substantially over time as the dispute progresses and new facts emerge.

RINs trade in a volatile range averaging approximately 48 cents over the previous 24-month period compared to the period end price of 62 cents. The Group estimates that using the period end price rather than the 24-month average would increase the provision by approximately US$5.9 million (£4.6 million).

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3 Segment analysis

The Group's business activities are split into five continuing operating divisions: Insurance Risk, Property Information, EdTech, Events and Exhibitions and Consumer Media. These divisions are the basis on which information is reported to the Group's Chief Operating Decision Maker, which has been determined to be the Group Board. The segment result is the measure used for the purposes of resource allocation and assessment and represents profit earned by each segment, including share of results from joint ventures and associates but before exceptional operating costs, amortisation of acquired intangible assets arising on business combinations, impairment charges, other gains and losses, net finance costs and taxation. During the period, the Energy Information segment was disposed and is classified within discontinued operations.

The accounting policies applied in preparing the management information for each of the reportable segments are the same as the Group's accounting policies described in Note 2.

Year ended 30 September 2020	Note	Total and external revenue £m	Segment operating profit/(loss) £m	Less operating (loss)/profit of joint ventures and associates £m	Adjusted operating profit/(loss) £m
Insurance Risk		248.3	33.0	(0.7)	33.7
Property Information		186.6	25.0	1.0	24.0
EdTech		84.9	5.9	–	5.9
Events and Exhibitions		79.2	3.8	–	3.8
Energy Information		7.1	1.6	–	1.6
Consumer Media		604.4	55.8	–	55.8
		1,210.5	125.1	0.3	124.8
Corporate costs		–	(40.5)	(5.6)	(34.9)
Discontinued operations	19	(7.1)	(1.6)	–	(1.6)
		1,203.4			
Adjusted operating profit					88.3
Exceptional operating costs, impairment of internally generated and acquired computer software					(36.6)
Impairment of goodwill and acquired intangible assets arising on business combinations	21, 22				(14.1)
Amortisation of acquired intangible assets arising on business combinations	22				(11.3)
Operating profit before share of results of joint ventures and associates					26.3
Share of results of joint ventures and associates	7				(11.4)
Total operating profit					14.9
Other gains and losses	8				42.6
Profit before investment revenue, net finance costs and tax					57.5
Investment revenue	9				8.3
Finance expense	10				(17.8)
Finance income	10				4.4
Profit before tax					52.4
Tax	11				0.7
Profit from discontinued operations	19				135.9
Profit for the year					189.0

An analysis of the amortisation and impairment of goodwill and intangible assets, exceptional operating costs by segment is as follows:

Year ended 30 September 2020	Note	Amortisation of intangible assets not arising on business combinations (Note 22) £m	Amortisation of intangible assets arising on business combinations (Note 22) £m	Impairment of goodwill and intangible assets arising on business combinations (Note 21, 22) £m	Impairment of internally generated and acquired computer software (Note 22) £m	Exceptional operating (costs)/income £m
Insurance Risk		(0.1)	–	–	–	(20.4)
Property Information		(4.9)	(6.1)	–	(1.5)	(1.0)
EdTech		(7.3)	(0.7)	–	–	–
Events and Exhibitions		(0.1)	(1.3)	(11.2)	–	(1.5)
Energy Information		–	–	–	–	11.4
Consumer Media		(1.6)	(3.2)	(2.9)	–	(7.2)
		(14.0)	(11.3)	(14.1)	(1.5)	(18.7)
Corporate costs		(1.4)	–	–	–	(5.0)
		(15.4)	(11.3)	(14.1)	(1.5)	(23.7)
Relating to discontinued operations	19	–	–	–	–	(11.4)
Continuing operations		(15.4)	(11.3)	(14.1)	(1.5)	(35.1)

The Group's exceptional operating (costs)/income which have been disclosed separately due to their size, nature and incidence are analysed in the table below. The Directors believe this presentation provides users of these accounts with clear and consistent reporting:

Year ended 30 September 2020	Note	Severance and other closure costs (i) £m	LTIP (ii) £m	Option modification charge (iii) £m	Legal fees and claims £m	Total £m
Insurance Risk		–	–	(20.4)	–	(20.4)
Property Information		(1.0)	–	–	–	(1.0)
Events and Exhibitions		(1.5)	–	–	–	(1.5)
Energy Information		–	–	–	11.4	11.4
Consumer Media		(6.1)	(1.1)	–	–	(7.2)
		(8.6)	(1.1)	(20.4)	11.4	(18.7)
Corporate costs		–	(5.0)	–	–	(5.0)
		(8.6)	(6.1)	(20.4)	11.4	(23.7)
Relating to discontinued operations	19	–	–	–	(11.4)	(11.4)
Continuing operations		(8.6)	(6.1)	(20.4)	–	(35.1)

(i) Headcount was reduced in the Property Information, Events and Exhibitions and Consumer Media segments to enhance the future profitability of individual product lines and support the margins of these businesses.

(ii) During the year ended 30 September 2018, the Group sold its investment in ZPG Plc (ZPG) resulting in a profit on sale of £508.4 million and during the year ended 30 September 2019 the Group disposed of its investment in Euromoney Institutional Investor PLC (Euromoney). As a direct consequence of these disposals the value of the DMGT Long Term Incentive Plans (LTIPs) are estimated to have increased by £22.5 million. As the LTIPs include a service period condition, IFRS 2, Share-based Payment requires the LTIP charge to be spread over the service period until the award vests. The LTIP charge recognised in the period, which relates to the disposals of ZPG and Euromoney amounts to £6.1 million. Since the profit on sale of ZPG and the capital benefit of the Euromoney disposal are excluded from our adjusted profit measure we have treated the incremental increase in the LTIP charge as an adjusting item and will continue to do so until these awards vest.

(iii) Options granted under the 2015 RMS Equity Incentive Plan (2015 Plan) originally required satisfying two conditions in order to vest – a service period and the occurrence of an initial public offering (IPO) of RMS or an event in which the Group ceased to hold at least 50.0% of the voting rights of RMS. Since the possibility of an IPO or change in control was considered improbable, in accordance with IFRS 2, Share-based Payment, the Group had not booked a charge to the Consolidated Income Statement for this 2015 Plan.

On 20 July 2020, the Group modified the 2015 Plan such that vesting now occurs only on the satisfaction of a service period, which causes vesting to be considered probable. Following this modification and in accordance with IFRS 2, the Group is required to recognise a charge of £20.4 million (US$26.2 million) for the cumulative service rendered by participants from grant to modification. Due to the materiality and non-recurring nature of this charge, the Group has classified the modification charge as an adjusting item.

The charge in the Consolidated Income Statement for the period post modification to the period end amounts to £2.0 million (US$2.6 million) which has been charged against the Group's adjusted operating profit.

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3 Segment analysis continued

The Group's tax charge includes a credit of £4.7 million in relation to these exceptional operating costs of which a charge of £2.4 million relates to discontinued operations.

An analysis of the depreciation of right of use assets and property, plant and equipment, research costs, investment revenue, other gains and losses and finance income and expense by segment is as follows:

Year ended 30 September 2020	Note	Depreciation of right of use assets (Note 24) £m	Depreciation of property, plant and equipment (Note 23) £m	Research costs £m	Investment revenue (Note 9) £m	Other gains and losses (Note 8) £m	Finance income (Note 10) £m	Finance expense (Note 10) £m
Insurance Risk		(6.0)	(5.3)	(41.7)	0.4	–	–	(0.7)
Property Information		(2.0)	(1.9)	–	–	33.7	–	(0.5)
EdTech		(1.3)	(0.3)	–	0.9	0.5	–	(0.2)
Events and Exhibitions		(0.6)	(0.2)	–	–	(0.2)	–	(0.1)
Energy Information		–	–	(0.5)	–	133.8	–	–
Consumer Media		(11.0)	(14.2)	–	–	5.6	3.2	(1.1)
		(20.9)	(21.9)	(42.2)	1.3	173.4	3.2	(2.6)
Corporate costs		–	(0.6)	–	7.0	3.0	1.2	(15.2)
		(20.9)	(22.5)	(42.2)	8.3	176.4	4.4	(17.8)
Relating to discontinued operations	19	–	–	0.5	–	(133.8)	–	–
Continuing operations		(20.9)	(22.5)	(41.7)	8.3	42.6	4.4	(17.8)

Year ended 30 September 2019	Note	Total and external revenue £m	Segment operating profit/(loss) £m	Less operating profit/(loss) of joint ventures and associates £m	Adjusted operating profit/(loss) £m
Insurance Risk		244.3	39.7	(0.7)	40.4
Property Information		222.1	41.9	0.5	41.4
EdTech		79.7	4.4	–	4.4
Events and Exhibitions		118.7	22.3	–	22.3
Energy Information		73.6	8.4	–	8.4
Consumer Media		672.2	67.9	0.8	67.1
		1,410.6	184.6	0.6	184.0
Corporate costs		–	(27.8)	12.0	(39.8)
Discontinued operations	19	(73.6)	(8.4)	–	(8.4)
		1,337.0			
Adjusted operating profit					**135.8**
Exceptional operating costs, impairment of internally generated and acquired computer software					(11.9)
Impairment of goodwill and acquired intangible assets arising on business combinations	21, 22				(19.1)
Amortisation of acquired intangible assets arising on business combinations	22				(10.2)
Operating profit before share of results of joint ventures and associates					**94.6**
Share of results of joint ventures and associates	7				(28.1)
Total operating profit					**66.5**
Other gains and losses	8				73.7
Profit before investment revenue, net finance costs and tax					**140.2**
Investment revenue	9				11.5
Finance expense	10				(24.5)
Finance income	10				7.1
Profit before tax					**134.3**
Tax	11				(20.4)
Loss from discontinued operations	19				(22.6)
Profit for the year					**91.3**

An analysis of the amortisation and impairment of goodwill and intangible assets, exceptional operating costs by segment is as follows:

Year ended 30 September 2019	Note	Amortisation of intangible assets not arising on business combinations (Note 22) £m	Amortisation of intangible assets arising on business combinations (Note 22) £m	Impairment of goodwill and intangible assets arising on business combinations (Notes 21) £m	Exceptional operating (costs)/income £m
Insurance Risk		(0.1)	–	–	–
Property Information		(6.3)	(7.1)	(19.1)	–
EdTech		(7.7)	(1.6)	–	0.1
Events and Exhibitions		–	(1.4)	–	–
Energy Information		(4.1)	(3.2)	–	(31.3)
Consumer Media		(3.0)	(0.1)	–	(2.0)
		(21.2)	(13.4)	(19.1)	(33.2)
Corporate costs		(0.8)	–	–	(10.0)
		(22.0)	(13.4)	(19.1)	(43.2)
Relating to discontinued operations	19	4.1	3.2	–	31.3
Continuing operations		(17.9)	(10.2)	(19.1)	(11.9)

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3 Segment analysis continued

The Group's exceptional operating (costs)/income are analysed as follows:

Year ended 30 September 2019	Note	LTIP (i) £m	Pension past service cost (Note 35) (ii) £m	Property £m	Legal fees and claims £m	Other £m	Total £m
EdTech		–	–	0.1	–	–	0.1
Energy Information		–	–	–	(31.3)	–	(31.3)
Consumer Media		(1.5)	(1.9)	2.4	–	(1.0)	(2.0)
		(1.5)	(1.9)	2.5	(31.3)	(1.0)	(33.2)
Corporate costs		(8.1)	(1.2)	–	–	(0.7)	(10.0)
		(9.6)	(3.1)	2.5	(31.3)	(1.7)	(43.2)
Relating to discontinued operations	19	–	–	–	31.3	–	31.3
Continuing operations		(9.6)	(3.1)	2.5	–	(1.7)	(11.9)

(i) During the year ended 30 September 2018, the Group sold its investment in ZPG resulting in a profit on sale of £508.4 million and during the year ended 30 September 2019, the Group disposed of its investment in Euromoney. As a direct consequence of these disposals the value of the DMGT Long Term Incentive Plans (LTIPs) are estimated to have increased by £21.9 million. As the LTIPs include a service period condition, IFRS 2, Share-based Payment requires the LTIP charge to be spread over the service period until the awards vest. The LTIP charge recognised in the period, which relates to the disposals of ZPG and Euromoney, amounts to £9.6 million. Since the profit on the sale of ZPG and the capital benefit of the Euromoney disposal are excluded from our adjusted profit measure we have treated the incremental increase in the LTIP charge as an adjusting item and will continue to do so until the awards vest.

(ii) The pension past service cost represents a non-cash charge. This follows a High Court ruling in the Lloyds Banking Group case to equalise benefits for the effect of unequal Guaranteed Minimum Pensions (GMP) between men and women for UK pension schemes which had contracted out of the State Earnings Related Pension Scheme.

The Group's tax charge includes a credit of £9.1 million in relation to these exceptional operating costs of which £6.6 million relates to discontinued operations.

An analysis of the depreciation of property, plant and equipment, research costs, investment revenue, other gains and losses and finance income and expense by segment is as follows:

Year ended 30 September 2019	Note	Depreciation of property, plant and equipment (Note 23) £m	Research costs £m	Investment revenue (Note 9) £m	Other gains and losses (Note 8) £m	Finance income (Note 10) £m	Finance expense (Note 10) £m
Insurance Risk		(5.3)	(39.7)	0.4	–	–	–
Property Information		(2.3)	(0.1)	–	(3.1)	–	(0.1)
EdTech		(0.3)	–	1.4	(0.4)	–	(0.1)
Events and Exhibitions		(0.3)	–	–	(0.5)	–	–
Energy Information		(2.6)	(5.2)	–	(6.4)	–	(0.1)
Consumer Media		(14.0)	(0.5)	–	(0.5)	7.1	(0.3)
		(24.8)	(45.5)	1.8	(10.9)	7.1	(0.6)
Corporate costs		(0.5)	–	9.7	78.2	–	(24.0)
		(25.3)	(45.5)	11.5	67.3	7.1	(24.6)
Relating to discontinued operations	19	2.6	5.2	–	6.4	–	0.1
Continuing operations		(22.7)	(40.3)	11.5	73.7	7.1	(24.5)

The Group's revenue comprises sales excluding value added tax, less discounts and commission where applicable and is analysed as follows:

	Year ended 30 September 2020 Total £m	Year ended 30 September 2020 Total Point in time £m	Year ended 30 September 2020 Total Over time £m	Year ended 30 September 2020 Discontinued operations Total (Note 19) £m	Year ended 30 September 2020 Discontinued operations Point in time (Note 19) £m	Year ended 30 September 2020 Discontinued operations Over time (Note 19) £m	Year ended 30 September 2020 Continuing operations Total £m	Year ended 30 September 2020 Continuing operations Point in time £m	Year ended 30 September 2020 Continuing operations Over time £m
Print advertising	**131.7**	**131.7**	**–**	**–**	**–**	**–**	**131.7**	**131.7**	**–**
Digital advertising	**151.8**	**8.8**	**143.0**	**–**	**–**	**–**	**151.8**	**8.8**	**143.0**
Circulation	**284.5**	**280.5**	**4.0**	**–**	**–**	**–**	**284.5**	**280.5**	**4.0**
Subscriptions and recurring licences	**373.1**	**0.6**	**372.5**	**6.5**	**0.2**	**6.3**	**366.6**	**0.4**	**366.2**
Events, conferences and training	**78.7**	**78.7**	**–**	**–**	**–**	**–**	**78.7**	**78.7**	**–**
Transactions and other	**190.7**	**185.7**	**5.0**	**0.6**	**0.6**	**–**	**190.1**	**185.1**	**5.0**
	1,210.5	**686.0**	**524.5**	**7.1**	**0.8**	**6.3**	**1,203.4**	**685.2**	**518.2**

	Year ended 30 September 2019 Total £m	Year ended 30 September 2019 Total Point in time £m	Year ended 30 September 2019 Total Over time £m	Year ended 30 September 2019 Discontinued operations Total (Note 19) £m	Year ended 30 September 2019 Discontinued operations Point in time (Note 19) £m	Year ended 30 September 2019 Discontinued operations Over time (Note 19) £m	Year ended 30 September 2019 Continuing operations Total £m	Year ended 30 September 2019 Continuing operations Point in time £m	Year ended 30 September 2019 Continuing operations Over time £m
Print advertising	184.5	184.5	–	–	–	–	184.5	184.5	–
Digital advertising	145.1	0.8	144.3	–	–	–	145.1	0.8	144.3
Circulation	284.1	284.1	–	–	–	–	284.1	284.1	–
Subscriptions and recurring licences	428.8	7.7	421.1	72.6	6.5	66.1	356.2	1.2	355.0
Events, conferences and training	118.0	118.0	–	–	–	–	118.0	118.0	–
Transactions and other	250.1	225.8	24.3	1.0	1.0	–	249.1	224.8	24.3
	1,410.6	820.9	589.7	73.6	7.5	66.1	1,337.0	813.4	523.6

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3 Segment analysis continued

By geographic area

The majority of the Group's operations are located in the United Kingdom and North America. The analysis of Group revenue below is based on the location of Group companies in these regions.

	Year ended 30 September 2020 Total £m	Year ended 30 September 2020 Total Point in time £m	Year ended 30 September 2020 Total Over time £m	Year ended 30 September 2020 Discontinued operations Total (Note 19) £m	Year ended 30 September 2020 Discontinued operations Point in time (Note 19) £m	Year ended 30 September 2020 Discontinued operations Over time (Note 19) £m	Year ended 30 September 2020 Continuing operations Total £m	Year ended 30 September 2020 Continuing operations Point in time £m	Year ended 30 September 2020 Continuing operations Over time £m
UK	**718.8**	**569.9**	**148.9**	**–**	**–**	**–**	**718.8**	**569.9**	**148.9**
North America	**402.1**	**36.7**	**365.4**	**6.6**	**0.8**	**5.8**	**395.5**	**35.9**	**359.6**
Rest of the World	**89.6**	**79.4**	**10.2**	**0.5**	**–**	**0.5**	**89.1**	**79.4**	**9.7**
	1,210.5	**686.0**	**524.5**	**7.1**	**0.8**	**6.3**	**1,203.4**	**685.2**	**518.2**

	Year ended 30 September 2019 Total £m	Year ended 30 September 2019 Total Point in time £m	Year ended 30 September 2019 Total Over time £m	Year ended 30 September 2019 Discontinued operations Total (Note 19) £m	Year ended 30 September 2019 Discontinued operations Point in time (Note 19) £m	Year ended 30 September 2019 Discontinued operations Over time (Note 19) £m	Year ended 30 September 2019 Continuing operations Total £m	Year ended 30 September 2019 Continuing operations Point in time £m	Year ended 30 September 2019 Continuing operations Over time £m
UK	814.5	674.2	140.3	–	–	–	814.5	674.2	140.3
North America	467.6	38.3	429.3	68.0	7.2	60.8	399.6	31.1	368.5
Rest of the World	128.5	108.4	20.1	5.6	0.3	5.3	122.9	108.1	14.8
	1,410.6	820.9	589.7	73.6	7.5	66.1	1,337.0	813.4	523.6

The analysis of Group revenue below is based on the geographic location of customers in these regions.

	Year ended 30 September 2020 Total £m	Year ended 30 September 2020 Total Point in time £m	Year ended 30 September 2020 Total Over time £m	Year ended 30 September 2020 Discontinued operations Total (Note 19) £m	Year ended 30 September 2020 Discontinued operations Point in time (Note 19) £m	Year ended 30 September 2020 Discontinued operations Over time (Note 19) £m	Year ended 30 September 2020 Continuing operations Total £m	Year ended 30 September 2020 Continuing operations Point in time £m	Year ended 30 September 2020 Continuing operations Over time £m
UK	**685.7**	**560.3**	**125.4**	**0.4**	**–**	**0.4**	**685.3**	**560.3**	**125.0**
North America	**338.5**	**34.7**	**303.8**	**5.6**	**0.8**	**4.8**	**332.9**	**33.9**	**299.0**
Rest of the World	**186.3**	**91.0**	**95.3**	**1.1**	**–**	**1.1**	**185.2**	**91.0**	**94.2**
	1,210.5	**686.0**	**524.5**	**7.1**	**0.8**	**6.3**	**1,203.4**	**685.2**	**518.2**

	Year ended 30 September 2019 Total £m	Year ended 30 September 2019 Total Point in time £m	Year ended 30 September 2019 Total Over time £m	Year ended 30 September 2019 Discontinued operations Total (Note 19) £m	Year ended 30 September 2019 Discontinued operations Point in time (Note 19) £m	Year ended 30 September 2019 Discontinued operations Over time (Note 19) £m	Year ended 30 September 2019 Continuing operations Total £m	Year ended 30 September 2019 Continuing operations Point in time £m	Year ended 30 September 2019 Continuing operations Over time £m
UK	748.0	640.1	107.9	4.3	–	4.3	743.7	640.1	103.6
North America	421.6	48.1	373.5	58.1	7.3	50.8	363.5	40.8	322.7
Rest of the World	241.0	132.7	108.3	11.2	0.2	11.0	229.8	132.5	97.3
	1,410.6	820.9	589.7	73.6	7.5	66.1	1,337.0	813.4	523.6

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

	At 30 September 2020 Closing net book value of property, plant and equipment (Note 23) £m	At 30 September 2019 Closing net book value of property, plant and equipment (Note 23) £m	At 30 September 2020 Closing net book value of right of use assets (Note 24) £m	At 30 September 2019 Closing net book value of right of use assets (Note 24) £m	At 30 September 2020 Closing net book value of goodwill (Note 21) £m	At 30 September 2019 Closing net book value of goodwill (Note 21) £m	At 30 September 2020 Closing net book value of intangible assets (Note 22) £m	At 30 September 2019 Closing net book value of intangible assets (Note 22) £m
UK	**52.9**	59.7	**32.8**	–	**127.1**	101.6	**75.2**	39.3
North America	**9.1**	13.3	**51.6**	–	**126.5**	132.9	**17.3**	25.9
Rest of the World	**1.0**	1.4	**5.4**	–	**1.8**	16.7	**2.4**	4.7
	63.0	74.4	**89.8**	–	**255.4**	251.2	**94.9**	69.9

The additions to non-current assets are analysed as follows:

	Year ended 30 September 2020 Property, plant and equipment (Note 23) £m	Year ended 30 September 2019 Property, plant and equipment (Note 23) £m	Year ended 30 September 2020 Right of use assets (Note 24) £m	Year ended 30 September 2019 Right of use assets (Note 24) £m	Year ended 30 September 2020 Goodwill (Note 21) £m	Year ended 30 September 2019 Goodwill (Note 21) £m	Year ended 30 September 2020 Intangible assets (Note 22) £m	Year ended 30 September 2019 Intangible assets (Note 22) £m
Insurance Risk	**3.8**	5.1	**37.8**	–	**–**	–	**0.3**	–
Property Information	**0.6**	1.9	**1.0**	–	**4.7**	17.5	**4.9**	6.0
EdTech	**0.3**	0.4	**–**	–	**–**	–	**3.4**	3.8
Events and Exhibitions	**–**	0.5	**1.6**	–	**7.9**	1.2	**9.8**	2.3
Energy Information	**0.3**	1.7	**–**	–	**–**	–	**–**	1.8
Consumer Media	**6.7**	6.1	**1.8**	–	**9.2**	3.3	**38.5**	–
	11.7	15.7	**42.2**	–	**21.8**	22.0	**56.9**	13.9
Corporate costs	**0.7**	0.2	**–**	–	**–**	–	**–**	4.0
	12.4	15.9	**42.2**	–	**21.8**	22.0	**56.9**	17.9

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4 Operating profit/(loss) analysis

Operating profit/(loss) before the share of results of joint ventures and associates is further analysed as follows:

	Note	Year ended 30 September 2020 Total £m	Year ended 30 September 2020 Discontinued operations (Note 19) £m	Year ended 30 September 2020 Continuing operations £m	Year ended 30 September 2019 Total £m	Year ended 30 September 2019 Discontinued operations (Note 19) £m	Year ended 30 September 2019 Continuing operations £m
Revenue		**1,210.5**	**7.1**	**1,203.4**	1,410.6	73.6	1,337.0
Decrease in stocks of finished goods and work in progress		**(4.6)**	**–**	**(4.6)**	(4.9)	–	(4.9)
Raw materials, consumables and direct staff costs		**(176.6)**	**–**	**(176.6)**	(221.8)	–	(221.8)
Inventories recognised as an expense in the year		**(181.2)**	**–**	**(181.2)**	(226.7)	–	(226.7)
Staff costs		**(518.7)**	**(3.4)**	**(515.3)**	(527.2)	(34.7)	(492.5)
Impairment of goodwill and intangible assets	21, 22	**(15.6)**	**–**	**(15.6)**	(19.1)	–	(19.1)
Amortisation of intangible assets arising on business combinations	3, 22	**(11.3)**	**–**	**(11.3)**	(13.4)	(3.2)	(10.2)
Amortisation of internally generated and acquired computer software not arising on business combinations	22	**(15.4)**	**–**	**(15.4)**	(22.0)	(4.1)	(17.9)
Promotion and marketing costs		**(32.5)**	**–**	**(32.5)**	(30.4)	–	(30.4)
Venue and delegate costs		**(24.2)**	**–**	**(24.2)**	(38.8)	–	(38.8)
Editorial and production costs		**(95.5)**	**–**	**(95.5)**	(105.7)	–	(105.7)
Distribution and transportation costs		**(34.5)**	**–**	**(34.5)**	(40.5)	–	(40.5)
Royalties and similar charges		**(33.7)**	**(0.5)**	**(33.2)**	(33.4)	(4.7)	(28.7)
Depreciation of property, plant and equipment	23	**(22.5)**	**–**	**(22.5)**	(25.3)	(2.6)	(22.7)
Depreciation of right of use assets	24	**(20.9)**	**–**	**(20.9)**	–	–	–
Rental of property		**–**	**–**	**–**	(25.6)	(1.7)	(23.9)
Other property costs		**(21.4)**	**–**	**(21.4)**	(22.3)	–	(22.3)
Rental of plant, equipment and venue space		**(11.8)**	**–**	**(11.8)**	(18.1)	–	(18.1)
Foreign exchange translation differences		**(0.3)**	**0.1**	**(0.4)**	(0.2)	0.1	(0.3)
Net credit losses on financial assets		**(5.5)**	**(0.1)**	**(5.4)**	(0.8)	(0.5)	(0.3)
Low-value asset lease expense		**(3.0)**	**(0.1)**	**(2.9)**	–	–	–
Other (expenses)/income		**(123.2)**	**9.9**	**(133.1)**	(192.6)	(48.3)	(144.3)
Operating profit/(loss) before share of results of joint ventures and associates		**39.3**	**13.0**	**26.3**	68.5	(26.1)	94.6

5 Auditor's remuneration

	Year ended 30 September 2020 £m	Year ended 30 September 2019 £m
Fees payable to the Company's Auditor for the audit of the Company's annual accounts	**0.7**	0.5
Fees payable to the Company's Auditor and its associates pursuant to legislation		
for the audit of the Company's subsidiaries	**1.6**	1.4
for the audit of the Company's associates	**–**	0.8
Audit services provided to all Group companies	**2.3**	2.7
Audit-related assurance services	**0.2**	0.2
Assurance services	**0.2**	0.6
Total non-audit services	**0.4**	0.8
Total remuneration	**2.7**	3.5

In the prior year, included within non-audit services in the table above are audit-related assurance services of £0.1 million and assurance services of £0.1 million provided to Euromoney prior to its disposal.

6 Employees

The average monthly number of persons employed by the Group including Directors is analysed as follows:

	Note	Year ended 30 September 2020 Number	Year ended 30 September 2019 Number
Insurance Risk		**1,507**	1,483
Property Information	(i)	**1,025**	1,124
EdTech		**386**	386
Events and Exhibitions		**353**	393
Energy Information	(ii)	**322**	350
Consumer Media		**2,413**	2,292
Corporate costs		**63**	73
		6,069	6,101

(i) The prior year includes the average monthly number of persons employed by On-geo in the Property Information segment for the period ended 12 June 2019 when the business ceased to be a subsidiary undertaking.

(ii) Represents the average monthly number of persons employed in the Energy Information segment for the period ended 5 November 2019 when the segment was disposed.

The total average number of persons employed by the Group in the year, for the purposes of calculating an average cost per employee, is 5,773 (2019 6,049).

Total staff costs comprised:

	Note	Year ended 30 September 2020 £m	Year ended 30 September 2019 £m
Wages and salaries		**447.0**	455.1
Share-based payments	42	**42.2**	21.1
Social security costs		**40.7**	42.0
Pension costs		**12.5**	14.4
		542.4	532.6

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7 Share of results of joint ventures and associates

	Note	Year ended 30 September 2020 £m	Year ended 30 September 2019 £m
Share of adjusted operating profits from operations of joint ventures		**1.2**	1.7
Share of adjusted operating (losses)/profits from operations of associates	(i)	**(9.0)**	10.9
Share of adjusted operating (losses)/profits from joint ventures and associates		**(7.8)**	12.6
Share of associates' other gains and losses	13	**0.4**	–
Share of exceptional operating income of associates	13	**–**	7.0
Share of amortisation of intangibles arising on business combinations of associates	13	**–**	(6.5)
Share of associates' interest payable		**(0.7)**	(0.1)
Share of joint ventures' tax	11, 13	**(0.1)**	(0.2)
Share of associates' tax	11, 13	**0.6**	(7.1)
Impairment of carrying value of joint ventures	13, 25	**(0.1)**	–
Impairment of carrying value of Euromoney	13, 25, (ii)	**–**	(27.7)
Share of Euromoney prior year tax exposures	13, 25, (iii)	**–**	(5.3)
Share of Euromoney tax on prior year tax exposures	11, 13, 25, (iii)	**–**	1.1
Adjustment to impairment of carrying value of Euromoney following Euromoney prior year tax exposures	13, 25, (iii)	**–**	4.2
Impairment of carrying value of other associates	13, 25, (iv)	**(3.7)**	(6.1)
		(11.4)	(28.1)
Share of associates' items of other comprehensive income		**–**	(0.7)
Share of results of joint ventures and associates		**(11.4)**	(28.8)
Share of results from operations of joint ventures	25	**1.1**	1.5
Share of results from operations of associates	25	**(8.7)**	–
Impairment of carrying value of joint ventures	25	**(0.1)**	–
Impairment of carrying value of associates	25	**(3.7)**	(29.6)
		(11.4)	(28.1)
Share of associates' items of other comprehensive income	25	**–**	(0.7)
Share of results of joint ventures and associates		**(11.4)**	(28.8)

(i) Share of adjusted operating profits from associates includes £nil (2019 £23.0 million) from the Group's interest in Euromoney held centrally for the period to 2 April 2019.

(ii) At 31 March 2019 the Group's investment in Euromoney was transferred to Assets Held for Sale at the lower of carrying value and fair value less costs to sell. This resulted in an impairment charge of £27.7 million for the period to 31 March 2019 which was taken to the Consolidated Income Statement in accordance with IFRS 5, Non-current Assets Held for Sale and Discontinued Operations.

(iii) During the prior period Euromoney engaged external advisors to undertake an audit of their compliance with the off-payroll working rules. As a result of this review Euromoney identified an underpayment of payroll taxes to HMRC for the six years to 30 September 2019 amounting to £8.2 million including interest and penalties.

During the prior period Euromoney also discovered a VAT exposure in the UK relating to the understatement of VAT on supplies made between entities within the Euromoney Group in respect of the four years ended 30 September 2018. Euromoney assessed their exposure as at 30 September 2019 to be £11.3 million including interest.

The total impact on Euromoney as at 30 September 2019 amounted to an understatement of taxes, penalties and interest of £17.0 million net of deferred and corporation taxes. Euromoney considered this to be material and corrected these understatements in their prior period accounts in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

The DMGT Group disposed of its 49.9% interest in Euromoney on 2 April 2019 and the post-tax impact of these adjustments on DMGT at that date amounted to a charge of £4.2 million. This was corrected in the period ended 30 September 2019 since the Directors do not consider this to be material for DMGT. The charge against profits was treated as an adjusting item due to its significance and non-recurring nature.

This adjustment reduced the impairment charge booked in the period to 31 March 2019 in relation to the Group's investment in Euromoney from £27.7 million to £23.5 million.

(iv) Represents a £0.1 million write-down in the carrying value of Global Events Partners Ltd in the Events and Exhibitions segment and a £3.6 million write-down in the carrying value of Also Energy Holdings, Inc. held centrally. In the prior period, represents a £1.3 million write-down in the carrying value of Skymet Weather Services Pvt, Inc., a £0.9 million write-down in the carrying value of Liases Foras Real Estate Rating & Research Pvt. Ltd, a £3.0 million write-down in the carrying value of Funcent DMG Information Technology Hong Kong Company Ltd, a £0.9 million write-down in the carrying value of Propstack Services Private Ltd all held centrally.

8 Other gains and losses

	Note	Year ended 30 September 2020 £m	Year ended 30 September 2019 £m
Profit on disposal of property, plant and equipment	13	–	1.1
Profit/(loss) on disposal and closure of businesses	13, 18, (i)	**38.9**	(1.8)
Recycled cumulative translation differences	13, 18, 39, (ii)	**0.7**	(3.6)
Loss on dilution of stake in associate	13, 25, (iii)	–	(0.7)
Profit/(loss) on change in control	13, (iv)	**1.6**	(0.8)
Profit on disposal of joint ventures and associates	13, (v)	**1.4**	79.5
		42.6	73.7

There is a tax charge of £1.6 million in relation to these other gains and losses (2019 £15.0 million).

(i) In the current period this principally relates to a profit of £24.8 million relating to the disposal of Inframation AG and a profit of £15.7 million relating to Buildfax, Inc. both in the Property Information segment.

In the prior period this principally relates to a loss of £2.3 million relating to the disposal of On-geo in the Property Information segment.

(ii) Represents cumulative translation differences required to be recycled through the Consolidated Income Statement on disposals.

(iii) In the prior period this represents a loss on dilution of the Group’s stakes in Skymet Weather Services Pvt, Inc. and Laundrapp Ltd (formerly known as Zipjet Ltd). In accordance with IAS 28, Investments in Associates and Joint Ventures, this dilution has been treated as a deemed disposal. The carrying value of these investments has decreased resulting in a loss on dilution of £0.7 million.

(iv) In the current period this relates to a reduction in the Group’s interest in Cazoo Ltd (Cazoo), previously an associate held centrally. The remaining shareholding in Cazoo has been treated as a financial asset at fair value through other comprehensive income. In accordance with IFRS 3, Business Combinations, the difference of £1.6 million between the fair value of the investment retained and the carrying value is treated as a gain on change in control.

In the prior period the Group reduced its interest in TreppPort, LLC (TreppPort) in the Property Information segment. The remaining shareholding in TreppPort has been treated as a joint venture. In accordance with IFRS 3, Business Combinations, the difference of £0.7 million between the fair value of the investment retained and the carrying value is treated as a gain on change in control.

Additionally, in the prior period the Group purchased the remaining 50.0% of Daily Mail On-Air LLC (DailyMailTV), a joint venture in the Consumer Media segment during the period ended 30 September 2018, increasing its existing shareholding from 50.0% to 100% and became a wholly owned subsidiary. The difference of £1.5 million between the fair value of the joint venture and the net assets acquired is treated as a loss on change in control.

(v) In the current period this principally represents a profit of £1.2 million on the sale of Also Energy Holdings, Inc. held centrally and a £0.1 million refund of expenses incurred in a prior period in relation to the disposal of SiteCompli in the Property Information segment.

In the prior period this principally represents a profit of £59.7 million on the sale of Real Capital Analytics, Inc. held centrally and profit of £27.2 million on disposal of SiteCompli in the Property Information segment, offset by costs of £7.9 million incurred in relation to the Group’s distribution of Euromoney to shareholders.

9 Investment revenue

	Year ended 30 September 2020 £m	Year ended 30 September 2019 £m
Interest receivable from short-term deposits	**5.0**	7.6
Interest receivable on loan notes	**3.3**	3.9
	8.3	11.5

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10 Net finance costs

	Note	Year ended 30 September 2020 £m	Year ended 30 September 2019 £m
Interest, arrangement and commitment fees payable on bonds, bank loans and loan notes		**(15.0)**	(19.0)
Premium on bond redemption	(i)	**–**	(0.9)
Finance charge on lease liabilities		**(2.5)**	–
Loss on derivatives, or portions thereof, not designated for hedge accounting		**(0.3)**	(3.5)
Change in fair value of derivative hedge of bond	16, 34	**0.5**	2.8
Change in fair value of hedged portion of bond	16, 34	**(0.5)**	(2.8)
Change in fair value of undesignated financial instruments	13	**–**	(0.9)
Change in fair value of contingent consideration payable	13, 36, (ii)	**–**	(0.2)
Finance expense		**(17.8)**	(24.5)
Finance income on defined benefit pension schemes	13, 35	**4.2**	7.1
Finance income on sublease receivable		**0.2**	–
Finance income		**4.4**	7.1
Net finance costs		**(13.4)**	(17.4)

(i) During the prior period, the Company bought back £6.4 million nominal of its outstanding 2021 bonds incurring a premium of £0.9 million.

(ii) The fair value movement of contingent consideration arises from the requirement of IFRS 3, Business Combinations, to measure such consideration at fair value with changes in fair value taken to the Consolidated Income Statement.

11 Tax

	Note	Year ended 30 September 2020 £m	Year ended 30 September 2019 £m
The credit/(charge) on the profit for the period consists of:			
UK tax			
Corporation tax at 19.0% (2019 19.0%)		**0.3**	–
Adjustments in respect of prior years		**–**	0.3
		0.3	0.3
Overseas tax			
Corporation tax		**(14.4)**	(17.7)
Adjustments in respect of prior years		**4.0**	7.1
		(10.4)	(10.6)
Total current tax		**(10.1)**	(10.3)
Deferred tax	37		
Origination and reversals of temporary differences		**(2.1)**	0.3
Adjustments in respect of prior years		**2.0**	(0.4)
Total deferred tax		**(0.1)**	(0.1)
Total tax charge		**(10.2)**	(10.4)
Relating to discontinued operations	19	**10.9**	(10.0)
Relating to continuing operations		**0.7**	(20.4)

The current and deferred tax implications of Brexit on the Group have been considered by management and are not expected to have any material impact.

In April 2019 the EU Commission released its final decision on the State Aid investigation into the Group Financing Exemption (GFE) included within the UK's controlled foreign company (CFC) rules. The Commission ruled that the GFE constituted State Aid to the extent that non-trade finance profits of a CFC arose as a result of Significant People Functions (SPFs) in the UK. Up until 2018 the Group financed its US operations through a Luxembourg resident finance company which had received clearance from HM Revenue & Customs (HMRC) that it benefitted from the GFE. If the State Aid investigation ultimately leads to a reversal of the benefits that the Group has accrued through the GFE, the tax cost to the Group would be in the range from £nil to £7.4 million. The Group's best estimate of its most likely exposure through having SPFs in the UK based on HMRC's guidance is £1.6 million. The Directors consider that an appeal against the Commission's decision would be more than likely to be successful, and accordingly have made no provision in these financial statements.

A deferred tax credit of £17.5 million (2019 £7.7 million) relating to the actuarial movement on defined benefit pension schemes was recognised directly in the Consolidated Statement of Comprehensive Income. A deferred tax charge of £0.6 million (2019 credit of £0.6 million) and a current tax charge of £nil (2019 £nil) were recognised directly in equity.

Legislation was enacted in September 2016 to reduce the UK corporation tax rate to 17.0% from 1 April 2020. Accordingly, for the year ended 30 September 2019, the UK deferred tax balances are measured at 17.0% as this was the tax rate that would have applied on reversal unless the timing difference was expected to reverse before April 2020, in which case the appropriate tax rate was used. Further legislation was enacted during the year ended 30 September 2020 to cancel the reduction in UK corporation tax and the 19.0% rate of corporation tax is applicable for future periods. Therefore, for the year ended 30 September 2020 the UK deferred tax balances have been restated to 19.0% as this is the rate that will apply on the reversal of the temporary differences.

The tax charge for the year is lower than the standard rate of corporation tax in the UK of 19.0% (2019 lower than 19.0%) representing the weighted average annual corporate tax rate for the full financial year. The differences are explained below:

	Note	Year ended 30 September 2020 £m	Year ended 30 September 2019 £m
Profit on ordinary activities before tax – continuing operations		**52.4**	134.3
Profit/(Loss) before tax – discontinued operations	19	**13.0**	(32.6)
Profit on disposal of discontinued operations	19	**145.1**	–
Recycled cumulative translation differences on disposal of discontinued operations	19	**(11.3)**	–
Total profit before tax		**199.2**	101.7
Tax on profit on ordinary activities at the standard rate		**(37.8)**	(19.3)
Effect of:			
Amortisation and impairment of goodwill and intangible assets		**(2.7)**	(4.0)
Other expenses not deductible for tax purposes		**(1.7)**	(1.1)
Additional items deductible for tax purposes	(i)	**5.9**	2.5
Derecognition of previously recognised deferred tax assets	(ii)	**(47.4)**	–
Recognition of previously unrecognised deferred tax assets	(iii)	**31.2**	11.5
Effect of overseas tax rates		**(1.6)**	(1.8)
Effect of associates tax		**(1.4)**	0.3
Unrecognised tax losses utilised/current year tax losses not recognised		**1.2**	2.3
Write off/disposal of subsidiaries and associates	(iv)	**31.1**	(7.5)
Effect of change in tax rate		**8.6**	(0.9)
Adjustment in respect of prior years	(v)	**6.0**	7.0
Other		**(1.6)**	0.6
Total tax charge on the profit for the year – continuing and discontinued operations	13	**(10.2)**	(10.4)

(i) Additional items deductible for tax purposes amounting to £5.9 million (2019 £2.5 million) relate primarily to the current year benefit of the US Foreign-Derived Intangibles Income (FDII) regime (£2.5 million) and Research and Development (R&D) tax credits (£3.2 million) (prior year related primarily to R&D tax credits).

(ii) Derecognition of previously recognised deferred tax assets of £47.4 million (2019 £nil) relates to UK tax losses and deferred interest and US state R&D tax credits no longer expected to be offset against future profits.

(iii) Recognition of previously unrecognised deferred tax assets of £31.2 million (2019 £11.5 million) relates to US deferred interest now expected to be offset against future profits (prior year deferred tax assets related to tax losses agreed with HMRC following the settlement of a prior year enquiry).

(iv) Write off/disposal of subsidiaries and associates relates to the actual tax charge on disposals being lower than the book profit on sale at the statutory tax rate by £31.1 million (2019 £7.5 million higher than book profit).

(v) The adjustment in respect of prior years credit of £6.0 million (2019 £7.0 million) arose from the prior year benefit of the FDII regime (£3.2 million), from a reassessment of the prior year benefit of R&D tax credits (£0.9 million) and from the reassessment of other prior year items following the filing of tax returns (£1.9 million).

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11 Tax continued

Adjusted tax on profits before amortisation and impairment of intangible assets and non-recurring items (adjusted tax charge) amounted to a charge of £12.7 million (2019 £29.4 million) and the resulting effective rate is 17.6% (2019 20.3%). The differences between the tax charge and the adjusted tax charge are shown in the reconciliation below:

	Note	Year ended 30 September 2020 £m	Year ended 30 September 2019 £m
Total tax charge on the profit for the year		**(10.2)**	(10.4)
Share of tax in joint ventures and associates	7	**0.5**	(6.2)
Deferred tax on amortisation and impairment of acquired intangible assets		**(1.0)**	(3.8)
Reassessment of temporary differences		**11.1**	(13.5)
Tax on other gains and losses		**1.6**	15.0
Tax on exceptional operating costs		**(4.7)**	(9.1)
Impact of UK Corporation Tax rate change		**(8.6)**	–
Prior year impact of US Foreign-Derived Intangible Income regime		**(3.2)**	–
Tax on other adjusting items		**1.8**	(2.7)
Share of tax on associates' other adjusting items		**–**	1.3
Adjusted tax charge on the profit for the year	13	**(12.7)**	(29.4)

In calculating the adjusted tax rate, the Group excludes the potential future impact of the deferred tax effects of intangible assets (other than internally generated and acquired computer software), as the Group prefers to give users of its accounts a view of the tax charge based on the current status of such items. Deferred tax would only crystallise on a sale of the relevant businesses, which is not anticipated at the current time, and such a sale, being an exceptional item, would result in an exceptional tax impact.

Reassessment of temporary differences of £11.1 million relates to the recognition of previously unrecognised deferred tax assets in respect of US deferred interest (£37.0 million) and the derecognition of previously recognised deferred tax assets in respect of UK tax losses and deferred interest (£39.5 million) and US state R&D tax credits (£8.6 million). The prior year reassessment of £13.5 million relates to the recognition of UK tax losses agreed with HMRC.

12 Dividends paid

	Note	Year ended 30 September 2020 Pence per share	Year ended 30 September 2020 £m	Year ended 30 September 2019 Pence per share	Year ended 30 September 2019 £m
Amounts recognisable as distributions to equity holders in the year					
Ordinary Shares – final dividend for the year ended 30 September 2019		**16.6**	**3.3**	–	–
A Ordinary Non-Voting Shares – final dividend for the year ended 30 September 2019		**16.6**	**34.6**	–	–
Ordinary Shares – final dividend for the year ended 30 September 2018		**–**	**–**	16.2	3.2
A Ordinary Non-Voting Shares – final dividend for the year ended 30 September 2018		**–**	**–**	16.2	54.2
		–	**37.9**	–	57.4
Ordinary Shares – interim dividend for the year ended 30 September 2020		**7.5**	**1.5**	–	–
A Ordinary Non-Voting Shares – interim dividend for the year ended 30 September 2020		**7.5**	**15.5**	–	–
Ordinary Shares – interim dividend for the year ended 30 September 2019		**–**	**–**	7.3	1.5
A Ordinary Non-Voting Shares – interim dividend for the year ended 30 September 2019		**–**	**–**	7.3	15.2
Euromoney cash distribution – B shares	(i)	**–**	**–**	146.8	183.0
Euromoney cash distribution – C shares	(i)	**–**	**–**	647.0	17.0
Euromoney dividend in specie	(i)	**–**	**–**	691.3	661.8
		–	**17.0**	–	878.5
		–	**54.9**	–	935.9

(i) During the prior period the Group disposed of its remaining stake in Euromoney by way of a dividend in specie together with a cash distribution to shareholders. The dividend in specie was distributed on 2 April 2019 and the cash distribution on 15 April 2019. Using the Euromoney share price as at 31 March 2019 the dividend in specie amounted to £673.6 million. Since both distributions were approved by the Board and the shareholders before 31 March 2019, the Group recognised a liability for both the cash distribution and dividend in specie as at 31 March 2019 amounting to £873.6 million.

Before these distributions were made c46.4% of the A shares held by Fully Participating Shareholders were converted into a new class of B Shares and c4.0% of the A Shares held by Rothermere Affiliated Shareholders converted into a new class of C Shares.

The dividend in specie was paid to Fully Participating Shareholders and amounted to £661.8 million. This was based on the Euromoney share price of £12.38 at 8am on 2 April 2019.

The cash distribution of £183.0 million was paid to Fully Participating Shareholders in respect of the B Shares and a restricted special dividend of £17.0 million in cash was paid to the Rothermere Affiliated Shareholders in respect of C Shares. Once these distributions were made the B Shares and the C Shares were converted into Deferred B Shares and Deferred C Shares respectively before being transferred to the Company for no valuable consideration and cancelled shortly thereafter.

The Board has declared a final dividend of 16.6 pence per Ordinary/A Ordinary Non-Voting Share (2019 16.6 pence) which will absorb an estimated £37.6 million (2019 £37.8 million) of shareholders' equity for which no liability has been recognised in these financial statements. It will be paid on 5 February 2021 to shareholders on the register at the close of business on 4 December 2020.

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13 Adjusted profit

	Note	Year ended 30 September 2020 £m	Year ended 30 September 2019 £m
Profit before tax – continuing operations	3	**52.4**	134.3
Profit/(loss) before tax – discontinued operations	19	**13.0**	(32.6)
Profit on disposal of discontinued operations including recycled cumulative translation differences	19	**133.8**	–
Adjust for:			
Amortisation of intangible assets in Group profit, including joint ventures and associates, arising on business combinations	3, 7, 19	**11.3**	19.9
Impairment of goodwill and intangible assets arising on business combinations	3, 19	**14.1**	19.1
Exceptional operating costs, impairment of internally generated and acquired computer software	3, 19	**25.2**	43.2
Share of exceptional operating costs and prior year tax exposures of joint ventures and associates	7	**–**	(1.7)
Share of joint ventures' and associates' other gains and losses	7	**(0.4)**	–
Impairment of carrying value of joint ventures and associates	7	**3.8**	29.6
Other gains and losses:			
Profit on disposal of property, plant and equipment	8	**–**	(1.1)
Profit on disposal of businesses, joint ventures, associates, change of control and recycled cumulative translation differences	8, 19	**(42.6)**	(66.2)
Profit on disposal of discontinued operations including recycled cumulative translation differences	19	**(133.8)**	–
Finance costs:			
Finance income on defined benefit pension schemes	10	**(4.2)**	(7.1)
Fair value movements including share of joint ventures and associates	7, 10, (i)	**–**	1.1
Tax:			
Share of tax in joint ventures and associates	7, 11	**(0.5)**	6.2
Adjusted profit before tax and non-controlling interests		**72.1**	144.7
Total tax charge on the profit for the year	11	**(10.2)**	(10.4)
Adjust for:			
Share of tax in joint ventures and associates	7, 11	**0.5**	(6.2)
Deferred tax on amortisation and impairment of acquired intangible assets	11	**(1.0)**	(3.8)
Reassessment of temporary differences	11	**11.1**	(13.5)
Tax on other gains and losses	11	**1.6**	15.0
Tax on exceptional operating costs	11	**(4.7)**	(9.1)
Impact of UK Corporation Tax rate change	11	**(8.6)**	–
Prior year impact of US Foreign-Derived Intangible Income regime	11	**(3.2)**	–
Tax on other adjusting items	11	**1.8**	(2.7)
Share of tax on associates' other adjusting items	11	**–**	1.3
Non-controlling interests	(ii)	**–**	(0.8)
Adjusted profit after taxation and non-controlling interests		**59.4**	114.5

(i) Fair value movements include movements on undesignated financial instruments, contingent consideration payable and receivable and change in value of acquisition put options.

(ii) The adjusted non-controlling interests' share of profits for the year of £nil (2019 £0.8 million) is stated after eliminating a credit of £nil (2019 £0.4 million), being the non-controlling interests' share of adjusting items.

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14 Earnings per share

Basic earnings per share of 83.1 pence (2019 30.7 pence) and diluted earnings per share of 81.2 pence (2019 30.3 pence) are calculated, in accordance with IAS 33, Earnings Per Share, on Group profit for the financial year of £189.3 million (2019 £90.9 million) as adjusted for the effect of dilutive Ordinary Shares of £nil (2019 £nil) and profits from discontinued operations of £135.9 million (2019 losses of £22.6 million) and on the weighted average number of Ordinary Shares in issue during the year, as set out below.

As in previous years, adjusted earnings per share have also been disclosed since the Directors consider that this alternative measure gives a more comparable indication of the Group's underlying trading performance. Adjusted earnings per share of 26.1 pence (2019 38.6 pence) are calculated on profit for continuing and discontinued operations before exceptional operating costs, impairment of goodwill and intangible assets, amortisation of intangible assets arising on business combinations, other gains and losses and exceptional financing costs after taxation and non-controlling interests associated with those profits, of £59.4 million (2019 £114.5 million), as set out in Note 13 and on the basic weighted average number of Ordinary Shares in issue during the year.

Basic and diluted earnings per share:

	Year ended 30 September 2020 Diluted earnings £m	Year ended 30 September 2019 Diluted earnings £m	Year ended 30 September 2020 Basic earnings £m	Year ended 30 September 2019 Basic earnings £m
Earnings from continuing operations	**53.4**	113.5	**53.4**	113.5
Effect of dilutive Ordinary Shares	**–**	–	**–**	–
Earnings/(losses) from discontinued operations	**135.9**	(22.6)	**135.9**	(22.6)
	189.3	90.9	**189.3**	90.9
Adjusted earnings from continuing and discontinued operations	**59.4**	114.5	**59.4**	114.5
Effect of dilutive Ordinary Shares	**–**	–	**–**	–
	59.4	114.5	**59.4**	114.5

	Year ended 30 September 2020 Diluted pence per share	Year ended 30 September 2019 Diluted pence per share	Year ended 30 September 2020 Basic pence per share	Year ended 30 September 2019 Basic pence per share
Earnings per share from continuing operations	**22.9**	37.8	**23.4**	38.3
Effect of dilutive Ordinary Shares	**–**	–	**–**	–
Earnings/(losses) per share from discontinued operations	**58.3**	(7.5)	**59.7**	(7.6)
Earnings per share from continuing and discontinued operations	**81.2**	30.3	**83.1**	30.7
Adjusted earnings per share from continuing and discontinued operations	**25.5**	38.1	**26.1**	38.6
Effect of dilutive Ordinary Shares	**–**	–	**–**	–
Adjusted earnings per share from continuing and discontinued operations	**25.5**	38.1	**26.1**	38.6

The weighted average number of Ordinary Shares in issue during the year for the purpose of these calculations is as follows:

	Year ended 30 September 2020 Number m	Year ended 30 September 2019 Number m
Number of Ordinary Shares in issue	**234.8**	303.5
Own shares held	**(7.0)**	(7.1)
Basic earnings per share denominator	**227.8**	296.4
Effect of dilutive share options	**5.2**	3.8
Dilutive earnings per share denominator	**233.0**	300.2

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15 EBITDA and cash generated by operations

	Note	Year ended 30 September 2020 £m	Year ended 30 September 2019 £m
Continuing operations			
Adjusted operating profit	3	**88.3**	135.8
Non-exceptional depreciation charge	3, 23	**22.5**	22.7
Non-exceptional depreciation charge on right of use assets	3, 24	**20.9**	–
Amortisation of internally generated and acquired computer software not arising on business combinations	3, 22	**15.4**	17.9
Operating (losses)/profits from joint ventures and associates	7	**(7.8)**	12.6
Share of charge of depreciation and amortisation of internally generated and acquired computer software not arising on business combinations of joint ventures and associates		**1.6**	1.5
Discontinued operations			
Adjusted operating profit	19	**1.6**	8.4
Non-exceptional depreciation charge	19, 23	**–**	2.6
Amortisation of internally generated and acquired computer software not arising on business combinations	3, 19, 22	**–**	4.1
EBITDA		**142.5**	205.6
Adjustments for:			
Share-based payments	39	**42.2**	21.1
Loss on disposal of property, plant and equipment		**–**	0.6
Share of losses/(profits) from joint ventures and associates	7	**7.8**	(12.6)
Exceptional operating costs	3	**(23.7)**	(43.2)
Non-cash pension past service cost	3, 35	**–**	3.1
Share of charge of depreciation and amortisation of internally generated and acquired computer software not arising on business combinations of joint ventures and associates		**(1.6)**	(1.5)
Decrease in inventories		**14.5**	5.9
Decrease/(increase) in trade and other receivables		**30.6**	(40.9)
(Decrease)/increase in trade and other payables		**(31.5)**	0.9
(Decrease)/increase in provisions		**(14.4)**	38.8
Additional payments into pension schemes	35	**(16.1)**	(12.8)
Cash generated by operations		**150.3**	165.0

16 Analysis of net cash

	Note	At 30 September 2019 £m	On transition to IFRS 16 (Note 2) £m	Cash flow £m	Fair value hedging adjustments £m	Issued on acquisition of subsidiaries (Note 17) £m	On disposal of subsidiaries (Note 18) £m	Foreign exchange movements £m	Other non-cash movements (i) £m	At 30 September 2020 £m
Cash and cash equivalents	30	301.1	–	210.2	–	–	–	(11.0)	–	**500.3**
Bank overdrafts	30, 33	(11.9)	–	(8.6)	–	–	–	0.1	–	**(20.4)**
Net cash and cash equivalents		289.2	–	201.6	–	–	–	(10.9)	–	**479.9**
Debt due within one year										
Bonds	33, (i)	–	–	–	–	–	–	–	(0.8)	**(0.8)**
Loan notes	33	(1.6)	–	–	–	–	1.6	–	–	**–**
Lease liabilities	33, (i)	–	(31.2)	26.0	–	(0.2)	8.5	0.1	(25.9)	**(22.7)**
Debt due after one year										
Bonds	33, (i)	(202.8)	–	–	(0.5)	–	–	–	0.6	**(202.7)**
Lease liabilities	33, (i)	–	(60.8)	–	–	–	–	2.1	(18.4)	**(77.1)**
Net cash before effect of derivatives		84.8	(92.0)	227.6	(0.5)	(0.2)	10.1	(8.7)	(44.5)	**176.6**
Effect of derivatives on debt	(ii)	(18.3)	–	–	0.5	–	–	4.3	0.1	**(13.4)**
Collateral deposits	29	15.4	–	6.3	–	–	–	–	–	**21.7**
Net cash at closing exchange rate		81.9	(92.0)	233.9	–	(0.2)	10.1	(4.4)	(44.4)	**184.9**
Net cash at average exchange rate		76.2								**186.5**

The net cash inflow of £201.6 million (2019 outflow of £157.4 million) includes a cash outflow of £2.9 million (2019 inflow of £0.1 million) in respect of operating exceptional items.

(i) Other non-cash movements comprise the unwinding of bond issue discount amounting to £0.1 million (2019 £0.7 million), amortisation of bond issue costs of £0.1 million (2019 £0.1 million), £2.5 million (2019 £nil) finance charges relating to IFRS 16 lease liabilities and £41.8 million (2019 £nil) in relation to new lease commitments.

(ii) The effect of derivatives on debt is the net currency gain or loss on derivatives entered into with the intention of economically converting the currency of borrowings into an alternative currency.

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17 Summary of the effects of acquisitions

On 29 November 2019, the Consumer Media segment acquired the 'i', the UK national newspaper and website from JPI Media Ltd, for total consideration of £49.6 million.

The 'i' contributed £26.5 million to the Group's revenue, £9.4 million to the Group's operating profit and £6.3 million to the Group's profit after tax for the period between the date of acquisition and 30 September 2020.

If the acquisition had been completed on the first day of the financial period, the 'i' would have contributed £33.2 million to the Group's revenue, £12.3 million to the Group's operating profit and £9.1 million to the Group's profit after tax.

On 18 December 2019, the Property Information segment acquired the entire ordinary share capital of OneSearch Direct Holdings Ltd (OneSearch) for total consideration of £7.3 million. OneSearch are a specialist data producer of local authority and drainage and water searches for conveyancers.

OneSearch contributed £4.3 million to the Group's revenue, reduced the Group's operating profit by £0.4 million and reduced the Group's profit after tax by £0.3 million for the period between the date of acquisition and 30 September 2020.

If the acquisition had been completed on the first day of the financial period, OneSearch would have contributed £5.8 million to the Group's revenue, reduced the Group's operating profit by £0.3 million and reduced the Group's profit after tax by £0.2 million.

On 18 February 2020, the Events and Exhibitions segment acquired the Addisbuild show for total consideration of £0.5 million. Addisbuild is a long-standing construction event dedicated to the Ethiopian market.

Addisbuild contributed £nil to the Group's revenue, £nil to the Group's operating profit and £nil to the Group's profit after tax for the period between the date of acquisition and 30 September 2020.

If the acquisition had been completed on the first day of the financial period, Addisbuild would have contributed £0.3 million to the Group's revenue, £0.1 million to the Group's operating profit and £0.1 million to the Group's profit after tax.

On 9 April 2020, the Events and Exhibitions segment acquired CWC Energy Holdings Ltd (CWC) for total consideration of £14.3 million. CWC organises events worldwide with four well established events in Nigeria, Mozambique and Tanzania and a presence in China.

CWC contributed £nil to the Group's revenue, reduced the Group's operating profit by £1.8 million and reduced the Group's profit after tax by £1.5 million for the period between the date of acquisition and 30 September 2020.

If the acquisition had been completed on the first day of the financial period, CWC would have contributed £4.1 million to the Group's revenue, reduced the Group's operating profit by £0.6 million and reduced the Group's profit after tax by £0.7 million.

On 30 June 2020, the Consumer Media segment acquired One Fab Day for total consideration of £0.4 million. One Fab Day was subsequently renamed Coral Mint Ltd (Coral Mint). Coral Mint is an Irish website targeted at women for wedding preparation and planning.

Coral Mint contributed £0.1 million to the Group's revenue, £nil to the Group's operating profit and £nil to the Group's profit after tax for the period between the date of acquisition and 30 September 2020.

If the acquisition had been completed on the first day of the financial period, Coral Mint would have contributed £0.3 million to the Group's revenue, £nil to the Group's operating profit and £nil to the Group's profit after tax.

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Provisional fair value of net assets acquired with all acquisitions:

	Note	The 'i' £m	Coral Mint £m	OneSearch £m	CWC £m	Addisbuild £m	Total £m
Goodwill	21, (i)	8.9	0.4	4.7	8.0	–	22.0
Intangible assets	22	38.1	–	3.6	8.2	0.5	50.4
Property, plant and equipment	23	0.1	–	0.1	–	–	0.2
Right of use assets	24	–	–	0.1	–	–	0.1
Inventories		–	–	–	1.0	–	1.0
Trade and other receivables		3.1	–	1.1	9.3	–	13.5
Cash and cash equivalents		–	–	0.7	1.2	–	1.9
Trade and other payables		(1.3)	–	(0.7)	(10.1)	–	(12.1)
Bank overdrafts		–	–	(0.6)	–	–	(0.6)
Lease liabilities	16	–	–	(0.2)	–	–	(0.2)
Corporation tax		–	–	–	(0.5)	–	(0.5)
Provisions	36	(1.5)	–	(0.1)	–	–	(1.6)
Deferred tax	37	2.2	–	(1.4)	(1.5)	–	(0.7)
Net assets acquired		49.6	0.4	7.3	15.6	0.5	73.4
Non-controlling interest share of net assets acquired	40	–	–	–	(1.3)	–	(1.3)
Group share of net assets acquired		**49.6**	**0.4**	**7.3**	**14.3**	**0.5**	**72.1**

Cost of acquisitions:

	Note	The 'i' £m	Coral Mint £m	OneSearch £m	CWC £m	Addisbuild £m	Total £m
Cash paid in current year		49.6	0.3	7.3	12.7	–	69.9
Contingent consideration	36, (ii)	–	0.1	–	0.6	0.4	1.1
Cash consideration payable		–	–	–	1.0	0.1	1.1
Total consideration at fair value		**49.6**	**0.4**	**7.3**	**14.3**	**0.5**	**72.1**

(i) The amount of goodwill which is deductible for the purposes of calculating the Group's tax charge is £nil.

Goodwill arising on these acquisitions is principally attributable to the anticipated profitability relating to the distribution of the Group's products in new and existing markets and anticipated operating synergies from the business combinations.

(ii) The estimated range of undiscounted outcomes for contingent consideration relating to acquisitions in the year is £0.4 million to £4.6 million.

The contingent consideration has been discounted back to current values in accordance with IFRS 3, Business Combinations. In each case the Group has used acquisition accounting to account for the purchase.

All of the companies acquired during the period contributed £30.9 million to the Group's revenue and £4.5 million to the Group's profit after tax for the period between the date of acquisition and 30 September 2020.

Acquisition-related costs, amounting to £2.9 million, have been charged against profits for the period in the Consolidated Income Statement.

If all acquisitions had been completed on the first day of the period, Group revenues for the period would have been £1,216.1 million and Group profit attributable to equity holders of the parent would have been a profit of £193.0 million. This information takes into account the amortisation of acquired intangible assets together with related income tax effects but excludes any pre-acquisition finance costs and should not be viewed as indicative of the results of operations that would have occurred if the acquisitions had actually been completed on the first day of the period.

Purchase of additional shares in controlled entities:

	Note	Year ended 30 September 2020 £m	Year ended 30 September 2019 £m
Cash consideration	22	**0.8**	–

During the year, the Group acquired additional shares in controlled entities amounting to £0.8 million (2019 £nil).

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17 Summary of the effects of acquisitions continued

Reconciliation to purchase of businesses and subsidiary undertakings as shown in the Consolidated Cash Flow Statement:

	Note	Year ended 30 September 2020 £m	Year ended 30 September 2019 £m
Cash consideration		**70.7**	24.7
Cash paid to settle contingent consideration in respect of acquisitions	36, (i)	**0.4**	4.7
Cash paid to settle acquisition put options		**–**	0.6
Cash and cash equivalents acquired with subsidiaries		**(1.9)**	(2.4)
Bank overdrafts acquired with subsidiaries		**0.6**	–
Purchase of businesses and subsidiary undertakings		**69.8**	27.6

(i) Cash paid to settle contingent consideration in respect of acquisitions includes £0.3 million (2019 £0.2 million) within the Property Information segment, £nil (2019 £0.4 million) within the EdTech segment, £nil (2019 £4.1 million) within the Energy Information segment and £0.1 million (2019 £nil) within the Events and Exhibitions segment.

18 Summary of the effects of disposals

On 5 November 2019 the Group sold its Energy Information segment for proceeds of £263.7 million. The sale also included Inframation AG in the Property Information segment. On 11 October 2019 the Property Information segment disposed of Buildfax, Inc. for proceeds of £20.4 million. These businesses were recognised as held for sale in the prior year.

The impact of the disposal of businesses and subsidiary undertakings completed during the period on net assets is as follows:

	Note	Other disposals £m	Prior year assets held for sale disposed in current year £m	Adjustment on sale of assets held for sale in current year £m	Total £m
Goodwill	20, 21	–	83.3	2.8	86.1
Intangible assets	20, 22	–	32.0	(0.8)	31.2
Property, plant and equipment	20	–	7.1	–	7.1
Right of use assets	20	–	8.3	–	8.3
Trade and other receivables	20	(0.6)	22.6	6.8	28.8
Cash and cash equivalents	20	–	2.0	(1.7)	0.3
Trade and other payables	20	(6.6)	(36.5)	(11.6)	(54.7)
Loan notes	16, 20	–	(1.6)	–	(1.6)
Lease liabilities	16, 20	–	(8.5)	–	(8.5)
Bank overdrafts	20	–	(0.1)	–	(0.1)
Current tax receivable	20	–	0.6	–	0.6
Provisions	20	0.9	(34.2)	34.2	0.9
Deferred tax assets/(liabilities)	20	–	5.9	(7.6)	(1.7)
Net assets disposed		(6.3)	80.9	22.1	96.7
Profit/(loss) on sale of businesses including recycled cumulative exchange differences	8, 19	(1.7)	–	175.1	173.4
		(8.0)	**80.9**	**197.2**	**270.1**

	Note	Other disposals £m	Prior year assets held for sale disposed in current year £m	Adjustment on sale of assets held for sale in current year £m	Total £m
Satisfied by:					
Cash received		–		317.0	317.0
Directly attributable costs paid		(2.9)		(26.6)	(29.5)
Deferred consideration		(5.0)		–	(5.0)
Working capital adjustment cash paid		–		(1.8)	(1.8)
Recycled cumulative translation differences	39	(0.1)		(10.5)	(10.6)
		(8.0)		**278.1**	**270.1**

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Reconciliation to disposal of businesses and subsidiary undertakings as shown in the Consolidated Cash Flow Statement:

	Year ended 30 September 2020 £m	Year ended 30 September 2019 £m
Cash consideration net of disposal costs	**(2.9)**	2.8
Cash consideration net of disposal costs – discontinued operations	**290.4**	(5.2)
Working capital adjustment cash paid – discontinued operations	**(1.8)**	(0.9)
Cash consideration received in the current year relating to businesses sold in the prior year	**15.6**	–
Cash and cash equivalents disposed with subsidiaries	**(0.2)**	(8.3)
Proceeds/(costs) on disposal of businesses and subsidiary undertakings	**301.1**	(11.6)

All of the businesses disposed of during the period absorbed £12.6 million of the Group's net operating cash flows, contributed £235.0 million in respect of investing activities and paid £1.6 million in respect of financing activities.

The Group's net tax charge includes a tax charge of £1.6 million in relation to these disposals which includes a tax charge of £7.7 million relating to discontinued operations.

19 Discontinued operations

On 26 August 2019, the Group announced that it had agreed the sale of its Energy Information segment to Verisk Analytics, Inc. (Verisk). The sale completed on 5 November 2019 following the completion of customary closing conditions. The results of the Energy Information segment for the period are included in discontinued operations for the current and prior period.

The Group's Consolidated Income Statement includes the following results from discontinued operations:

	Note	Year ended 30 September 2020 £m	Year ended 30 September 2019 £m
Revenue	3	**7.1**	73.6
Expenses		**(5.5)**	(58.5)
Depreciation	3	**–**	(2.6)
Amortisation of intangible assets not arising on business combinations	3	**–**	(4.1)
Adjusted operating profit	3	**1.6**	8.4
Exceptional operating income/(costs)	3, 13, (i)	**11.4**	(31.3)
Amortisation of intangible assets arising on business combinations	3, 13	**–**	(3.2)
Operating profit/(loss)	4	**13.0**	(26.1)
Other gains and losses	13	**–**	(6.4)
Profit/(loss) before net finance costs and tax		**13.0**	(32.5)
Interest, arrangement and commitment fees payable on bonds, bank loans and loan notes		**–**	(0.1)
Finance costs	3	**–**	(0.1)
Profit/(loss) before tax		**13.0**	(32.6)
Tax (charge)/credit	11	**(3.2)**	10.0
Profit/(loss) after tax attributable to discontinued operations		**9.8**	(22.6)
Profit on disposal of discontinued operations	13, 18	**145.1**	–
Recycled cumulative translation differences on disposal of discontinued operations	13, 18	**(11.3)**	–
Tax charge on profit on disposal of discontinued operations	11	**(7.7)**	–
Profit/(loss) attributable to discontinued operations		**135.9**	(22.6)

(i) The Group's Energy Information business (Genscape) provided a third-party auditor service verifying Renewable Identification Numbers (RINs) for renewable fuel production activities in the US, as part of the Renewable Fuel Standard Quality Assurance Program (Program), a regulatory program administered by the US Environmental Protection Agency (EPA).

Following discovery and self-reporting to the EPA by Genscape of potential fraudulent RINs generated by two companies unconnected with DMGT but verified by Genscape between 2013 and 2014 under the Program, the EPA issued a notice of intent to revoke the ability of Genscape to verify RINs as a third-party auditor on 4 January 2017. Following the EPA investigation of the two companies in April 2016, the two companies pleaded guilty of fraud in connection with the broader scheme to generate RINs.

EPA regulations for the audit program set a liability cap on replacement of invalid RINs of 2.0% of the RINs. In April 2017 Genscape voluntarily paid the 2.0% liability cap associated with the invalid RINs at a cost of US$1.3 million, based on the then-prevailing market rates, subject to a reservation of rights. The EPA regulations allow for situations where the cap does not apply – including fraud, auditor error and negligence.

The EPA had not formally alleged any fraud or intentional wrongdoing by Genscape, but in its May 2019 final determination letter, the EPA did find grounds for auditor error and negligence by Genscape and ordered Genscape to replace 69.2 million additional RINs it had verified.

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19 Discontinued operations continued

In July 2019, Genscape filed a petition for review with the Sixth Circuit Court of Appeals and a motion to stay the EPA's order to replace the 69.2 million RINs which was accepted for the duration of Genscape's petition for review.

Notwithstanding the sale of Genscape to Verisk, DMGT is responsible for any costs, claims or awards and all settlement negotiations with the EPA.

Since RINs trade in a volatile range, averaging approximately 48 cents over the previous 24-month period, replacing the maximum 69.2 million RINs claimed by the EPA would equate to a potential maximum claim of approximately US$33.4 million. Using the period end price of 62 cents replacing the maximum 69.2 million RINs claimed by the EPA would equate to a potential maximum claim of US$42.9 million.

DMGT continues to cooperate with the EPA and settlement discussions are ongoing but considering the uncertainties involved, the length of time involved and taking note of the order from the EPA, the Group, without admitting any wrongdoing, made a provision for the total cost of replacing RINs at 30 September 2019.

At each period end IAS 37 requires DMGT to review this provision and make appropriate adjustments to reflect the current status of the claim. Accordingly, the Group has reduced its total provision. The Group's closing provision includes the cost of replacement RINs, estimated purchase costs, associated legal fees and currency fluctuations. The final settlement amount may be different than the provision made, however, it is not possible for the Group to predict with any certainty the potential impact of this litigation or to quantify the ultimate cost of a verdict or resolution. Accordingly, the provision could change substantially over time as the dispute progresses and new facts emerge. Any change to this provision will continue to be disclosed as an exceptional operating item within discontinued operations.

A deferred tax asset of US$5.3 million (£4.1 million) (2019 US$8.4 million (£6.8 million)) arises on this provision.

Cash flows associated with discontinued operations comprise operating cash inflows of £2.5 million (2019 £11.9 million), investing cash inflows of £235.0 million (2019 £13.3 million) and financing cash outflows of £1.6 million (2019 £0.2 million).

20 Total assets and liabilities of businesses held for sale

The main classes of assets and liabilities comprising the operations classified as held for sale are set out in the table below.

At 30 September 2020 the assets and liabilities held for sale relate to the Group's Energy Information segment.

At 30 September 2019 the assets and liabilities held for sale relate to the Group's Energy Information segment, together with BuildFax, Inc. and Inframation AG which are included in the Property Information segment. The proceeds of disposal less costs to sell exceed the net carrying amount of the relevant assets and liabilities and, accordingly, no impairment loss was recognised on the classification of these operations as held for sale.

	Note	At 30 September 2020 £m	At 30 September 2019 £m
Goodwill	21	–	83.3
Intangible assets	22	–	32.0
Deferred tax		**4.1**	5.9
Property, plant and equipment	23	–	7.1
Trade and other receivables:			
Trade receivables	28	–	10.0
Expected credit losses	28	–	(0.4)
Prepayments	28	–	3.3
Contract acquisition costs	28	–	3.1
Contract assets	28	–	0.3
Other receivables	28	–	6.3
Cash and cash equivalents	30	–	2.0
Current tax receivable	32	–	0.6
Total assets associated with businesses held for sale		**4.1**	153.5
Adjustment for transition to IFRS 16			
Right of use assets	2		8.3
Restated at 1 October 2019 Total assets associated with businesses held for sale			161.8
Trade and other payables	31	–	(36.7)
Bank overdrafts	33	–	(0.1)
Loan notes	33	–	(1.6)
Provisions		**(19.7)**	(34.2)
Total liabilities associated with businesses held for sale		**(19.7)**	(72.6)
Adjustment for transition to IFRS 16			
Trade and other payables	2		0.2
Lease liabilities	2		(8.5)
Restated at 1 October 2019 Total liabilities associated with businesses held for sale			(80.9)
Net (liabilities)/assets of the disposal group		**(15.6)**	80.9

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21 Goodwill

	Note	Goodwill £m
Cost		
At 30 September 2018		422.4
Additions	3	22.0
Disposals		(27.7)
Classified as held for sale	20	(145.2)
Exchange adjustment		8.1
At 30 September 2019		279.6
Additions	3, 17	22.0
Adjustment to previous year estimate of contingent consideration	36	(0.2)
Disposals	18	(3.2)
Exchange adjustment		(3.7)
At 30 September 2020		**294.5**

	Note	Goodwill £m
Accumulated impairment losses		
At 30 September 2018		89.2
Impairment	3	19.1
Disposals		(19.1)
Classified as held for sale	20	(61.9)
Exchange adjustment		1.1
At 30 September 2019		28.4
Impairment	3	11.8
Exchange adjustment		(1.1)
At 30 September 2020		**39.1**
Net book value – 2018		333.2
Net book value – 2019		251.2
Net book value – 2020		**255.4**

The Group tests goodwill annually for impairment, or more frequently if there are indicators that goodwill might be impaired. Intangible assets, all of which have finite lives, are tested separately from goodwill only where impairment indicators exist. Recoverable amounts have been determined using value in use calculations in accordance with IAS 36, Impairment of Assets.

Goodwill impairment losses recognised in the period amounted to £11.8 million, of which £8.9 million related to the Events and Exhibitions segment. This impairment charge was the result of reduced forecasts following the Covid-19 pandemic which has resulted in a reduction in value in use. There is a tax credit of £nil associated with this impairment charge.

In the prior year ended 30 September 2019, the Group recorded a goodwill impairment charge of £19.1 million relating to On-geo in the Property Information segment. There was a tax credit of £nil associated with this impairment charge.

The Group's policy on impairment of goodwill is set out in Note 2.

Further disclosures, in accordance with paragraph 134 of IAS 36, are provided where a reasonably possible change in key assumptions may result in an impairment.

Using this criteria, the Group has provided a sensitivity analysis of the key assumptions used in the UK Property Information business in the Property Information segment, the EdTech segment and CWC in the Events and Exhibitions segment.

The UK Property Information business holds goodwill with a carrying value of £119.3 million (2019 £124.1 million) together with intangible assets with a carrying value of £28.1 million (2019 £32.6 million). The carrying value of the UK Property Information business has been determined using a value in use calculation in line with IAS 36. The methodology applied to the value in use calculations reflects past experience and external sources of information including:

(i) cash flows for the business for the following year derived from budgets for 2021. The Directors believe these to be reasonably achievable;

(ii) subsequent cash flows for four additional years increased in line with growth expectations of the business;

(iii) cash flows beyond the five-year period extrapolated using a long-term nominal growth rate of 2.0%; and

(iv) a pre-tax discount rate of 12.35%.

Using the above methodology, the recoverable amount exceeded the total carrying value by £162.3 million (2019 £148.5 million). For this business the Directors performed a sensitivity analysis on the total carrying value of the CGU. For the recoverable amount to be equal to the carrying value the discount rate would need to be increased by 9.83% to 22.17% (2019 by 10.17% to 22.22%), the long-term growth rate would need to decline by 14.47% to -12.47% (2019 by 10.95% to -9.45%), or the CGU would need to miss budget by 57.1% (2019 50.8%).

The Group's EdTech segment holds goodwill with a carrying value of £72.0 million (2019 £75.0 million) together with intangible assets with a carrying value of £16.3 million (2019 £21.9 million). The carrying value of EdTech has been determined using a value in use calculation in line with IAS 36. The methodology applied to the value in use calculations reflects past experience and external sources of information including:

(i) cash flows for the business for the following year derived from budgets for 2021. The Directors believe these to be reasonably achievable;

(ii) subsequent cash flows for four additional years increased in line with growth expectations of the business;

(iii) cash flows beyond the five-year period extrapolated using a long-term nominal growth rate of 2.0%; and

(iv) a pre-tax discount rate of 15.28%.

Using the above methodology, the recoverable amount exceeded the total carrying value by £47.7 million (2019 £35.0 million). For this business the Directors performed a sensitivity analysis on the total carrying value of the CGU. For the recoverable amount to be equal to the carrying value the discount rate would need to be increased by 5.56% to 20.83% (2019 by 5.30% to 20.58%), the long-term growth rate would need to decline by 6.15% to -4.15% (2019 by 4.36% to -2.36%), or the CGU would need to miss budget by 39.9% (2019 44.9%).

CWC in the Events and Exhibitions segment holds goodwill with a carrying value of £7.9 million (2019 £nil) together with intangible assets with a carrying value of £8.2 million (2019 £nil). The carrying value of CWC has been determined using a value in use calculation in line with IAS 36. The methodology applied to the value in use calculations reflects past experience and external sources of information including:

(i) cash flows for the business for the following year derived from budgets for 2021. The Directors believe these to be reasonably achievable;

(ii) subsequent cash flows for four additional years increased in line with growth expectations of the business;

(iii) cash flows beyond the five-year period extrapolated using a long-term nominal growth rate of 2.0%; and

(iv) a pre-tax discount rate of 13.13%.

Using the above methodology, the recoverable amount exceeded the total carrying value by £7.0 million (2019 £nil). For this business the Directors performed a sensitivity analysis on the total carrying value of the CGU. For the recoverable amount to be equal to the carrying value the discount rate would need to be increased by 4.30% to 17.43% (2019 £nil), the long-term growth rate would need to decline by 5.28% to -3.28% (2019 by £nil), or the CGU would need to miss budget by £0.4 million (2019 £nil).

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22 Other intangible assets

	Note	Publishing rights, mastheads and titles £m	Brands £m	Market- and customer-related databases and customer relationships £m	Computer software (i) £m	Other £m	Total £m
Cost							
At 30 September 2018		93.7	49.9	104.0	344.1	6.6	598.3
Analysis reclassifications		(8.8)	8.8	–	–	–	–
Additions from business combinations	3	–	–	3.6	0.4	–	4.0
Internally generated	3	–	–	–	13.9	–	13.9
Disposals		–	(0.6)	(13.9)	(12.2)	–	(26.7)
Classified as held for sale	20	(14.7)	(25.3)	(10.8)	(49.6)	(6.8)	(107.2)
Exchange adjustment		0.9	2.5	0.9	16.3	0.4	21.0
At 30 September 2019		**71.1**	**35.3**	**83.8**	**312.9**	**0.2**	**503.3**
Additions from business combinations	3, 17	38.1	5.9	3.1	3.3	–	50.4
Other additions	3	–	–	0.8	1.5	–	2.3
Internally generated	3	–	–	–	4.2	–	4.2
Disposals	18	(1.0)	(3.2)	(0.5)	(0.3)	(0.1)	(5.1)
Transfer from property, plant and equipment	23	–	–	–	0.7	–	0.7
Exchange adjustment		–	(1.0)	(0.9)	(12.2)	–	(14.1)
At 30 September 2020		**108.2**	**37.0**	**86.3**	**310.1**	**0.1**	**541.7**

	Note	Publishing rights, mastheads and titles £m	Brands £m	Market- and customer-related databases and customer relationships £m	Computer software (i) £m	Other £m	Total £m
Accumulated amortisation							
At 30 September 2018		80.0	46.7	61.5	273.7	5.2	467.1
Charge for the year	3	0.8	2.0	7.5	24.4	0.7	35.4
Disposals		–	(0.4)	(5.1)	(6.2)	–	(11.7)
Classified as held for sale	20	(10.6)	(17.1)	(8.4)	(33.0)	(6.1)	(75.2)
Exchange adjustment		0.7	1.9	0.7	14.2	0.3	17.8
At 30 September 2019		**70.9**	**33.1**	**56.2**	**273.1**	**0.1**	**433.4**
Charge for the year	3	–	3.6	6.3	16.8	–	26.7
Impairment	3	–	1.6	0.7	1.5	–	3.8
Disposals	18	(0.7)	(3.2)	(0.3)	(0.3)	–	(4.5)
Transfer from property, plant and equipment	23	–	–	–	0.2	–	0.2
Exchange adjustment		(0.1)	(0.9)	(0.4)	(11.4)	–	(12.8)
At 30 September 2020		**70.1**	**34.2**	**62.5**	**279.9**	**0.1**	**446.8**
Net book value – 2018		13.7	3.2	42.5	70.4	1.4	131.2
Net book value – 2019		0.2	2.2	27.6	39.8	0.1	69.9
Net book value – 2020		**38.1**	**2.8**	**23.8**	**30.2**	**–**	**94.9**

Impairment losses recognised in the period amount to £3.8 million. There is a tax credit of £0.6 million associated with this impairment charge.

(i) Computer software includes purchased and internally generated intangible assets, not arising on business combinations, as follows:

	Note	£m
Cost		
At 30 September 2018		309.3
Additions		14.3
Disposals		(7.8)
Classified as held for sale	20	(36.0)
Exchange adjustment		15.3
At 30 September 2019		**295.1**
Additions		5.7
Disposals		(0.2)
Transfer from property, plant and equipment	23	0.7
Exchange adjustment		(12.0)
At 30 September 2020		**289.3**
Accumulated amortisation		
At 30 September 2018		248.1
Charge for the year	3	22.0
Disposals		(4.0)
Classified as held for sale	20	(23.5)
Exchange adjustment		13.4
At 30 September 2019		**256.0**
Charge for the year	3	15.4
Impairment		1.5
Disposals		(0.1)
Transfer from property, plant and equipment	23	0.2
Exchange adjustment		(10.8)
At 30 September 2020		**262.2**
Net book value – 2018		61.2
Net book value – 2019		39.1
Net book value – 2020		**27.1**

The following table analyses intangible assets in the course of construction included in the internally generated intangibles above, on which no amortisation has been charged in the year since they have not been brought into use.

	£m
Cost	
At 30 September 2018	14.8
Additions	5.1
Projects completed	(13.8)
Exchange adjustment	0.1
At 30 September 2019	**6.2**
Additions	2.2
Projects completed	(6.2)
At 30 September 2020	**2.2**

The methodologies applied to the Group's CGUs when testing for impairment and details of the above impairment charge are set out in Note 2.

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22 Other intangible assets continued

The carrying values of the Group's ten largest intangible assets are further analysed as follows:

	Segment	At 30 September 2020 Carrying value £m	At 30 September 2019 Carrying value £m	At 30 September 2020 Remaining amortisation period Years	At 30 September 2019 Remaining amortisation period Years
The 'i' Masthead	Consumer Media	**34.9**	–	**9.2**	–
DIIG Customer relationships	Property Information	**11.5**	15.3	**4.0**	5.0
CWC Brand name	Events and Exhibitions	**5.6**	–	**5.0**	–
Landmark Valuation Hub	Property Information	**2.7**	4.5	**3.2**	4.2
Estate Technical Solutions Limited Customer relationships	Property Information	**2.6**	3.1	**4.4**	5.4
Starfish Customer relationships	EdTech	**2.3**	2.9	**5.0**	6.0
OneSearch Direct Database	Property Information	**2.1**	–	**2.6**	–
Family Connection mobile technology platform	EdTech	**2.0**	2.9	**2.6**	3.6
SuperMatch Insights analytics platform	EdTech	**1.8**	–	**2.9**	–
CWC Customer relationships	Events and Exhibitions	**1.8**	–	**5.0**	–

23 Property, plant and equipment

	Note	Freehold properties £m	Short leasehold properties £m	Plant and equipment £m	Total £m
Cost					
At 30 September 2018		40.4	20.7	307.1	368.2
Owned by subsidiaries acquired	3	–	–	0.1	0.1
Additions	3	0.2	0.7	15.0	15.9
Disposals		(8.2)	(0.3)	(17.8)	(26.3)
Classified as held for sale	20	–	–	(23.4)	(23.4)
Owned by subsidiaries disposed		–	–	(5.1)	(5.1)
Exchange adjustment		–	1.0	3.7	4.7
At 30 September 2019		**32.4**	**22.1**	**279.6**	**334.1**
Owned by subsidiaries acquired	3, 17	–	–	0.2	0.2
Additions	3	0.7	1.7	9.8	12.2
Disposals		(0.2)	(0.2)	(4.1)	(4.5)
Transfers to intangible fixed assets	22	–	–	(0.7)	(0.7)
Exchange adjustment		–	(0.8)	(2.5)	(3.3)
At 30 September 2020		**32.9**	**22.8**	**282.3**	**338.0**

	Note	Freehold properties £m	Short leasehold properties £m	Plant and equipment £m	Total £m
Accumulated depreciation and impairment					
At 30 September 2018		16.8	14.3	237.4	268.5
Charge for the year	3	1.3	2.7	21.3	25.3
Disposals		–	(0.3)	(17.2)	(17.5)
Classified as held for sale	20	–	–	(16.3)	(16.3)
Owned by subsidiaries disposed		–	–	(4.2)	(4.2)
Exchange adjustment		–	0.8	3.1	3.9
At 30 September 2019		**18.1**	**17.5**	**224.1**	**259.7**
Charge for the year	3	1.3	2.6	18.6	22.5
Disposals		(0.2)	(0.2)	(3.9)	(4.3)
Transfers to intangible fixed assets	22	–	–	(0.2)	(0.2)
Exchange adjustment		–	(0.8)	(1.9)	(2.7)
At 30 September 2020		**19.2**	**19.1**	**236.7**	**275.0**
Net book value – 2018		23.6	6.4	69.7	99.7
Net book value – 2019		14.3	4.6	55.5	74.4
Net book value – 2020		**13.7**	**3.7**	**45.6**	**63.0**

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24 Right of use assets

	Note	Leasehold properties £m	Plant and equipment £m	Total £m
Cost				
At 30 September 2019		–	–	–
Adjustment for transition to IFRS 16	2	68.1	1.8	69.9
Restated at 1 October 2019		**68.1**	**1.8**	**69.9**
Owned by subsidiaries acquired	17	0.1	–	0.1
Additions		41.4	0.7	42.1
Disposals		(0.1)	–	(0.1)
Adjustment to sublease receivable		0.6	–	0.6
Exchange adjustment		(2.0)	–	(2.0)
At 30 September 2020		**108.1**	**2.5**	**110.6**

	Note	Leasehold properties £m	Plant and equipment £m	Total £m
Accumulated depreciation				
At 30 September 2019		–	–	–
Charge for the year	3	20.1	0.8	20.9
Exchange adjustment		(0.1)	–	(0.1)
At 30 September 2020		**20.0**	**0.8**	**20.8**
Net book value restated at 1 October 2019		68.1	1.8	69.9
Net book value at 30 September 2020		**88.1**	**1.7**	**89.8**

25 Investments in joint ventures and associates

	Note	Cost of shares £m	Share of post-acquisition retained reserves £m	Total £m
Joint ventures				
At 30 September 2018		6.9	(5.9)	1.0
Additions – non cash	(i)	6.8	–	6.8
Owned by subsidiaries disposed		–	(0.5)	(0.5)
Share of retained reserves	7	–	1.5	1.5
Dividends received	(ii)	–	(0.3)	(0.3)
Reclassification from other debtors		0.1	–	0.1
Transfer to investment in subsidiaries		(5.2)	4.5	(0.7)
Exchange adjustment		0.4	(0.2)	0.2
At 30 September 2019		**9.0**	**(0.9)**	**8.1**
Disposals		(0.6)	0.6	–
Share of retained reserves	7	–	1.1	1.1
Dividends received	(iii)	–	(0.2)	(0.2)
Impairment	7	(0.1)	–	(0.1)
Exchange adjustment		(0.5)	0.2	(0.3)
At 30 September 2020		**7.8**	**0.8**	**8.6**

(i) Non-cash additions during the prior period relate to a fair-value adjustment on the transfer of TreppPort from an investment in subsidiary to a joint venture.

(ii) During the prior period, the Group received dividends from PointX and TreppPort in the Property Information segment.

(iii) During the period, the Group received dividends from TreppPort in the Property Information segment.

Summary aggregated financial information for the Group's joint ventures, extracted on a 100% basis from the joint ventures' own financial information, is set out below:

Year ended 30 September 2020	Revenue £m	Operating profit £m	Total expenses £m	Profit for the year £m	Total comprehensive income £m
Property Information	**14.5**	**2.5**	**(12.1)**	**2.4**	**2.4**

At 30 September 2020	Current assets £m	Total assets £m	Current liabilities £m	Total liabilities £m	Net assets £m
Property Information	**10.9**	**10.9**	**(3.5)**	**(3.5)**	**7.4**

Year ended 30 September 2019	Revenue £m	Operating profit £m	Total expenses £m	Profit for the year £m	Total comprehensive income £m
Property Information	8.3	1.0	(8.0)	0.3	0.3

At 30 September 2019	Current assets £m	Total assets £m	Current liabilities £m	Total liabilities £m	Net assets £m
Property Information	4.6	4.6	(1.9)	(1.9)	2.7

At 30 September 2020 the Group's joint ventures had capital commitments amounting to £nil (2019 £nil). There were no material contingent liabilities (2019 none).

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25 Investments in joint ventures and associates continued

Information on principal joint ventures:

	Segment	Principal activity	Year ended	Description of holding	Group interest %
Unlisted					
Knowlura, Inc. (incorporated and operating in the US)	EdTech	Provider of online educational services	30 September 2020	Common	50.0
PointX Ltd (incorporated and operating in the UK)	Property Information	Provider of a 'Points of Interest' database covering Great Britain	31 March 2020	Ordinary B	50.0
Decision First Ltd (incorporated and operating in the UK)	Property Information	Developer of technology links to allow communication between mortgage lenders and service providers	31 December 2019	Ordinary	50.0
TreppPort LLC (incorporated and operating in the US)	Property Information	Provider of an end-to-end lending, surveillance and risk management web-based platform	30 September 2020	Ordinary	50.0

	Note	Cost of shares £m	Share of post-acquisition retained reserves £m	Total £m
Associates				
At 30 September 2018		723.5	46.0	769.5
Additions – cash	(i)	39.4	–	39.4
Additions – non cash	(ii)	7.8	–	7.8
Share of retained reserves	7	–	(0.7)	(0.7)
Dividends received	(vi)	–	(12.0)	(12.0)
Impairment of Euromoney	7	(27.7)	–	(27.7)
Adjustment to impairment of carrying value of Euromoney following correction of Euromoney prior year tax exposures	7	4.2	–	4.2
Impairment of other associates	7	(6.1)	–	(6.1)
Impairment of Euromoney following dividend in specie	39	(11.8)	–	(11.8)
Deemed disposal of investment in associates	8	(0.7)	–	(0.7)
Transfer to financial assets at fair value through Other Comprehensive Income	26	(2.9)	1.7	(1.2)
Disposal of other associates	(iii)	(20.8)	11.3	(9.5)
Disposal of Euromoney		(573.6)	(88.2)	(661.8)
Exchange adjustment		2.2	(0.7)	1.5
At 30 September 2019		**133.5**	**(42.6)**	**90.9**
Additions – cash	(iv)	2.5	–	2.5
Additions – non cash	(v)	1.0	–	1.0
Share of retained reserves	7	–	(8.7)	(8.7)
Dividends received	(vi)	–	(0.5)	(0.5)
Impairment	7	(3.7)	–	(3.7)
Transfer to financial assets at fair value through Other Comprehensive Income	26	(27.5)	1.0	(26.5)
Transfer from financial assets at fair value through Other Comprehensive Income	26	0.8	–	0.8
Disposals	(vii)	(11.1)	4.6	(6.5)
Exchange adjustment		(1.4)	0.5	(0.9)
At 30 September 2020		**94.1**	**(45.7)**	**48.4**

The cumulative unrecognised share of losses of the Group's associates principally comprises £20.9 million (2019 £17.8 million) in relation to the Group's investment in Independent Television News Ltd.

Joint ventures and associates have been accounted for under the equity method using unaudited financial information to 30 September 2020.

(i) During the prior year cash additions relate to additions in Mercatus, Inc. in the Property Information segment, Praedicat, Inc. in the Insurance Risk segment, and AlsoEnergy Holdings, Inc., Yopa Ltd, Cazoo Ltd, Bricklane Technologies Ltd and Entale Media Ltd all held centrally.

(ii) During the prior year non-cash additions relate to additions in Zipjet Ltd, Yopa Ltd, Cazoo Ltd and Bricklane Technologies Ltd all held centrally settled with media credits.

(iii) During the prior period the Group disposed of its investment in Truffle Pig LLC, Real Capital Analytics, Inc. and Wellington Weekly Ltd held centrally.

(iv) Cash additions during the period relate to additions in Mercatus, Inc. in the Property Information segment and to LineVision, Inc. and Quick Move Ltd both held centrally.

(v) Non-cash additions during the period relate to additions in Quick Move Ltd held centrally and settled with media credits.

(vi) During the period, the Group received dividends from Whereoware LLC in the Events and Exhibitions segment. During the prior period the Group received dividends from Euromoney held centrally.

(vii) During the period the Group disposed of its investment in Also Energy Holdings, Inc. held centrally.

Summary aggregated financial information for the Group's associates, extracted on a 100% basis from the associates' own financial information is set out below:

Year ended 30 September 2020	Revenue £m	Operating loss £m	Total expenses £m	Loss for the year £m	Other comprehensive income £m	Total comprehensive expense £m
Insurance Risk	**6.1**	**(2.5)**	**(8.6)**	**(2.5)**	**–**	**(2.5)**
Property Information	**2.8**	**(1.7)**	**(4.6)**	**(1.8)**	**–**	**(1.8)**
Centrally held	**140.4**	**(10.7)**	**(159.6)**	**(19.2)**	**–**	**(19.2)**
	149.3	**(14.9)**	**(172.8)**	**(23.5)**	**–**	**(23.5)**

At 30 September 2020	Non-current assets £m	Current assets £m	Total assets £m	Current liabilities £m	Non-current liabilities £m	Total liabilities £m	Net (liabilities)/ assets £m
Insurance Risk	**2.7**	**3.3**	**6.0**	**(1.1)**	**–**	**(1.1)**	**4.9**
Property Information	**0.1**	**3.2**	**3.3**	**(2.1)**	**(1.8)**	**(3.9)**	**(0.6)**
Centrally held	**9.7**	**57.1**	**66.8**	**(44.1)**	**(115.9)**	**(160.0)**	**(93.2)**
	12.5	**63.6**	**76.1**	**(47.3)**	**(117.7)**	**(165.0)**	**(88.9)**

Year ended 30 September 2019	Revenue £m	Operating loss £m	Total expenses £m	Loss for the year £m	Other comprehensive income £m	Total comprehensive expense £m
Insurance Risk	6.5	(1.9)	(8.4)	(1.9)	–	(1.9)
Property Information	3.4	(2.2)	(4.4)	(1.0)	–	(1.0)
Events and Exhibitions	1.3	–	(1.3)	–	–	–
Centrally held	159.1	(25.6)	(198.4)	(39.3)	–	(39.3)
	170.3	(29.7)	(212.5)	(42.2)	–	(42.2)

At 30 September 2019	Non-current assets £m	Current assets £m	Total assets £m	Current liabilities £m	Non-current liabilities £m	Total liabilities £m	Net (liabilities)/ assets £m
Insurance Risk	3.0	7.9	10.9	(2.6)	(0.1)	(2.7)	8.2
Property Information	0.1	2.1	2.2	(1.8)	(0.5)	(2.3)	(0.1)
Events and Exhibitions	–	0.4	0.4	–	–	–	0.4
Centrally held	70.6	156.9	227.5	(116.5)	(154.9)	(271.4)	(43.9)
	73.7	167.3	241.0	(120.9)	(155.5)	(276.4)	(35.4)

At 30 September 2020 the Group's associates had capital commitments amounting to £nil (2019 £nil). There were no material contingent liabilities (2019 none).

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25 Investments in joint ventures and associates continued
Information on principal associates:

	Segment	Principal activity	Year ended	Description of holding	Group interest %
Unlisted					
LineVision, Inc. (incorporated and operating in the US)	Centrally held	Provider of transmission line monitoring and asset management for utilities	31 December 2019	Series A	40.9
Excalibur Holdco Ltd (incorporated and operating in the UK)	Centrally held	Operator of online discount businesses	30 September 2020	B Ordinary	23.9
Entale Media Ltd (incorporated and operating in the UK)	Centrally held	Podcast platform provider	31 March 2020	Preference	36.8
Independent Television News Ltd (incorporated and operating in the UK)	Centrally held	Independent TV news provider	31 December 2019	Ordinary	20.0
Praedicat, Inc (incorporated and operating in the US)	Insurance Risk	Provision of catastrophe risk analytics	30 September 2020	Preferred stock	26.6
Propstack Services Private Ltd (incorporated and operating in India)	Centrally held	Provider of commercial real estate information	31 March 2020	Preference, Equity	22.7
Quick Move Ltd (incorporated and operating in the UK)	Centrally held	Serviced marketplace for the purchase and resale of second-hand luxury goods	30 September 2020	Ordinary, Preference	22.4
WellAware Holdings, Inc (incorporated and operating in the US)	Centrally held	Information technology services provider of solutions to automate supply chain operations	31 December 2019	Preference	8.2
Bricklane Technologies Ltd (incorporated and operating in the UK)	Centrally held	Online property investment platform	31 December 2019	Preference	16.5
Mercatus, Inc. (incorporated and operating in the US)	Property Information	Data and technology platform for private market investors	31 December 2019	Ordinary	10.6
Yopa Property Ltd (incorporated and operating in the UK)	Centrally held	Online property portal	31 December 2019	Preference	45.3

26 Financial assets at fair value through Other Comprehensive Income

	Note	Unlisted £m
At 30 September 2018 Available for sale investments		20.4
Adjustment for transition to IFRS 9		9.4
Restated at 1 October 2018		29.8
Additions – cash		6.1
Additions – non cash		0.8
Transfer from investment in associates	25, (i)	1.2
Fair value movement in the period	39	(4.5)
Exchange adjustment		0.4
At 30 September 2019 Financial assets at fair value through Other Comprehensive Income		**33.8**
Additions – cash		48.0
Additions – non cash		9.0
Disposals		(0.3)
Transfer from investment in associates	25, (ii)	26.5
Transfer to investment in associates	25, (ii)	(0.8)
Fair value movement in the period	39	295.0
Exchange adjustment		(0.5)
At 30 September 2020 Financial assets at fair value through Other Comprehensive Income		**410.7**

The financial assets above are non-interest bearing unlisted securities, which are recorded as non-current assets unless they are expected to be sold within one year, in which case they are recorded as current assets.

(i) In the prior period, the Group's investments in Skymet and Laundrapp Ltd (formerly Zipjet Ltd), previously associates, were diluted and therefore these have been classified as financial assets above.

(ii) In the current period, the Group's investment in Cazoo Ltd (Cazoo), previously an associate, has been reclassified as a financial asset. The Group cannot veto any Cazoo Board decisions – which are based on a simple Board majority, due to the current composition of the other seats on the Board and has no other means that give it the ability to participate in the financial and operating policy decisions of Cazoo. The Group provides no essential technical information to develop the Cazoo business and there is no interchange of managerial personnel between DMGT and Cazoo. Therefore, the Directors have concluded that the Group does not possess the ability to exert significant influence over Cazoo and accordingly the Group has not equity accounted for its interest.

The carrying value of Cazoo as at 30 September 2020 was £375.0 million and a gain of £293.5 million was recognized in Other Comprehensive Income during the period.

During the period the Group increased its investment in Quick Move Ltd which is now held as an associate.

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26 Financial assets at fair value through Other Comprehensive Income continued

Financial assets at fair value through Other Comprehensive Income are analysed as follows:

	Note	Class of Holding	Group interest %	At 30 September 2020 £m	At 30 September 2019 £m
Unlisted					
Cazoo Ltd (incorporated and operating in the UK)	(i)	Preference	23.5	**375.0**	–
PA Media Group Ltd (incorporated and operating in the UK)	(ii)	Ordinary	17.3	**7.4**	6.9
BDG Media, Inc. (incorporated and operating in the US)	(iii)	Common Stock	3.1	**6.4**	7.9
Kortext Ltd (incorporated and operating in the UK)	(iv)	Preference and Ordinary	10.5	**5.6**	3.8
Farewill Ltd (incorporated and operating in the UK)	(v)	Preference	5.4	**3.7**	1.2
Cue Ball Capital LP (incorporated and operating in the US)	(vi)	Limited Partner	2.5	**3.1**	3.0
Taboola.com Ltd (incorporated and operating in Israel)	(vii)	Preference	0.4	**2.7**	2.3
Hambro Perks Ltd (incorporated and operating in the UK)	(viii)	Ordinary	2.9	**2.2**	2.3
Financial Network Analytics Ltd (incorporated and operating in the UK)	(ix)	Ordinary	10.0	**1.0**	1.0
GPNutrition Ltd (incorporated and operating in the UK)	(x)	Ordinary	16.1	**1.0**	–
Air Mail LLC (incorporated and operating in the US)	(xi)	Preference	5.0	**1.0**	1.2
CompStak, Inc. (incorporated and operating in the US)	(xii)	Ordinary	2.0	**0.5**	0.6
Quick Move Ltd (incorporated and operating in the UK)	(xiii)	Preference and Ordinary	22.4	**–**	0.5
Evening Standard Ltd (incorporated and operating in the UK)	(xiv)	Ordinary	10.0	**–**	0.4
Other				**1.1**	2.7
				410.7	33.8

(i) Cazoo Ltd provides an online used car sales platform.

(ii) PA Media Group Ltd is a provider of news, sport and entertainment information.

(iii) BDG Media, Inc. operating as Bustle provides an online information platform covering fashion, politics, technology, diversity, celebrities, health and beauty.

(iv) Kortext Ltd provides a digital learning platform and supplies digital textbooks.

(v) Farewill Ltd provides online-based will-writing services.

(vi) Cue Ball Capital LP is a venture capital and private equity firm specialising in start-ups, early-stage, mid-venture, growth equity scale-ups and buy-out investments.

(vii) Taboola.com Ltd is a content marketing platform provider.

(viii) Hambro Perks Ltd is a venture capital firm.

(ix) Financial Network Analytics Ltd provides a platform which allows financial regulators and financial market infrastructures to map and monitor complex financial networks and to simulate operational and financial risks.

(x) GPNutrition Ltd provides direct to consumer nutritional supplements.

(xi) Air Mail, LLC owns and operates an online media service that provides weekly digital newsletter covering politics, business, the environment, the arts, literature, film and television, food, design, travel, architecture, society, fashion and crime.

(xii) CompStak, Inc. provides commercial real estate information to brokers, appraisers, researchers, landlords, lenders and investors.

(xiii) Quick Move Ltd provides a serviced marketplace for the purchase and resale of second-hand luxury goods.

(xiv) Evening Standard Ltd publishes a weekday newspaper, distributed for free throughout Greater London.

27 Inventories

	At 30 September 2020 £m	At 30 September 2019 £m
Raw materials and consumables	**6.1**	6.1
Work in progress	**6.3**	20.7
	12.4	26.8

28 Trade and other receivables

	Note	At 30 September 2020 £m	At 30 September 2019 £m
Current assets			
Trade receivables		**165.1**	231.5
Impairment allowance		**(4.7)**	(3.7)
		160.4	227.8
Prepayments		**52.8**	54.9
Contract acquisition costs		**5.1**	8.5
Contract assets		**5.1**	5.0
Sublease receivable		**3.7**	–
Other receivables		**20.2**	15.1
		247.3	311.3
Classified as held for sale	20	**–**	(22.6)
		247.3	288.7
Adjustment for transition to IFRS 16			
Prepayments	2		(2.3)
Sublease receivable	2		4.2
Restated at 1 October 2019			290.6
Non-current assets			
Trade receivables		**1.5**	2.4
Prepayments		**0.7**	0.7
Contract acquisition costs		**4.3**	3.7
Contract assets		**–**	0.1
Sublease receivable		**3.1**	–
Interest receivable		**–**	2.9
Other receivables		**0.9**	17.1
Impairment allowance		**–**	(0.3)
		10.5	26.6
		257.8	315.3
Adjustment for transition to IFRS 16			
Sublease receivable	2		6.8
Restated at 1 October 2019			33.4
Restated at 1 October 2019			324.0

The maturity analysis of the Group's sublease receivables is as follows:

	At 30 September 2020 £m	At 30 September 2019 £m
Within one year	**3.8**	–
Between one and two years	**3.1**	–
Total undiscounted cashflows	**6.9**	–
Effect of discounting	**(0.1)**	–
Net investment in the lease	**6.8**	–

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28 Trade and other receivables continued

Movement in the impairment allowance is as follows:

	Note	At 30 September 2020 £m	At 30 September 2019 £m
At start of year – calculated under IAS 39		**(3.6)**	(5.1)
Adjustment for transition to IFRS 9		**–**	(0.3)
Restated at 1 October 2018		**(3.6)**	(5.4)
Impairment losses recognised		**(5.7)**	(1.7)
Amounts written off as uncollectable		**3.9**	2.3
Amounts recovered during the year		**0.2**	0.9
Owned by subsidiaries disposed		**0.5**	–
Exchange adjustment		**–**	(0.1)
		(4.7)	(4.0)
Classified as held for sale	20	**–**	0.4
At end of year		**(4.7)**	(3.6)

IFRS 9 introduced an expected credit loss (ECL) model which requires an impairment provision to be made on initial recognition of the receivable which previously under IAS 39 was required only when a loss event occurred. Accordingly, the Group recognises an ECL by reference to historical recovery rates and forward-looking indicators.

The Group applies the IFRS 9 simplified approach to measuring impairment allowances using a lifetime expected credit loss allowance for trade receivables, contract assets and other short-term receivables. To measure expected credit losses on a collective basis, trade receivables and contract assets are grouped based on similar credit risk and ageing.

The expected loss rates are based on the Group's historical credit losses experience as adjusted for current and forward-looking information and macroeconomic factors in the countries where the debtor is located.

For trade receivables the expected credit loss allowance is calculated using a provision matrix, with higher default rates applied to older balances.

The provision rates are based on days past due for groupings of customers with similar loss patterns.

Trade receivables and contract assets with a contractual amount of £0.3 million written off during the period are still subject to enforcement activity.

The Group applies IFRS 9 in measuring impairment allowances using a 12-month expected credit loss allowance for long-term other receivables. To estimate a range of expected credit losses, the probability of default tables based on the debtor's proxy credit rating was estimated and applied to the carrying amount outstanding at 30 September 2020.

The lifetime expected loss provision for trade receivables, contract assets, sublease receivable and other receivables is as follows:

At 30 September 2020	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
Expected loss rate	**0.1%**	**0.4%**	**0.8%**	**19.4%**	**2.4%**
Gross carrying amount (£m)	**141.1**	**23.8**	**12.5**	**22.2**	**199.6**
Loss allowance provision (£m)	**0.2**	**0.1**	**0.1**	**4.3**	**4.7**

At 30 September 2019	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
Expected loss rate	0.4%	0.2%	1.4%	5.2%	1.4%
Gross carrying amount (£m)	145.9	45.1	14.1	52.4	257.5
Loss allowance provision (£m)	0.6	0.1	0.2	2.7	3.6

Ageing of impaired trade receivables, contract assets, sublease receivables and other receivables:

	At 30 September 2020 £m	At 30 September 2019 £m
0 – 30 days	**0.2**	0.2
31 – 60 days	**0.1**	0.2
61 – 90 days	**0.1**	0.2
91 – 120 days	**0.2**	0.2
121+ days	**4.1**	2.8
Total	**4.7**	3.6

Included in the Group's trade receivables are amounts owed with a carrying value of £14.3 million (2019 £53.8 million) which are past due at 30 September 2020 for which no allowance has been made. The Group is not aware of any deterioration in the credit quality of these customers and considers that the amounts are still recoverable.

Ageing of past due but not impaired trade receivables and contract assets is as follows:

	At 30 September 2020 £m	At 30 September 2019 £m
1 – 30 days overdue	**6.9**	24.7
31 – 60 days overdue	**1.3**	6.1
61 – 90 days overdue	**0.2**	4.3
91+ days overdue	**5.9**	18.7
Total	**14.3**	53.8

The carrying amount of trade and other receivables approximates to their fair value.

29 Other financial assets

	Note	At 30 September 2020 £m	At 30 September 2019 £m
Current assets			
Collateral	16, (i)	**21.7**	15.4
		21.7	15.4
Non-current assets			
Loans to joint ventures and associates	(ii)	**14.2**	12.0
		14.2	12.0

(i) The Group deposits collateral with its bank counterparties with whom it has entered into a credit support annex to an ISDA (International Swaps and Derivatives Association) Master Agreement. This represents cash that cannot be readily used in operations. The collateral deposited at both the current and prior year end principally relates to fixed-to-fixed cross-currency swaps. At 30 September 2020 these swaps had a carrying value of £23.1 million liability (2019 £24.4 million liability). Further details relating to these swaps are disclosed in Note 34.

(ii) Loans to joint ventures and associates stated net of expected credit loss provision are as follows:

	At 30 September 2020 £m	At 30 September 2019 £m
Total gross loans to joint ventures and associates	**26.2**	24.0
Loss allowance provision	**(12.0)**	(12.0)
Loan receivable net of expected credit loss provision	**14.2**	12.0

Movement in the impairment allowance is as follows:

	At 30 September 2020 £m	At 30 September 2019 £m
At start and end of year	**12.0**	12.0

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30 Cash and cash equivalents

	Note	At 30 September 2020 £m	At 30 September 2019 £m
Cash and cash equivalents	(i)	**500.3**	301.1
Classified as held for sale	20	**–**	(2.0)
		500.3	299.1

	Note	At 30 September 2020 £m	At 30 September 2019 £m
Cash and cash equivalents	(i)	**500.3**	301.1
Unsecured bank overdrafts	33	**(20.4)**	(11.9)
Cash and cash equivalents in the cash flow statement	16	**479.9**	289.2

	At 30 September 2020 £m	At 30 September 2019 £m
Analysis of cash and cash equivalents by currency:		
Sterling	**157.3**	50.3
US dollar	**327.6**	236.0
Australian dollar	**0.1**	0.1
Canadian dollar	**0.8**	0.5
Euro	**1.0**	0.9
Other	**13.5**	11.3
	500.3	299.1

	At 30 September 2020 £m	At 30 September 2019 £m
Analysis of cash and cash equivalents by interest rate type:		
Floating rate interest	**146.8**	90.8
Fixed rate interest	**353.5**	208.3
	500.3	299.1

(i) Cash and cash equivalents include an initial amount of £113.6 million (2019 £117.0 million) which the Company intends to make available for the benefit of the Group's defined benefit pension schemes following the distribution of its shareholding in Euromoney. See Note 35.

The carrying amount of cash and cash equivalents equates to their fair values.

31 Trade and other payables

	Note	At 30 September 2020 £m	At 30 September 2019 £m
Current liabilities			
Trade payables		**30.5**	36.7
Interest payable		**3.6**	3.6
Other taxation and social security		**8.4**	11.7
Other creditors		**26.1**	12.9
Accruals		**140.7**	191.3
Deferred revenue		**197.4**	258.5
		406.7	514.7
Classified as held for sale	20	**–**	(36.7)
		406.7	478.0
Adjustment for transition to IFRS 16			
Accruals	2		(4.5)
Deferred revenue	2		(0.7)
Restated at 1 October 2019			472.8
Non-current liabilities			
Other creditors		**1.5**	2.3
		408.2	
Restated at 1 October 2019			475.1

The carrying amount of trade and other payables approximates to their fair value.

32 Current tax

	Note	At 30 September 2020 £m	At 30 September 2019 £m
Corporation tax payable		**5.3**	3.5
Corporation tax receivable		**(0.4)**	(1.4)
Classified as held for sale	20	**–**	0.6
		(0.4)	(0.8)
		4.9	2.7

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33 Borrowings

The Group's borrowings are unsecured and are analysed as follows:

	Note	Overdrafts £m	Bonds £m	Loan notes £m	Lease liabilities £m	Total £m
At 30 September 2020						
Within one year		**20.4**	**0.8**	**–**	**22.7**	**43.9**
Between one and two years		**–**	**–**	**–**	**22.4**	**22.4**
Between two and five years		**–**	**–**	**–**	**25.3**	**25.3**
Over five years		**–**	**202.7**	**–**	**29.4**	**232.1**
		–	**202.7**	**–**	**77.1**	**279.8**
		20.4	**203.5**	**–**	**99.8**	**323.7**
At 30 September 2019						
Within one year		11.9	–	1.6	–	13.5
Classified as held for sale	20	(0.1)	–	(1.6)	–	(1.7)
		11.8	–	–	–	11.8
Adjustment for transition to IFRS 16	2	–	–	–	29.7	29.7
Restated at 1 October 2019		11.8	–	–	29.7	41.5
Between one and two years		–	0.8	–	–	0.8
Over five years		–	202.0	–	–	202.0
		–	202.8	–	–	202.8
Adjustment for transition to IFRS 16	2	–	–	–	53.8	53.8
Restated at 1 October 2019		–	202.8	–	53.8	256.6
		11.8	202.8	–	83.5	298.1

The Group's borrowings are analysed by currency and interest rate type as follows:

	Sterling £m	US dollar £m	Australian dollar £m	Euro £m	Other £m	Total £m
At 30 September 2020						
Fixed rate interest	**240.6**	**53.8**	**3.5**	**1.0**	**4.4**	**303.3**
Floating rate interest	**14.6**	**4.3**	**–**	**0.8**	**0.7**	**20.4**
	255.2	**58.1**	**3.5**	**1.8**	**5.1**	**323.7**
At 30 September 2019						
Fixed rate interest	202.8	–	–	–	–	202.8
Floating rate interest	10.5	1.2	–	–	0.1	11.8
	213.3	1.2	–	–	0.1	214.6

The Group's borrowings, analysed by currency and interest rate type, adjusting the principal borrowed and interest rate type by the notional amount of interest rate swaps, interest rate caps and currency derivatives, are as follows:

	Sterling £m	US dollar £m	Australian dollar £m	Euro £m	Other £m	Total £m
At 30 September 2020						
Fixed rate interest	**183.4**	**216.5**	**3.5**	**1.0**	**4.4**	**408.8**
Floating rate interest	**(17.3)**	**(69.3)**	**–**	**0.8**	**0.7**	**(85.1)**
	166.1	**147.2**	**3.5**	**1.8**	**5.1**	**323.7**
At 30 September 2019						
Fixed rate interest	141.2	170.7	–	–	–	311.9
Floating rate interest	(21.4)	(76.0)	–	–	0.1	(97.3)
	119.8	94.7	–	–	0.1	214.6

Committed borrowing facilities

The Group's total committed bank facilities amount to £373.2 million (2019 £381.4 million). Of these facilities £205.0 million (2019 £205.0 million) are denominated in sterling and £168.2 million (US$217.0 million) (2019 £176.4 million (US$217.0 million)) are denominated in US dollars. Drawings are permitted in all major currencies.

The Group's bank loans bear interest charged at LIBOR plus a margin. The margin varies by bank and is based on the Group's ratio of net debt to EBITDA or the Group's credit rating. EBITDA for these purposes is defined as the aggregate of the Group's consolidated operating profit including share of results of joint ventures and associates before deducting depreciation, amortisation and impairment of goodwill, intangible and tangible assets, before exceptional items and before interest and finance charges, and is shown in Note 15. For the purposes of calculating the Group's bank covenants, EBITDA is calculated on a pre-IFRS 16 basis and amounts to £120.3 million by deducting operating lease charges and adding sublease rental income.

The Group's committed bank facilities and undrawn committed facilities available to the Group in respect of which all conditions precedent had been met are analysed by maturity as follows:

	At 30 September 2020 Committed £m	At 30 September 2019 Committed £m	At 30 September 2020 Undrawn £m	At 30 September 2019 Undrawn £m
Expiring in more than two years but not more than three years	**373.2**	–	**373.2**	–
Expiring in more than three years but not more than four years	**–**	381.4	**–**	381.4
Total bank facilities	**373.2**	381.4	**373.2**	381.4

The Group has issued standby letters of credit amounting to £2.3 million (2019 £2.9 million).

Bonds

The nominal, carrying and fair values of the Group's bonds and the coupons payable are as follows:

Maturity	Annual coupon %	At 30 September 2020 Fair value £m	At 30 September 2019 Fair value £m	At 30 September 2020 Carrying value £m	At 30 September 2019 Carrying value £m	At 30 September 2020 Nominal value £m	At 30 September 2019 Nominal value £m
9 April 2021	10.00	**0.8**	0.8	**0.8**	0.8	**0.8**	0.8
21 June 2027	6.375	**231.8**	237.1	**202.7**	202.0	**200.0**	200.0
		232.6	237.9	**203.5**	202.8	**200.8**	200.8

The Group's bonds have been adjusted from their nominal values to take account of direct issue costs, discounts and movements in hedged risks. The issue costs and discount are being amortised over the expected lives of the bonds using the effective interest method. The unamortised issue costs amount to £0.4 million (2019 £0.5 million) and the unamortised discount amounts to £0.6 million (2019 £0.7 million).

The fair value of the Group's bonds has been calculated on the basis of quoted market rates using level 2 fair value inputs.

The Company's 2018 bonds matured during the prior year and were repaid in full. In addition, the Company bought back £6.4 million nominal of its outstanding 2021 bonds in the prior year incurring a premium of £0.9 million.

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33 Borrowings continued

Lease liabilities

The Group leases various office space, equipment and vehicles which are negotiated on an individual basis with differing terms and conditions.

The Group's key lease arrangements relate to office space in the key cities in which it operates. The Group negotiates lease contracts according to the Group's needs with a view to balancing stability, security of tenure and lease terms against the risk of entering excessively long or onerous arrangements.

Of the Group's leased properties, the most significant leases relate to the DMGT head office premises Northcliffe House, 2 Derry Street, London, W8 5TT which expires in December 2022, and the RMS head office premises at 7575 Gateway Blvd, Newark, California which expires in December 2030.

The lease payments for Northcliffe House made during the year amount to £10.0 million and these are adjusted each year in line with the Consumer Price Index of the preceding year.

The lease payments for 7575 Gateway Blvd made during the year amount to £2.9 million (US$3.7 million) which increase on an escalating payment schedule of approximately 4.0% p.a.

An analysis of the Group's finance lease liabilities is as follows:

	At 30 September 2020 £m	At 30 September 2019 £m
Northcliffe House	**19.8**	–
7575 Gateway Blvd	**31.7**	–
Other office space	**46.6**	–
Motor vehicles	**1.6**	–
Other equipment	**0.1**	–
	99.8	–

There are no leases with residual value guarantees or leases not yet commenced to which the Group is committed.

Loan notes

All loan notes were classified as held for sale at 30 September 2019 (Note 20) and disposed with businesses sold in the current year (Note 18).

34 Financial instruments and risk management

The carrying amounts of the Group's financial instruments together with the gains and losses thereon are as follows:

	Note	At 30 September 2020 Carrying value £m	Year ended 30 September 2020 (Loss)/gain to income £m	Year ended 30 September 2020 Gain/(loss) to equity £m	At 30 September 2019 Carrying value £m	Year ended 30 September 2019 (Loss)/gain to income £m	Year ended 30 September 2019 Gain/(loss) to equity £m
Financial assets							
Fair value through profit and loss							
Derivative instruments in designated hedge accounting relationships	(i)						
Interest rate swaps		**3.7**	**1.5**	**–**	3.2	4.3	–
Derivative instruments not in designated hedge accounting relationships	(i)						
Interest rate swaps		**–**	**–**	**–**	–	(1.2)	–
Interest rate caps		**0.1**	**(0.3)**	**–**	0.4	(3.5)	–
Provision for contingent consideration receivable	(ii)	**0.1**	**–**	**–**	0.3	–	–
Fair value through Other Comprehensive Income							
Financial assets	(iii)	**410.7**	**–**	**294.5**	33.8	–	(4.0)
Amortised cost							
Trade receivables and contract assets		**167.0**	**1.6**	**(5.1)**	225.4	(1.5)	6.6
Other receivables	(iv)	**21.0**	**–**	**(2.6)**	25.3	–	3.0
Sublease receivable		**6.8**	**0.2**	**–**	–	–	–
Collateral	(v)	**21.7**	**–**	**–**	15.4	–	–
Loans to joint ventures and associates	(vi)	**14.2**	**3.3**	**–**	12.0	3.9	–
Cash and cash equivalents		**500.3**	**5.0**	**(11.0)**	299.1	7.6	10.8
		1,145.6	**11.3**	**275.8**	614.9	9.6	16.4
Adjustment for transition to IFRS 16							
Sublease receivable	2				11.0	–	–
Restated at 1 October 2019					625.9	9.6	16.4
Financial liabilities							
Fair value through profit and loss							
Derivative instruments in designated hedge accounting relationships	(i)						
Fixed-to-fixed cross-currency swaps		**(23.1)**	**(1.4)**	**1.3**	(24.4)	(1.7)	(13.6)
Provision for contingent consideration payable	(ii)	**(2.5)**	**–**	**–**	(2.1)	(0.2)	(0.2)
Acquisition put option commitments		**–**	**–**	**–**	–	–	(0.1)
Amortised cost							
Trade payables		**(30.5)**	**–**	**0.4**	(35.9)	–	(0.5)
Lease liabilities		**(99.8)**	**(2.5)**	**2.2**	–	–	–
Bank overdrafts		**(20.4)**	**–**	**0.1**	(11.8)	–	(0.1)
Bonds	(vii)	**(203.5)**	**(13.5)**	**–**	(202.8)	(19.8)	–
Bank loans		**–**	**(1.6)**	**–**	–	(2.3)	–
Loan notes		**–**	**–**	**–**	–	(0.1)	–
		(379.8)	**(19.0)**	**4.0**	(277.0)	(24.1)	(14.5)
Adjustment for transition to IFRS 16							
Lease liabilities	2				(83.5)	–	–
Restated at 1 October 2019					(360.5)	(24.1)	(14.5)
Total for financial instruments		**765.8**	**(7.7)**	**279.8**			
Restated at 1 October 2019					265.4	(14.5)	1.9

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34 Financial instruments and risk management continued

(i) Derivative instruments are measured at FVTPL. Their fair values are determined using market rates of interest and exchange and established estimation techniques such as discounted cashflow and option valuation models. The Group has derivatives designated in the following hedging relationships:

- hedges of the change in fair value of recognised assets and liabilities (fair value hedges)
- hedges of net investment in foreign operations (net investment hedges)

To the extent that net investment hedges are effective, changes in fair value of the derivative are taken to the translation reserve through other comprehensive income.

(ii) Contingent consideration is valued based on the future profitability of the business to which the contingent consideration relates, discounted at market rates of interest.

(iii) Unlisted equity investments are valued using a variety of techniques including comparable company valuation multiples and discounted cashflows. In extremely limited circumstances, where insufficient recent information is available to measure fair value or when there is a wide range of possible fair value measurements, cost is used since this represents the best estimate of fair value in the range of possible valuations.

(iv) At 30 September 2019 other receivables included a 9.0% fixed rate unsecured loan note with a carrying value of £16.3 million. This loan note was repaid in full during the year.

(v) The Group deposits collateral with counterparties with whom it has entered into a credit support annex to an ISDA (International Swaps and Derivatives Association) Master Agreement. These collateral deposits, which represents cash that cannot be readily used in the Group's operations, are disclosed within Other financial assets (Note 29).

(vi) Loans to joint ventures and associates (included within other financial assets) include a 10.0% fixed rate unsecured loan note, repayable on 31 December 2025 with a carrying value of £14.2 million (2019 £12.0 million).

(vii) The Group's bonds are measured at amortised cost as adjusted for fair value hedging.

Risk management

The Group is exposed to credit, interest rate and currency risks arising in the normal course of business. Derivative financial instruments are used to manage exposures to fluctuations in foreign currency exchange rates and interest rates but are not employed for speculative purposes.

Capital risk management

The Group manages its capital, defined as equity shareholders' funds and net cash or borrowings, to ensure that entities in the Group are able to continue as going concerns for the foreseeable future. Further detail is provided in the Going Concern section of the Basis of Preparation (Note 1).

Debt management

The Group borrows on an unsecured basis and arranges its debt to ensure an appropriate maturity profile. The Group's principal sources of funding are the long-term sterling bond market and committed bank facilities. The Group is mindful of its credit rating, currently BB+ with Standard & Poor's and BBB- with Fitch and ensures it has sufficient committed bank facilities in order to meet short-term business requirements, after taking into account the Group's holding of cash and cash equivalents together with any distribution restrictions which exist. The Group aims to maximise the term and flexibility of indebtedness and retain headroom in the form of undrawn committed bank facilities of approximately £100.0 million. Additionally, the Group arranges its currency borrowings in order that they are in proportion to the ratio of earnings in that particular currency to total Group earnings.

The Directors consider that the Group's bond issuances together with its bank facilities and cash balances are sufficient to cover the likely medium-term funding requirements of the Group.

Associates, joint ventures and other equity investments in general arrange and maintain their own financing and funding requirements. In all cases such financing is on a non-recourse basis to the Company.

Whilst the Group's internal target of a 12-month rolling net debt to EBITDA ratio is no greater than 2.0 times at any point, the limit imposed by its bank covenants is no greater than 3.5 times together with a minimum interest cover ratio of 3.0 times, measured in March and September. These covenants were met at the relevant testing dates during the year. The bank covenant ratio uses the average exchange rate in the calculation of net debt. For bank covenant purposes, net debt is calculated on a pre-IFRS 16 basis by excluding IFRS 16 lease liabilities to allow comparability between testing periods. At 30 September 2020, the Group had net cash (at average exchange rates as adjusted for IFRS 16) amounting to £286.7 million (2019 £76.2 million).

Cash and liquidity risk management

The Group monitors its cash balances to ensure that sufficient resources are available to meet operational requirements as they fall due. Short-term money market deposits are used to manage liquidity whilst maximising the rate of return on cash resources, giving due consideration to credit risk. A detailed maturity analysis of both derivative and non-derivative financial liabilities are analysed in the table on page 180 of this note.

Market risk management

The Group's primary market risks are interest rate fluctuations and exchange rate movements.

Interest rate risk management

The limit imposed by the Group's bank covenants is at least 3.0 times EBITDA to net interest. The actual ratio for the year was 18.0 times (2019 24.2 times).

Group debt is largely comprised of floating rate sterling (GBP) and US dollar (USD) bank borrowings and fixed GBP bond debt.

The Group's interest rate exposure management policy is aimed at reducing the exposure of the consolidated businesses to changes in interest rates. Group policy is to have 70.0% to 80.0% of interest rate exposures fixed with the balance floating.

This is achieved by issuing fixed rate GBP bond debt and entering into derivative contracts that economically swap fixed rate interest into floating rate. Derivatives are used to hedge or reduce the risks of interest rate and exchange rate movements and are not entered into unless such risks exist.

To meet policy, the Group:

- swaps a portion of its fixed GBP bond debt into GBP floating debt using interest rate swaps;
- swaps a portion of its fixed GBP bond debt into USD fixed debt by using fixed-to-fixed cross-currency swaps;
- buys caps to fix its debt; and
- enters forward contracts, selling USD and buying GBP to swap its GBP floating rate debt into USD floating rate debt.

The derivatives in place to meet Group policy are as follows:

(i) Fixed-to-floating interest rate swaps, designated as fair value hedges of a portion of the Group's bonds; changes in the fair value of the swaps are recognised in the Consolidated Income Statement and at the same time the carrying value of the hedged bonds are adjusted for movements in the hedged risk to the extent effective and those adjustments are also recognised in the Consolidated Income Statement. The notional value of these interest rate swaps amounts to £73.1 million (2019 £73.1 million) with the Group paying floating rates of between 0.06% and 0.96% (2019 0.77% and 0.96%). The average hedged interest rate for the period was 0.59% (2019 0.86%).

(ii) Fixed-to-fixed cross-currency swaps designated as hedges of the Group's net investments in foreign operations. The notional value of these cross-currency swaps amounts to £72.0 million/US$115.0 million (2019 £72.0 million/US$115.0 million) with the Group paying fixed US dollar interest at rates of between 6.01% and 6.99% (2019 5.56% and 6.99%). The average hedged GBP/USD exchange rate for the period was 1.60 (2019 1.60).

(iii) Interest rate caps amounting to US$95.0 million and £105.0 million notional (2019 US$95.0 million and £105.0 million) at rates of between 2.09% and 3.50% (2019 2.09% and 3.50%).

(iv) In the prior year floating-to-fixed interest rate swaps which were not designated as hedging instruments; changes in the fair value of the swaps was recognised in the Consolidated Income Statement. These swaps were closed out during the prior year. The notional value of these swaps amounted to US$67.0 million with the Group receiving floating US dollar interest at a rate of 2.35% during the prior year.

Foreign exchange rate risk management

Translation exposures arise on the earnings and net assets of business operations in entities with functional currencies other than that of the parent company. The net asset exposures are economically hedged by a policy of denominating borrowings in currencies where significant translation exposures exist, most notably US dollars.

The Group also designates currency swaps, forward contracts and US dollar bank borrowings as net investment hedges, hedging the Group's overseas investments.

Credit risk management

The Group's principal credit risk relates to its trade and other receivables and non-performance by counterparties to financial instrument contracts.

Trade and other receivables

The Group's customer base is diversified geographically and by segment with customers generally of a good financial standing. Before accepting any new customers, the Group assesses the potential customers' credit quality and sets credit limits by customer. The average credit period is 41 days (2019 48 days). The Group considers the credit risk of trade receivables to be low, although the Group remains vigilant in the current economic climate. The Group reserves the right to charge interest on overdue receivables, although the Group does not hold collateral over any trade receivable balances. The Group makes an impairment allowance which is reviewed regularly in conjunction with an analysis of historical payment profiles, past default experience together with relevant forward looking information. Further information on impairment allowances relating to trade receivables, contract assets, sublease receivable and other receivables can be found in Note 28.

The maximum exposure to credit risk from trade and other receivables at the reporting date is the amount of each class disclosed in the table on page 175.

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34 Financial instruments and risk management continued

Institutional counterparty risk

The Group seeks to limit interest rate and foreign exchange risks, described above, by the use of derivative financial instruments. As a result, credit risk arises from the potential non-performance of the counterparties to those financial instruments, which are unsecured. The amount of this credit risk is normally restricted to the amounts of any hedge gain and not the principal amount being hedged. The Group also has a credit exposure to counterparties for the full principal amount of cash and cash equivalents.

Credit risk is controlled by monitoring the credit quality of these counterparties, principally licensed commercial banks and investment banks with strong long-term credit ratings, and of the amounts outstanding with each of them.

The credit risk on cash deposits and derivative financial instruments is considered low since the counterparties are banks with high credit ratings. Group policy is to have no more than the higher of £20.0 million or 25.0% of surplus cash balances deposited (or at risk) with any S&P 'AA' rated or UK ring-fenced banking counterparty and no more than the higher of £10.0 million or 10.0% of surplus cash balances deposited with any S&P 'A' rated counterparty. Additionally, no more than £50.0 million in aggregate should be deposited with any one banking group. The Group has no significant concentration of risk with exposure spread over a large number of counterparties and customers.

Expected credit losses on cash and cash equivalents (which includes cash deposits with an original maturity of less than three months) were reviewed at the reporting date and determined to be immaterial.

The maximum exposure to credit risk from derivative assets and cash and cash equivalents at the reporting date is the amount of each class disclosed in the table on page 175.

Derivative financial instruments and hedge accounting

The Group designates certain derivatives as:

(i) hedges of the change in fair value of recognised assets and liabilities (fair value hedges); or

(ii) hedges of highly probable forecast transactions (cash flow hedges); or

(iii) hedges of net investments in foreign operations (net investment hedges).

To qualify for hedge accounting, each individual hedging relationship must be expected to be effective, be designated and documented at its inception and throughout the life of the hedge relationship.

Fair value hedges

The Group's policy is to use interest rate swaps to convert a proportion of its fixed rate debt to floating rates. The swaps are designated as a hedge of the change in fair value of the Group's fixed rate debt.

The notional amount of the interest rate swaps is used to hedge an equivalent notional amount of fixed rate debt. Accordingly, the hedge ratio is deemed to be 100%.

Since the critical terms of the swaps match those of the fixed rate debt the Group expects a highly effective hedging relationship. The fair value of the designated fixed rate debt is expected to move in the opposite direction to the fair value of the interest rate swaps as a result of changes in external market interest rates.

The nominal and carrying amounts of hedged fixed rate debt are as follows:

	At 30 September 2020 £m	At 30 September 2019 £m
Nominal amount	**73.1**	73.1
Carrying amount	**76.3**	75.8

The carrying amount of debt in the table above is included within Borrowings in the Consolidated Statement of Financial Position.

The change in value of the hedged fixed rate debt is used as the basis for recognising hedge ineffectiveness for the period. The following table shows the fair value adjustment to sterling debt (which is included in the carrying amount above) and the fair value of related derivatives designated in fair value hedging relationships included in the Consolidated Statement of Financial Position, together with the fair value gains and losses thereon included in the Consolidated Income Statement for the current and prior periods:

	Fair value at 30 September 2018 £m	Year ended 30 September 2019 fair value gain/(loss) £m	Fair value at 30 September 2019 £m	Year ended 30 September 2020 fair value gain/(loss) £m	Fair value at 30 September 2020 £m
Sterling interest rate swaps	0.5	2.7	3.2	0.5	**3.7**
Sterling debt	(0.5)	(2.7)	(3.2)	(0.5)	**(3.7)**
Total	–	–	–	–	**–**

Cash flow hedges
The Group's policy is to use certain derivative financial instruments in order to hedge the foreign exchange risk arising from certain firm commitments or forecast highly probable transactions in currencies other than the functional currency of the relevant Group entity.

There were no cash flow hedging relationships during the current or prior year.

Net investment hedges
The Group seeks to manage the foreign currency exposure arising on retranslation of the reporting entity's share of net assets of foreign operations at each reporting date by designating certain derivative financial instruments and foreign currency borrowings as net investment hedging instruments.

The carrying amount of the Group's net investments in foreign operations exceeds the amount of the hedging instruments, such that the amount of net investments designated in the hedge relationship is equal to the amount of the hedging instruments. Accordingly, the hedge ratio is deemed to be 100%.

Since the critical terms of the hedging instruments match those of the net investments in foreign operations the Group expects a highly effective hedging relationship. The carrying value of the designated net investments in foreign operations is expected to move in the opposite direction to the mark-to-market value of the hedging instruments as a result of changes in market exchange rates.

Hedge effectiveness
Since the Group expects the hedge relationships described above to be highly effective, a qualitative assessment of effectiveness is performed on inception, at each reporting date, and upon any material change in circumstances affecting the hedge effectiveness requirements.

The key sources of ineffectiveness for the designated relationships described above are:

(i) A reduction to the amount of the Group's hedged fixed rate debt to an amount that is less than the notional amount of the interest rate swaps.

(ii) An insufficient amount of net investments in foreign operations (i.e. less than the amount of the hedging instruments).

(iii) A material change in the Group's credit risk or that of its swap counterparties.

If changes in circumstances cause the critical terms of the hedging instrument to no longer match those of the hedged item, ineffectiveness is monitored using the hypothetical derivative method.

All designated hedge relationships were effective throughout the year ended 30 September 2020. There was no ineffectiveness recognised in the Consolidated Income Statement for the current or prior year.

The Group's derivative financial instruments, other than acquisition option commitments, and their maturity profiles are summarised as follows:

Derivative financial assets:

	Fair value hedges £m	Derivatives not qualifying for hedge accounting £m	Derivative financial assets £m
At 30 September 2020			
Within one year	**0.6**	**–**	**0.6**
Between one and two years	**3.1**	**–**	**3.1**
Over five years	**–**	**0.1**	**0.1**
	3.1	**0.1**	**3.2**
	3.7	**0.1**	**3.8**
At 30 September 2019			
Between one and two years	1.3	–	1.3
Between two and five years	–	0.1	0.1
Over five years	1.9	0.3	2.2
	3.2	0.4	3.6

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Derivative financial liabilities:

	Net investment hedges £m	Derivative financial liabilities £m
At 30 September 2020		
Between two and five years	**(17.7)**	**(17.7)**
Over five years	**(5.4)**	**(5.4)**
	(23.1)	**(23.1)**
At 30 September 2019		
Within one year	(18.7)	(18.7)
Over five years	(5.7)	(5.7)
	(24.4)	(24.4)

Maturity profile of financial liabilities

The remaining undiscounted contractual liabilities and their maturities together with a reconciliation to amounts included in the Consolidated Statement of Financial Position are as follows:

	Within one year £m	Between one and two years £m	Between two and five years £m	Between five and ten years £m	Total undiscounted liability £m	Interest £m	Undiscounted value of financial asset £m	Discounting, mark to market and other adjustments £m	Included in Consolidated Statement of Financial Position £m
At 30 September 2020									
Trade payables	**(30.5)**	**–**	**–**	**–**	**(30.5)**	**–**	**–**	**–**	**(30.5)**
Bank overdrafts	**(20.8)**	**–**	**–**	**–**	**(20.8)**	**0.4**	**–**	**–**	**(20.4)**
Bonds	**(13.6)**	**(12.8)**	**(38.3)**	**(222.0)**	**(286.7)**	**85.9**	**–**	**(2.7)**	**(203.5)**
Lease liabilities	**(25.4)**	**(24.5)**	**(29.5)**	**(31.1)**	**(110.5)**	**10.7**	**–**	**–**	**(99.8)**
Contingent consideration	**(1.9)**	**(0.8)**	**–**	**–**	**(2.7)**	**–**	**–**	**0.2**	**(2.5)**
Fixed-to-fixed cross-currency swaps	**(5.7)**	**(5.7)**	**(85.0)**	**(21.8)**	**(118.2)**	**6.2**	**94.9**	**(6.0)**	**(23.1)**
	(97.9)	**(43.8)**	**(152.8)**	**(274.9)**	**(569.4)**	**103.2**	**94.9**	**(8.5)**	**(379.8)**
At 30 September 2019									
Trade payables	(35.9)	–	–	–	(35.9)	–	–	–	(35.9)
Bank overdrafts	(12.0)	–	–	–	(12.0)	0.2	–	–	(11.8)
Bonds	(12.8)	(13.5)	(38.3)	(234.7)	(299.3)	98.5	–	(2.0)	(202.8)
Contingent consideration	(0.6)	(1.5)	–	–	(2.1)	–	–	–	(2.1)
Fixed-to-fixed cross-currency swaps	(77.1)	(1.4)	(4.2)	(24.2)	(106.9)	3.6	81.8	(2.9)	(24.4)
	(138.4)	(16.4)	(42.5)	(258.9)	(456.2)	102.3	81.8	(4.9)	(277.0)

Included in the maturity table above are currency swaps with a notional value of US$90.0 million (2019 US$90.0 million) with mutual break clauses at fair value every five years. At 30 September 2019 these break clauses were exercisable within less than one year from the balance sheet date, therefore the cash flows associated with these fixed-to-fixed cross-currency swaps were included under within one year.

Sensitivity analysis

In managing the Group's interest rate and currency risks, the Group aims to reduce the impact of short-term fluctuations. However, changes in foreign exchange rates and interest rates may have an impact on the Group's statutory results.

At 30 September 2020 it is estimated that an increase of 1.0% in interest rates would have increased the Group's finance costs by £0.3 million (2019 £1.2 million decrease). There would have been no effect on amounts recognised directly in equity. A decrease of 1.0% in interest rates would have decreased the Group's finance costs by £0.4 million (2019 £0.4 million). There would have been no effect on amounts recognised directly in equity. This sensitivity has been calculated by applying the interest rate change to the Group's variable rate borrowings, net of any interest rate swaps, at the year end date.

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At 30 September 2020 it is estimated that a 10.0% strengthening of sterling against the US dollar would have increased the net gain taken to equity by £11.5 million (2019 £11.9 million) with no change to the net loss taken to income (2019 decreased the net loss by £1.6 million). A 10.0% weakening of sterling against the US dollar would have decreased the net gain taken to equity by £8.5 million (2019 £14.5 million) with no change to the net loss taken to income (2019 increased the net loss by £2.0 million). This sensitivity has been calculated by applying the foreign exchange change to the Group's financial instruments which are affected by changes in foreign exchange rates.

Fair value hierarchy

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

At 30 September 2020	Note	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
Financial assets					
Financial assets at fair value through Other Comprehensive Income	26	**–**	**409.5**	**1.2**	**410.7**
Fair value through profit and loss					
Derivative instruments not in designated hedge accounting relationships		**–**	**0.1**	**–**	**0.1**
Provision for contingent consideration receivable		**–**	**–**	**0.1**	**0.1**
Derivative instruments in designated hedge accounting relationships		**–**	**3.7**	**–**	**3.7**
		–	**413.3**	**1.3**	**414.6**
Financial liabilities					
Fair value through profit and loss					
Provision for contingent consideration payable	36	**–**	**–**	**(2.5)**	**(2.5)**
Derivative instruments in designated hedge accounting relationships		**–**	**(23.1)**	**–**	**(23.1)**
		–	**(23.1)**	**(2.5)**	**(25.6)**

At 30 September 2019	Note	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
Financial assets					
Financial assets at fair value through Other Comprehensive Income	26	–	25.7	8.1	33.8
Fair value through profit and loss					
Derivative instruments not in designated hedge accounting relationships		–	0.4	–	0.4
Provision for contingent consideration receivable		–	–	0.3	0.3
Derivative instruments in designated hedge accounting relationships		–	3.2	–	3.2
		–	29.3	8.4	37.7
Financial liabilities					
Fair value through profit and loss					
Provision for contingent consideration payable	36	–	–	(2.1)	(2.1)
Derivative instruments in designated hedge accounting relationships		–	(24.4)	–	(24.4)
		–	(24.4)	(2.1)	(26.5)

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Reconciliation of level 3 fair value measurement of financial assets is as follows:

	Note	£m
At 30 September 2018		20.5
Adjustment for transition to IFRS 9		9.4
Transfer from Level 3 to Level 2 on transition to IFRS 9	(i)	(21.9)
Restated at 1 October 2018		8.0
Transfer from investment in associates to financial assets at fair value through Other Comprehensive Income		0.3
Fair value movement in financial assets at fair value through Other Comprehensive Income		(0.1)
Exchange adjustment		0.2
At 30 September 2019		**8.4**
Transfer to Level 2	(i)	(6.9)
Exchange adjustment		(0.2)
At 30 September 2020		**1.3**

(i) Equity investments classified within level 3 in prior periods have been transferred to level 2, as the observable market data used in the valuation became available during the relevant reporting period.

Reconciliation of level 3 fair value measurement of financial liabilities is as follows:

	Note	£m
At 30 September 2018		(4.8)
Cash paid to settle contingent consideration in respect of acquisitions	36	4.7
Change in fair value of contingent consideration	10, 36	(0.2)
Additions to contingent consideration	36	(1.6)
Exchange adjustment	36	(0.2)
At 30 September 2019		**(2.1)**
Cash paid to settle contingent consideration in respect of acquisitions	36	0.4
Additions to contingent consideration	36	(1.1)
Adjustment to goodwill	21, 36	0.2
Exchange adjustment	36	0.1
At 30 September 2020		**(2.5)**

The key inputs into the significant level 3 financial liabilities are the future profitability of the businesses to which the contingent consideration relates and the discount rate. The estimated range of possible outcomes for the fair value of these liabilities is £0.4 million to £6.2 million (2019 £nil to £2.9 million).

In the prior year, the increase in fair value of contingent consideration of £0.2 million was charged to the Consolidated Income Statement within net finance costs (Note 10).

A one percentage point increase or decrease in the growth rate used in estimating the expected profits, results in no change to the contingent consideration liability at 30 September 2020 (2019 no change).

The rates used to discount contingent consideration range from 0.0% to 1.2% (2019 0.0% to 1.0%). A one percentage point increase or decrease in the discount rate used to discount the expected gross value of payments, results in no change to the contingent consideration liability at 30 September 2020 (2019 no change).

35 Retirement benefit obligations

The Group operates a number of pension schemes under which contributions are paid by the employer and employees. The total net pension costs of the Group for the year ended 30 September 2020 were £7.6 million (2019 £7.3 million).

The schemes include a number of defined contribution pension arrangements, in addition to funded defined benefit pension arrangements which are closed to future accrual. The defined benefit schemes in the UK, together with some defined contribution plans, are administered by Trustees or Trustee Companies.

Defined benefit schemes

Background

The Company operates two main defined benefit schemes (the Schemes), the Harmsworth Pension Scheme (HPS) and the Senior Executive Pension Scheme (SEPF), both of which are closed to new entrants and to further accrual.

Full actuarial valuations of the Schemes are carried out triennially by the scheme actuary. Following the results of the latest triennial valuations as at 31 March 2019, the Company has agreed a recovery plan for HPS involving a funding payment of £14.4 million on 5 October 2020 and a series of annual funding payments of £11.0 million on 5 October 2021 to 5 October 2024.

Following the disposal of Euromoney in 2019 the Company intends to make available £113.6 million from the Group's cash resources to the Schemes. This will be held in a cash Escrow arrangement for the benefit of the Schemes, to be released to the Schemes or DMGT depending on the future level of the Schemes' funding. None of the Escrow will be released before 2024, up to £50.0 million may be released to the Schemes in 2024 depending on funding level, and in 2026 any remaining funds on Escrow will either be released to DMGT or the Schemes depending on funding level.

As part of the funding agreement from the 31 March 2019 triennial valuation, the Company has agreed to make five annual payments of £7.0 million into the Escrow arrangement, from October 2020 to October 2024.

In addition, the Company has agreed with the Trustees of the Schemes (Trustees) that, should it make any permanent reductions in the Company's capital, including share buy-backs, it will make additional contributions to the Schemes amounting to 20.0% of the capital reduction. Contributions of £nil (2019 £nil) relating to this agreement were made in the year to 30 September 2020.

The Company considers that these contributions are sufficient to eliminate any deficit over the agreed period. This recovery plan will be reviewed at the next triennial funding valuation of the Schemes which is due to be completed with an effective date of 31 March 2022.

Limited Partnership investment vehicle

HPS owns a beneficial interest in a Limited Partnership investment vehicle (LP). The LP was designed to facilitate annual payments of £10.8 million as deficit funding payments over the period to 2026. In addition, the LP was required to make a final payment to the scheme of £149.9 million, or the funding deficit within the scheme on an ongoing actuarial valuation basis, at the end of the period to 2026 if this was less. This recovery plan, agreed following the 2016 actuarial valuation, assumed £60.0 million of the £149.9 million final payment would be required.

As part of the 31 March 2019 actuarial discussions it has been agreed that the LP will be dissolved and replaced with a long-term insolvency guarantee, capped at £150.0 million with a termination date of 2035 (or the date on which the scheme reaches full funding on a self-sufficiency basis).

For funding purposes, the interest of HPS in the LP was treated as an asset of the scheme and reduced the actuarial deficit within the scheme. However, under IAS 19, Employee Benefits, the LP is not included as an asset of the scheme and therefore is not included in the disclosures below.

Strategic Plan

The Trustees have developed a comprehensive approach to managing the Schemes' investment strategy to ensure it is always aligned with the Strategic Plan. The Schemes' financial performance has been sufficiently better than envisaged so the Trustees have reduced risk largely by decreasing the equity allocation and increasing its interest rate and inflation rate hedging which is reflected in the analysis of the Schemes' assets. In addition, the Strategic Plan has been amended to target an asset allocation that may enable the Schemes to be self-sufficient by 2026.

The figures in this note are based on calculations using membership data as at 30 September 2020 along with asset valuations and cash flow information from the Schemes for the year to 30 September 2020.

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35 Retirement benefit obligations continued

Defined benefit schemes continued

A reconciliation of the net pension obligation reported in the Consolidated Statement of Financial Position is shown in the following table:

	At 30 September 2020 Schemes in surplus £m	At 30 September 2020 Schemes in deficit £m	At 30 September 2020 Total £m	At 30 September 2019 Schemes in surplus £m	At 30 September 2019 Schemes in deficit £m	At 30 September 2019 Total £m
Present value of defined benefit obligation	**(2,950.3)**	**(55.5)**	**(3,005.8)**	(2,918.7)	(57.1)	(2,975.8)
Assets at fair value	**3,087.0**	**42.0**	**3,129.0**	3,144.4	46.4	3,190.8
Surplus/(deficit) reported in the Consolidated Statement of Financial Position	**136.7**	**(13.5)**	**123.2**	225.7	(10.7)	215.0

The IAS 19 accounting surplus/(deficit) data above differs to the triennial actuarial surplus/(deficit) calculation used in the assessment of future funding obligations. There are a number of reasons for this – the actuarial valuation is as at the schemes' year end date of 31 March and is calculated triennially based on more prudent assumptions including those covering discount rates and mortality. IAS 19 requires the Company to use best estimate assumptions.

The International Financial Reporting Interpretations Committee, in its document IFRIC 14, has interpreted the extent to which a company can recognise a pension surplus on its Statement of Financial Position.

In relation to HPS and the SEPF, having taken account of the rules of the schemes, the Company has an unconditional right to a refund of any surplus under IFRIC 14 and considers that the recognition of surpluses in these schemes on its Statement of Financial Position is in accordance with the interpretations of IFRIC 14. In relation to the AVC, having taken account of the rules of the scheme, the Company does not have an unconditional right to a refund under IFRIC 14. However, at 30 September 2020 the AVC Plan showed a deficit and no contributions are payable into the AVC Plan. Therefore no asset ceiling needs to be applied to restrict surplus on the balance sheet and no additional minimum funding liability is needed under IFRIC 14.

IFRIC 14 is in the process of being revised which may lead to a reassessment of the Company's recognition of any pension surplus on its Statement of Financial Position.

The surplus/(deficit) for the year, set out above, excludes a related deferred tax liability of £23.4 million (2019 £39.9 million).

A reconciliation of the present value of the defined benefit obligation is shown in the following table:

	Note	Year ended 30 September 2020 £m	Year ended 30 September 2019 £m
Defined benefit obligation at start of year		**(2,975.8)**	(2,594.9)
Interest cost	10	**(52.5)**	(71.0)
Past service cost	3	**–**	(3.1)
Net benefit payments		**114.4**	112.6
Actuarial loss as a result of:			
– changes in financial assumptions	39	**(66.3)**	(411.6)
– changes in demographic assumptions	39	**(15.1)**	(7.1)
– membership experience	39	**(10.5)**	(0.7)
Defined benefit obligation at end of year		**(3,005.8)**	(2,975.8)

A reconciliation of the fair value of assets is shown in the following table:

	Note	Year ended 30 September 2020 £m	Year ended 30 September 2019 £m
Fair value of assets at start of year		**3,190.8**	2,838.4
Interest income on scheme assets	10	**56.7**	78.1
Company contributions	15	**16.1**	12.8
Net benefit payments		**(114.4)**	(112.6)
Return on plan assets, excluding amounts included in interest income on scheme assets	39	**(20.2)**	374.1
Fair value of assets at end of year		**3,129.0**	3,190.8

The fair value of assets is categorised as follows:

	Note	Year ended 30 September 2020 £m	Year ended 30 September 2020 %	Year ended 30 September 2019 £m	Year ended 30 September 2019 %
Equities	(i)				
– Investment funds		**357.0**	**11**	360.4	11
– Private equity		**188.3**	**6**	209.1	7
Liability Driven Investments	(ii)	**727.5**	**23**	831.8	26
Bonds and loans	(iii)	**1,092.7**	**35**	1,008.8	32
Property	(iv)	**425.6**	**14**	488.4	15
Infrastructure		**215.2**	**7**	220.3	7
Cash/Other		**122.7**	**4**	72.0	2
Total Assets		**3,129.0**	**100**	3,190.8	100

(i) Equities include hedge funds and infrastructure funds. Quoted securities in active markets are valued at the latest available bid price at the reporting date.

Private equity and infrastructure funds are valued by investment managers using appropriate valuation techniques. These are derived from market based multiples and discount rates of comparable quoted businesses or market transactions which have been determined by the Trustees' investment advisors to represent fair value.

(ii) Liability Driven Investment funds (LDI) are a collateralised portfolio of gilt repo and swap contracts designed to hedge approximately 65% (by value of assets) of the schemes' inflation and interest rate sensitivity. These are independently valued using quoted prices and for OTC instruments by the investment manager using recognised discounting techniques.

(iii) Bonds and loans include corporate bonds, distressed credit and loans. Corporate bonds are held in unitised pooled investment vehicles and are valued at the latest available bid price provided by the pooled investment manager. Distressed credit and loans are valued by the investment managers using relevant valuation techniques.

(iv) The schemes' property portfolio represent a mixture of industrial, retail, office and leisure. These assets are independently valued at open market value at 31 March each year with subsequent changes in value based on changes in the Morgan Stanley Capital International (MSCI) property index.

The value of employer-related assets held on behalf of the schemes at 30 September 2020 was £nil (0.0% of assets), (2019 £nil, 0.0% of assets).

The main financial assumptions are shown in the following table:

	Year ended 30 September 2020 %	Year ended 30 September 2019 %
Price inflation	**2.95**	3.10
Pension increases	**2.85**	3.00
Discount rate	**1.55**	1.80

The discount rate for both scheme liabilities and the fair value of scheme assets reflects yields at the year-end date on high-quality corporate bonds and are based on a cash flow-based yield curve, calculating a single equivalent discount rate reflecting the average duration of the schemes' liabilities, rounded to the nearest 0.05% p.a. This methodology incorporates bonds given an AA rating from at least two of the main four rating agencies (Standard & Poor's, Moody's, Fitch and DBRS).

RPI inflation is derived in a similar way to the discount rate but with reference to the Bank of England spot curve at the duration of the schemes' weighted averaged duration with an appropriate allowance for inflation risk premium (0.20% p.a.), rounded to the nearest 0.05% p.a.

Mortality assumptions take account of scheme experience, and also allow for further improvements in life expectancy based on the Continuous Mortality Investigation (CMI) projections but with a long-term rate of improvement in future mortality rates of 1.25% p.a. Allowance is made for the extent to which employees have chosen to commute part of their pension for cash at retirement.

The average duration of the defined benefit obligation at the end of the year is approximately 17 years (2019 18 years).

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35 Retirement benefit obligations continued

Defined benefit schemes continued

The table below illustrates examples of the assumed average life expectancies from age 60 for the principal schemes:

	Year ended 30 September 2020 Future life expectancy from age 60 (years)	Year ended 30 September 2019 Future life expectancy from age 60 (years)
For a current 60-year-old male member of the scheme	**26.9**	26.7
For a current 60-year-old female member of the scheme	**28.5**	28.3
For a current 50-year-old male member of the scheme	**27.2**	27.1
For a current 50-year-old female member of the scheme	**29.2**	29.0

The amounts charged to the Consolidated Income Statement relating to the Group's defined benefit schemes, based on the above assumptions are shown in the following table:

	Note	Year ended 30 September 2020 £m	Year ended 30 September 2019 £m
Past service cost	3	**–**	(3.1)
Charge to operating profit		**–**	(3.1)
Finance income	10	**4.2**	7.1
Total credit to the Consolidated Income Statement		**4.2**	4.0

The fair value of some of our pension assets are made up of quoted and unquoted investments. The latter require more judgement as their values are not directly observable. The assumptions used in valuing unquoted investments are affected by current market conditions and trends which could result in changes in fair value after the measurement date.

Pension costs and the size of any pension surplus or deficit are sensitive to the assumptions adopted. The table below indicates the effect from changes in the principal assumptions used above:

		Year ended 30 September 2020 £m	Year ended 30 September 2019 £m
Mortality			
Increase in pension obligation at 30 September 2020 from a one-year increase in life expectancy		**121.6**	115.0
Change in projected pension cost for the year to 30 September 2021 from a one-year increase	+/-	**1.8**	2.0
Inflation rate			
Increase in pension obligation at 30 September 2020 from a 0.1% p.a. increase (excluding hedging)		**52.6**	24.0
Change in projected pension cost for the year to 30 September 2021 from a 0.1% p.a. increase	+/-	**0.7**	0.4
Discount rate			
Decrease in pension obligation at 30 September 2020 from a 0.1% p.a. increase (excluding hedging)		**55.7**	51.5
Change in projected pension cost for the year to 30 September 2021 from a 0.1% p.a. increase	+/-	**0.9**	1.0

There are significant risks in connection with running defined benefit schemes, and the key risks are highlighted below:

Inflation rate risk

A significant proportion of the defined benefit obligation is linked to inflation, therefore increased inflation will result in a higher pension obligation. The Trustees have sought to acquire certain assets with exposure to inflationary uplifts in order to negate a proportion of this risk. Monetary assets such as bonds and loans hedge approximately 65% of the schemes' risk (by value of assets).

Life expectancy risk

The present value of the defined benefit obligation is calculated with reference to the best estimate of the mortality of scheme members. An increase in assumed life expectancy will result in an increase in the defined benefit obligation. Regular reviews of mortality experience are performed to ensure life expectancy assumptions remain appropriate.

Investment risk

This is a measure of the uncertainty that the return on the schemes' assets meet the return necessary to fund pension obligations. The schemes hold a significant proportion of equities, but during the period have been reallocating some of these investments into credit and property investments which exhibit lower volatility of return and the LDI investments.

Discount rate risk

The present value of the defined benefit obligation is calculated using a discount rate set with reference to high-quality corporate bond yields. A decrease in corporate bond yields will increase the present value of the defined benefit obligation, although this will be partially offset by bonds and the LDI investment funds which reduce the gilt rate risk by hedging approximately 65% of the schemes' risk (by value of assets).

Amounts recognised in the Consolidated Statement of Comprehensive Income (SOCI) are shown in the following table:

	Note	Year ended 30 September 2020 £m	Year ended 30 September 2019 £m
Actuarial loss recognised in SOCI	39	**(112.1)**	(45.3)
Cumulative actuarial gain recognised in SOCI at beginning of year		**286.0**	331.3
Cumulative actuarial gain recognised in SOCI at end of year		**173.9**	286.0

A history of experience gains and losses is shown in the following table:

	At 30 September 2020 £m	At 30 September 2019 £m	At 30 September 2018 £m	At 30 September 2017 £m	At 30 September 2016 £m
Present value of defined benefit obligation	**(3,005.8)**	(2,975.8)	(2,594.9)	(2,690.7)	(2,998.9)
Fair value of scheme assets	**3,129.0**	3,190.8	2,838.4	2,753.1	2,752.9
Combined surplus/(deficit) in schemes	**123.2**	215.0	243.5	62.4	(246.0)
Experience adjustments on defined benefit obligation	**(91.9)**	(419.4)	82.6	191.8	(574.9)
Experience adjustments on fair value of scheme assets	**(20.2)**	374.1	101.0	107.3	460.2

The Group expects to contribute approximately £14.4 million to the schemes during the year to 30 September 2021 relating to the deficit funding payments described above.

UK defined contribution plans

The Group has introduced a number of PensionSaver group personal pension plans that have replaced the trust-based defined contribution pension plans previously offered to employees. These plans create a consistent pensions savings vehicle across all Group segments. The benefits for all members of the trust-based plans have been transferred to individual policies held in the member's own name and the scheme is now wound up. Insured death benefits previously held under this trust have already been transferred to a new trust-based arrangement specifically for life assurance purposes.

The aggregate value of the Group personal pension plans was £164.7 million (2019 £159.2 million) at the year end. The pension cost attributable to these plans during the year amounted to £16.3 million (2019 £14.9 million).

Overseas pension plans

Overseas subsidiaries of certain Group segments operate defined contribution retirement benefit plans, primarily in North America. The pension cost attributable to these plans during the year amounts to £2.3 million (2019 £2.5 million).

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36 Provisions

	Note	Contract discounts and rebates £m	Coupon discount £m	Onerous contracts £m	Reorganisation costs £m	Contingent consideration (ii) £m	Claims and legal £m	Other (i) £m	Total £m
Current liabilities									
At 30 September 2018		22.1	0.2	2.1	0.3	1.2	4.3	8.6	38.8
Additions		–	–	–	–	0.3	–	–	0.3
Charged during year		24.1	–	(0.3)	–	–	36.6	1.5	61.9
Utilised during year		(17.1)	(0.1)	(0.3)	–	–	(5.1)	(0.1)	(22.7)
Reclassification between categories		–	–	–	(0.3)	–	–	0.3	–
Transfer from non-current liabilities		–	–	–	–	3.5	–	–	3.5
Contingent consideration paid	17	–	–	–	–	(4.7)	–	–	(4.7)
Fair value adjustment to contingent consideration	10	–	–	–	–	0.2	–	–	0.2
Classified as held-for-sale		–	–	–	–	–	(32.5)	(1.7)	(34.2)
Exchange adjustment		–	–	–	–	0.1	–	1.5	1.6
At 30 September 2019		**29.1**	**0.1**	**1.5**	**–**	**0.6**	**3.3**	**10.1**	**44.7**
Adjustment for transition to IFRS 16	2	–	–	(0.3)	–	–	–	–	(0.3)
Restated at 1 October 2019		**29.1**	**0.1**	**1.2**	**–**	**0.6**	**3.3**	**10.1**	**44.4**
Owned by subsidiaries acquired	17	1.5	–	–	–	–	–	–	1.5
Additions	17	–	–	–	–	0.5	–	–	0.5
Charged during year		10.1	–	(1.2)	–	–	4.2	0.2	13.3
Utilised during year		(10.7)	–	0.9	–	–	(4.0)	(0.2)	(14.0)
Transfer from non-current liabilities		–	–	0.4	–	1.5	–	–	1.9
Contingent consideration paid	17	–	–	–	–	(0.4)	–	–	(0.4)
Adjustment to goodwill	21	–	–	–	–	(0.2)	–	–	(0.2)
Exchange adjustment		–	–	–	–	(0.1)	–	(0.3)	(0.4)
At 30 September 2020		**30.0**	**0.1**	**1.3**	**–**	**1.9**	**3.5**	**9.8**	**46.6**

	Note	Onerous contracts £m	Contingent consideration (ii) £m	Other (i) £m	Total £m
Non-current liabilities					
At 30 September 2018		4.2	3.6	2.2	10.0
Additions		–	1.3	–	1.3
Charged during year		(0.6)	–	0.4	(0.2)
Utilised during year		–	–	(0.1)	(0.1)
Transfer to current liabilities		–	(3.5)	–	(3.5)
Exchange adjustment		0.1	0.1	0.1	0.3
At 30 September 2019		**3.7**	**1.5**	**2.6**	**7.8**
Adjustment for transition to IFRS 16	2	(0.8)	–	–	(0.8)
Restated at 1 October 2019		**2.9**	**1.5**	**2.6**	**7.0**
Owned by subsidiaries acquired	17	–	–	0.1	0.1
Additions	17	–	0.6	–	0.6
Charged during year		–	–	0.4	0.4
Utilised during year		–	–	(0.1)	(0.1)
Transfer to current liabilities		(0.4)	(1.5)	–	(1.9)
Exchange adjustment		(0.1)	–	(0.1)	(0.2)
At 30 September 2020		**2.4**	**0.6**	**2.9**	**5.9**

(i) Other current provisions principally comprise tax provisions of £nil (2019 £1.7 million), end of service provisions of £4.3 million (2019 £4.8 million), dilapidation provisions of £2.1 million (2019 £2.0 million) and provisions for national insurance contributions of £1.7 million (2019 £1.7 million).

Other non-current provisions principally comprise dilapidation provisions of £1.4 million (2019 £1.1 million), end of service provisions of £0.9 million (2019 £0.9 million) and a provision for amounts payable to the Newspaper Society following the cessation of membership on disposal of Northcliffe Newspapers Ltd in 2012 of £0.4 million (2019 £0.6 million).

(ii) The maturity profile of the Group's contingent consideration provision is as follows:

	At 30 September 2020 £m	At 30 September 2019 £m
Expiring in one year or less	**1.9**	0.6
Expiring between one and two years	**0.6**	1.5
	2.5	2.1

The contingent consideration is based on future business valuations and profit multiples and has been estimated using available data forecasts. The estimated range of undiscounted outcomes for contingent consideration relating to acquisitions in the year is £0.4 million to £4.6 million (2019 £nil to £1.6 million). Certain contingent consideration arrangements are not capped since they are based on future business performance.

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37 Deferred taxation

	Note	Accelerated capital allowances £m	Goodwill and intangible assets £m	Share-based payments £m	Deferred interest £m	Trading losses and tax credits £m	Pension scheme deficit £m	Other £m	Total £m
At 30 September 2018		35.9	(34.8)	3.8	30.0	27.0	(37.5)	18.9	43.3
Disclosed within non-current liabilities		–	(6.2)	–	–	–	–	–	(6.2)
Disclosed within non-current assets		35.9	(28.6)	3.8	30.0	27.0	(37.5)	18.9	49.5
Adjustment for transition to IFRS 15		–	–	–	–	–	–	1.1	1.1
Restated at 1 October 2018		35.9	(34.8)	3.8	30.0	27.0	(37.5)	20.0	44.4
(Charge)/credit to income	11, (i)	(3.2)	7.4	1.9	(5.6)	4.8	(4.0)	(1.4)	(0.1)
Charge to equity	39, 41	–	–	0.6	–	–	7.7	–	8.3
Owned by subsidiaries acquired		–	(0.3)	–	–	–	–	–	(0.3)
Owned by subsidiaries disposed		–	4.2	–	–	–	–	–	4.2
Classified as held for sale	20	(1.2)	7.5	–	–	(2.6)	–	(9.6)	(5.9)
Exchange adjustment		0.3	(1.6)	–	–	2.3	–	0.8	1.8
At 30 September 2019		**31.8**	**(17.6)**	**6.3**	**24.4**	**31.5**	**(33.8)**	**9.8**	**52.4**
Disclosed within non-current liabilities		–	(2.5)	–	–	–	–	–	(2.5)
Disclosed within non-current assets		31.8	(15.1)	6.3	24.4	31.5	(33.8)	9.8	54.9
Adjustment for transition to IFRS 16		–	–	–	–	–	–	(0.3)	(0.3)
Restated at 1 October 2019		**31.8**	**(17.6)**	**6.3**	**24.4**	**31.5**	**(33.8)**	**9.5**	**52.1**
(Charge)/credit to income	11, (i)	(2.5)	3.2	5.5	6.7	(23.3)	(4.3)	9.2	(5.5)
Credit/(charge) to income due to change in tax rate	11, (i)	3.3	(0.5)	0.7	2.9	2.5	(0.4)	0.1	8.6
Charge to equity	40	–	–	(0.6)	–	–	21.4	–	20.8
Charge to equity due to change in tax rate	40	–	–	–	–	–	(3.9)	–	(3.9)
Owned by subsidiaries acquired	17	–	(1.1)	–	–	–	–	0.4	(0.7)
Exchange adjustment		(0.2)	0.8	–	(0.3)	(1.0)	–	(0.7)	(1.4)
At 30 September 2020		**32.4**	**(15.2)**	**11.9**	**33.7**	**9.7**	**(21.0)**	**18.5**	**70.0**
Disclosed within non-current liabilities		**–**	**(0.3)**	**–**	**–**	**–**	**–**	**–**	**(0.3)**
Disclosed within non-current assets		**32.4**	**(14.9)**	**11.9**	**33.7**	**9.7**	**(21.0)**	**18.5**	**70.3**
At 30 September 2020		**32.4**	**(15.2)**	**11.9**	**33.7**	**9.7**	**(21.0)**	**18.5**	**70.0**

(i) Includes a £nil charge attributable to discontinued operations (2019 £7.6 million).

The net deferred tax asset disclosed in the Consolidated Statement of Financial Position in respect of deferred interest, tax losses and tax credits is analysed as follows:

	At 30 September 2020 £m	At 30 September 2019 £m
UK	**8.6**	45.8
North America	**33.7**	9.0
Rest of the World	**1.1**	1.1
	43.4	55.9

These losses have been recognised on the basis that the Directors are of the opinion, based on recent and forecast trading, that sufficient suitable taxable profits will be generated in the relevant territories in future accounting periods, such that it is considered probable that these assets will be recovered.

There is an unrecognised deferred tax asset of £78.4 million (2019 £56.0 million) which relates to revenue losses and £67.8 million (2019 £88.3 million) which relates to deferred interest where there is insufficient certainty that these losses will be utilised in the foreseeable future. There is an additional unprovided deferred tax asset relating to capital losses carried forward of £124.0 million (2019 £115.0 million).

No deferred tax liability is recognised on temporary differences of £245.8 million (2019 £278.5 million) relating to the unremitted earnings of overseas subsidiaries as the Group is able to control the timing of the reversal of these temporary differences and it is probable that they will not reverse in the foreseeable future. The temporary differences at 30 September 2020 represent only the unremitted earnings of those overseas subsidiaries where remittance to the UK of those earnings may still result in a tax liability, principally as a result of dividend withholding taxes levied by the overseas tax jurisdictions in which these subsidiaries operate.

38 Called-up share capital

	Note	Allotted, issued and fully paid At 30 September 2020 £m	Allotted, issued and fully paid At 30 September 2019 £m
Ordinary Shares of 12.5 pence each		**2.5**	2.5
A Ordinary Non-Voting Shares of 12.5 pence each	(i)	**26.8**	26.8
		29.3	29.3

	Note	Allotted, issued and fully paid At 30 September 2020 Number of shares	Allotted, issued and fully paid At 30 September 2019 Number of shares
Ordinary Shares		**19,890,364**	19,890,364
A Ordinary Non-Voting Shares	(i)	**214,913,327**	214,913,327
		234,803,691	234,803,691

The two classes of shares are equal in all respects, except that the A Ordinary Non-Voting Shares do not have voting rights and hence their holders are not entitled to vote at general meetings of the Company.

(i) In the prior year, on 3 March 2019, the Group announced its intention to distribute all of the Euromoney Institutional Investor PLC (Euromoney) shares owned by the Group to certain holders of DMGT's A Ordinary Non-Voting Shares (A Shares), by way of a dividend in specie (the Euromoney Distributions), as well as a £200.0 million cash distribution (the Cash Distribution).

The terms were such that Fully Participating Shareholders would participate in the Euromoney Distributions and Cash Distribution whilst Rothermere Affiliated Shareholders would only participate in the Cash Distribution and on a limited basis.

The proposal was approved at a Class Meeting of the Fully Participating Shareholders on 26 March 2019. The Euromoney Distributions occurred at 8am on 2 April 2019 and the Cash Distribution on 15 April 2019.

Before these distributions were made c.46.4% of the A Shares held by Fully Participating Shareholders were converted into a new class of B Shares and c.4.0% of the A Shares held by Rothermere Affiliated Shareholders converted into a new class of C Shares.

The Euromoney Distributions and a special dividend of £183.0 million in aggregate in cash was then paid to the Fully Participating Shareholders in respect of the B Shares and a restricted special dividend of £17.0 million in aggregate in cash was paid to the Rothermere Affiliated Shareholders in respect of the C Shares.

Once these distributions were made the B Shares and the C Shares were converted into Deferred B Shares and Deferred C Shares respectively before being transferred to the Company for no valuable consideration and cancelled shortly thereafter. Consequently, these distributions resulted in a reduction in the share capital of DMGT plc. The voting Ordinary Shares did not participate in the distributions.

For each A Share held at 6.00pm on 29 March 2019, the conversion record time, the Fully Participating Shareholders received c.0.19933 of a Euromoney Share and c.68.13p in cash, and there was a reduction in their holding of c.0.46409 of an A Share. For each A Share held by the Rothermere Affiliated Shareholders, they received c.25.53p in cash and there was a reduction in their holding of c.0.03946 of an A Share.

The Rothermere Affiliated Shareholders' proportionate interest in the total number of A Shares in issue increased from 20.0% of the issued A Shares before the distributions to 30.0% after and their combined shareholding of A Shares and Ordinary Shares increased from 24.0% of the issued A Shares and Ordinary Shares before the distributions to 36.0% after.

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39 Reserves

	Note	Year ended 30 September 2020 £m	Year ended 30 September 2019 £m
Share premium account			
At start and end of year		**17.8**	17.8
Capital redemption reserve			
At start of year		**21.0**	5.0
On cancellation of A Ordinary Non-Voting Shares		**–**	16.0
At end of year		**21.0**	21.0
Own shares			
At start of year		**(49.1)**	(57.2)
Purchase of DMGT shares	(i)	**(19.7)**	(2.5)
Own shares released on vesting of share options	(ii)	**9.5**	10.6
At end of year		**(59.3)**	(49.1)

The Group's investment in its own shares represents shares held in treasury or shares held by an employee benefit trust (EBT) to satisfy incentive schemes.

At 30 September 2020, this investment comprised 4,455,593 A Ordinary Non-Voting Shares (2019 4,566,121 shares) held in treasury and 3,705,104 A Ordinary Non-Voting Shares (2019 2,157,613 shares) held in the EBT. The market value of the Treasury Shares at 30 September 2020 was £29.0 million (2019 £38.9 million) and the market value of the shares held in the EBT at 30 September 2020 was £24.1 million (2019 £18.4 million).

The EBT is independently managed and purchases shares in order to satisfy outstanding share options and potential awards under long-term incentive plans.

(i) The Company purchased 0.2 million (2019 0.4 million) A Ordinary Non-Voting Shares having a nominal value of £nil (2019 £0.1 million) into treasury to match obligations under incentive plans. The consideration paid for these shares was £1.8 million (2019 £2.5 million). In addition, the EBT purchased 2.5 million (2019 nil) A Ordinary Non-Voting shares having a nominal value of £0.3 million (2019 £nil). The consideration paid for these shares was £17.9 million (2019 £nil).

(ii) During the period, the Company utilised 1.3 million (2019 1.5 million) A Ordinary Non-Voting Shares in order to satisfy incentive schemes. This represented 0.6% (2019 0.7%) of the called-up A Ordinary Non-Voting Share capital at 30 September 2020. The carrying value of these shares was £9.5 million (2019 £10.6 million).

At 30 September 2020 options were outstanding under the terms of the Company's Executive Share Option Schemes, Long-Term Incentive Plans and nil-cost options, over a total of 4,001,779 A Ordinary Non-Voting Shares (2019 2,728,139 shares).

	Note	Year ended 30 September 2020 £m	Year ended 30 September 2019 £m
Translation reserve			
At start of year		**52.5**	53.5
Foreign exchange differences on translation of foreign operations		**2.1**	16.2
Translation reserves recycled to Consolidated Income Statement on disposals	8, 18, 19	**10.6**	(3.6)
Gain/(loss) on hedges of net investments in foreign operations		**0.8**	(13.5)
Costs of hedging		**0.5**	(0.1)
At end of year		**66.5**	52.5

The translation reserve arises on the translation into sterling of the net assets of the Group's foreign operations, offset by changes in fair value of financial instruments used to hedge this exposure.

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Included in the translation reserve is a cumulative loss of £8.7 million (2019 £16.3 million) in relation to continuing hedge relationships and a cumulative loss of £37.0 million (2019 £47.0 million) in relation to hedging relationships for which hedge accounting is no longer applied.

	Note	Year ended 30 September 2020 £m	Year ended 30 September 2019 £m
Retained earnings			
At start of year		**702.8**	1,597.5
Adjustment for transition to IFRS 15		**–**	(2.4)
Adjustment for transition to IFRS 9		**–**	(2.9)
Adjustment for transition to IFRS 16	2	**1.1**	–
Restated at start of year		**703.9**	1,592.2
Profit for the period		**189.3**	90.9
Dividends paid	12	**(54.9)**	(74.1)
Euromoney dividend in specie	12, (i)	**–**	(673.6)
Adjustment to Euromoney dividend in specie	12, (i)	**–**	11.8
Impairment of Euromoney following dividend in specie	12, (ii)	**–**	(11.8)
Euromoney cash distribution	12, (i)	**–**	(200.0)
Actuarial loss on defined benefit pension schemes	35	**(112.1)**	(45.3)
Credit to equity for share-based payments	6, 15, 42	**42.2**	21.1
Settlement of exercised share options of subsidiaries		**(10.4)**	(11.5)
Fair value movement of financial assets at fair value through Other Comprehensive Income	26	**295.0**	(4.5)
Deferred tax on actuarial movement	37	**17.5**	7.7
Deferred tax on other items recognised directly in equity	37	**(0.6)**	0.6
Share of joint ventures' and associates' items of other comprehensive expense	7	**–**	(0.7)
At end of year		**1,069.9**	702.8
At end of year – total reserves		**1,115.9**	745.0

(i) At 31 March 2019, in relation to the disposal of Euromoney, the Group made provision for a cash dividend payable on 15 April 2019 of £200.0 million in accordance with IAS 32 Financial Instruments, and a dividend in specie of £673.6 million, based on the fair value of Euromoney at 31 March 2019, in accordance with IFRIC 17 Distributions of non-cash assets to owners.

The dividend in specie paid on 2 April 2019 amounted to £661.8 million and was calculated using a Euromoney share price of £12.36 at 8am on that date. This reduced the dividend provided at 31 March 2019 by £11.8 million, from £673.6 million to £661.8 million.

(ii) At 31 March 2019 the Group's investment in Euromoney was transferred to Assets Held for Sale at the lower of carrying value and fair value less costs to sell. This resulted in an impairment charge of £23.5 million for the period to 31 March 2019 which was taken to the Consolidated Income Statement in accordance with IFRS 5, Non-current Assets Held for Sale and Discontinued Operations.

Following the Group's half year end, the Euromoney share price fell from £12.58 on 31 March 2019 to £12.36 at 8am on 2 April 2019, the time and date of the distribution which reduced the dividend in specie provided at 31 March 2019 by £11.8 million. In addition, the fall in the Euromoney share price resulted in a further impairment charge of £11.8 million in the second half which, under the principles of IFRIC 17 was charged to retained earnings.

40 Non-controlling interests

	Note	Year ended 30 September 2020 £m	Year ended 30 September 2019 £m
At start of year		**–**	13.5
Share of (loss)/profit for the period		**(0.3)**	0.4
Dividends paid		**–**	(1.0)
Non-controlling interest arising on acquisition	17	**1.3**	–
Foreign exchange differences on translation of foreign operations		**–**	(0.1)
Recycled to Consolidated Income Statement on disposals		**–**	(12.8)
At end of year		**1.0**	–

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41 Commitments and contingent liabilities

Commitments

At 30 September 2020, the Group had outstanding capital expenditure commitments as follows:

	At 30 September 2020 £m	At 30 September 2019 £m
Property, plant and equipment		
Contracted but not provided in the financial statements	**–**	–

At 30 September 2020, the Group had outstanding commitments under non-cancellable agreements made to secure venues for future events and exhibitions which fall due as follows:

	At 30 September 2020 £m	At 30 September 2019 £m
Within one year	**10.2**	16.8
Between one and two years	**1.5**	–
	11.7	16.8

The Group has entered into arrangements with ink suppliers to obtain ink for the period to December 2022 at competitive prices and to secure supply. At 30 September 2020, the commitment to purchase ink over this period was £7.6 million (2019 £21.7 million for the period to December 2020).

The Group has entered into agreements with various printers for periods up to December 2024 at competitive prices and to secure supply. At 30 September 2020, the commitment to purchase printing capacity over this period was £19.5 million (2019 £40.0 million for the period to December 2022).

Contingent liabilities

The Group has issued standby letters of credit amounting to £2.3 million (2019 £2.9 million).

The Group is exposed to libel claims in the ordinary course of business and vigorously defends against claims received. The Group makes provision for the estimated costs to defend such claims and provides for any settlement costs when such an outcome is judged probable.

The Group's Energy Information business (Genscape) provided a third-party auditor service verifying Renewable Identification Numbers (RINs) for renewable fuel production activities in the US, as part of the Renewable Fuel Standard Quality Assurance Program (Program), a regulatory program administered by the US Environmental Protection Agency (EPA).

Following discovery and self-reporting to the EPA by Genscape of potential fraudulent RINs generated by two companies unconnected with DMGT but verified by Genscape between 2013 and 2014 under the Program, the EPA issued a notice of intent to revoke the ability of Genscape to verify RINs as a third-party auditor on 4 January 2017. Following the EPA investigation of the two companies in April 2016, the two companies pleaded guilty of fraud in connection with the broader scheme to generate RINs.

EPA regulations for the audit program set a liability cap on replacement of invalid RINs of 2.0% of the RINs. In April 2017 Genscape voluntarily paid the 2.0% liability cap associated with the invalid RINs at a cost of US$1.3 million, based on the then-prevailing market rates, subject to a reservation of rights. The EPA regulations allow for situations where the cap does not apply – including fraud, auditor error and negligence.

The EPA had not formally alleged any fraud or intentional wrongdoing by Genscape, but in its May 2019 final determination letter, EPA did find grounds for auditor error and negligence by Genscape and ordered Genscape to replace 69.2 million additional RINs it had verified.

In July 2019, Genscape filed a petition for review with the Sixth Circuit Court of Appeals and a motion to stay the EPA's order to replace the 69.2 million RINs which was accepted for the duration of Genscape's petition for review.

Notwithstanding the sale of Genscape to Verisk, DMGT is responsible for any costs, claims or awards and all settlement negotiations with the EPA.

Since RINs trade in a volatile range, averaging approximately 48 cents over the previous 24-month period, replacing the maximum 69.2 million RINs claimed by the EPA would equate to a potential maximum claim of approximately US$33.4 million. Using the period end price of 62 cents replacing the maximum 69.2 million RINs claimed by the EPA would equate to a potential maximum claim of US$42.9 million.

DMGT continues to cooperate with the EPA and settlement discussions are ongoing but considering the uncertainties involved, the length of time involved and taking note of the order from the EPA, the Group, without admitting any wrongdoing, made a provision for the total cost of replacing RINs at 30 September 2019.

At each period end IAS 37 requires DMGT to review this provision and make appropriate adjustments to reflect the current status of the claim. Accordingly, the Group has reduced its total provision. The Group's closing provision includes the cost of replacement RINs, estimated purchase costs, associated legal fees and currency fluctuations. The final settlement amount may be different than the provision made, however, it is not possible for the Group to predict with any certainty the potential impact of this litigation or to quantify the ultimate cost of a verdict or resolution. Accordingly, the provision could change substantially over time as the dispute progresses and new facts emerge.

42 Share-based payments

The Group offers a number of share-based remuneration schemes to Directors and certain employees. The principal schemes comprise share options under the DMGT, Insurance Risk, Property Information and Consumer Media segments. Share options are exercisable after the vesting period, subject in some cases to the satisfaction of performance conditions, and up to 10 years from the date of grant at a price equivalent to the market value of the respective shares at the date of grant. Details of the performance conditions relating to the DMGT schemes are explained in the Remuneration Report.

The charge to the Consolidated Income Statement is as follows:

Segment	Scheme	Year ended 30 September 2020 £m	Year ended 30 September 2019 £m
DMGT Board and Corporate Costs	Executive Share Option Scheme	**0.1**	–
	Equity-Settled Executive Bonuses	**0.7**	–
	Long-Term Incentive Plan	**8.6**	13.9
	Option Plan	**0.2**	–
Insurance Risk	Option Plan	**24.0**	1.6
Property Information	Option Plan	**1.5**	0.7
Consumer Media	Long-Term Incentive Plan	**4.9**	4.9
	Option Plan	**2.2**	–
Social security costs		**1.7**	2.1
		43.9	23.2

The fair value of share options for each of these schemes was determined using a Black-Scholes model. Full details of inputs to the models, particular to each scheme, are set out below. With respect to all schemes, expected volatility has been estimated, based upon relevant historic data in respect of the DMGT A Ordinary Non-Voting Share price. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability.

The Group did not reprice any of its outstanding options during the period.

Further details of the Group's significant schemes are set out below:

DMGT 2006 Executive Share Option Scheme

Under the DMGT 2006 Executive Share Option Scheme, each award of options has a maximum life of 10 years. The maximum award limit is 100.0% of salary in any year in normal circumstances and 200.0% of salary in exceptional circumstances. Awards will not normally vest until three years after the award and the performance conditions have been met. No options were outstanding to Directors during the year.

	Note	Year ended 30 September 2020 Number of share options	Year ended 30 September 2020 Weighted average exercise price £	Year ended 30 September 2019 Number of share options	Year ended 30 September 2019 Weighted average exercise price £
Outstanding at 1 October		**661,105**	**5.87**	413,314	6.21
Granted during the period		**–**	**–**	300,000	5.91
Exercised during the period		**(77,718)**	**7.59**	(46,074)	5.16
Expired during the period		**(51,811)**	**5.89**	(30,000)	7.06
Modified during the period	(i)	**–**	**–**	23,865	4.08
Outstanding at 30 September		**531,576**	**5.62**	661,105	5.87
Exercisable at 30 September		**168,903**	**5.23**	168,903	5.23

The aggregate of the estimated fair values of the options granted during the period is £nil (2019 £0.6 million). The options outstanding at 30 September 2020 had a weighted average remaining contractual life of 6.4 years (2019 6.9 years).

(i) As part of the Euromoney disposal, the DMGT Remuneration Committee's approved principle was that participants in DMGT share awards should neither be advantaged nor disadvantaged as compared to participating shareholders. In order to meet this principle all unvested share awards prior to the Euromoney distribution on 2 April 2019, were uplifted by 4.8%. In the table above this has been described as a modification.

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42 Share-based payments continued

The inputs into the Black-Scholes model are as follows:

Date of grant	5 December 2011	27 June 2012	17 December 2012	9 December 2013	10 December 2014
Market value of shares at date of grant (£)	3.81	3.74	5.07	8.81	7.98
Option price (£)	3.81	3.74	5.07	8.81	7.98
Number of share options outstanding	4,144	103,624	4,144	25,906	15,543
Term of option (years)	10	10	10	10	10
Assumed period of exercise after vesting (years)	7	7	7	5	5
Exercise price (£)	3.81	3.74	5.07	8.81	7.98
Risk-free rate (%)	1.50	1.00	1.00	1.50	1.08
Expected dividend yield (%)	4.27	4.43	3.42	2.00	2.77
Volatility (%)	30.00	30.00	30.00	25.00	25.70
Fair value per option (£)	0.71	0.70	0.97	1.69	1.31

Date of grant	14 December 2015	8 February 2018	25 January 2019
Market value of shares at date of grant (£)	6.81	6.18	5.69
Option price (£)	6.81	6.18	5.69
Number of share options outstanding	15,542	82,897	279,776
Term of option (years)	10	10	10
Assumed period of exercise after vesting (years)	7	7	7
Exercise price (£)	6.81	6.18	5.69
Risk-free rate (%)	1.19	0.82	0.81
Expected dividend yield (%)	3.26	3.24	3.59
Volatility (%)	25.10	27.88	27.95
Fair value per option (£)	0.93	0.94	0.84

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Nil-cost options under the DMGT Executive Bonus Scheme

Since December 2009 a portion of the bonus earned by Executive Directors under the Executive Bonus Scheme has been deferred into shares in the form of nil-cost options. These options are to the value of the equity portion of the bonus and are fully expensed in the period in which they are earned. Further details are shown in the Remuneration Report.

	Note	Year ended 30 September 2020 Number of share options	Year ended 30 September 2020 Weighted average exercise price £	Year ended 30 September 2019 Number of share options	Year ended 30 September 2019 Weighted average exercise price £
Outstanding at 1 October		**120,436**	**–**	267,307	–
Granted during the period		**85,899**	**–**	100,538	–
Exercised during the period		**(15,092)**	**–**	(259,714)	–
Modified during the period	(i)	**–**	**–**	12,305	–
Outstanding at 30 September		**191,243**	**–**	120,436	–
Exercisable at 30 September		**–**	**–**	–	–

The aggregate of the estimated fair values of the awards granted during the period is £0.7 million (2019 £nil). The awards outstanding at 30 September 2020 had a weighted average remaining contractual life of 5.6 years (2019 6.1 years).

DMGT Long-Term Incentive Plan

Details of the terms and conditions relating to this scheme are set out in the Remuneration Report.

	Note	Year ended 30 September 2020 Number of share options	Year ended 30 September 2020 Weighted average exercise price £	Year ended 30 September 2019 Number of share options	Year ended 30 September 2019 Weighted average exercise price £
Outstanding at 1 October		**1,946,598**	**–**	2,395,124	–
Granted during the period		**1,319,412**	**–**	518,856	–
Exercised during the period		**(649,744)**	**–**	(796,460)	–
Expired during the period		**(12,953)**	**–**	(264,996)	–
Modified during the period	(i)	**–**	**–**	94,074	–
Outstanding at 30 September		**2,603,313**	**–**	1,946,598	–
Exercisable at 30 September		**–**	**–**	–	–

The aggregate of the estimated fair values of the awards granted during the period is £3.3 million (2019 £13.6 million).

The awards outstanding at 30 September 2020 had a weighted average remaining contractual life of 1.5 years (2019 1.2 years).

(i) As part of the Euromoney disposal, the DMGT Remuneration Committee's approved principle was that participants in DMGT share awards should neither be advantaged nor disadvantaged as compared to participating shareholders. In order to meet this principle all unvested share awards prior to the Euromoney distribution on 2 April 2019, were uplifted by 4.8%. In the tables above this has been described as a modification.

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42 Share-based payments continued

Options under the DMGT Long-Term Incentive Scheme

The inputs into the Black-Scholes model are as follows:

Date of grant	14 December 2015	14 December 2017	16 January 2018	18 January 2018	18 January 2018
Market value of shares at date of grant (£)	6.81	5.43	5.85	5.43	5.43
Option price (£)	Nil	Nil	Nil	Nil	Nil
Number of share options outstanding	362,772	60,359	56,489	188,646	23,263
Term of option (years)	5	3	3	3	2
Assumed period of exercise after vesting (years)	Nil	Nil	Nil	Nil	Nil
Exercise price (£)	Nil	Nil	Nil	Nil	Nil
Risk-free rate (%)	Nil	Nil	Nil	Nil	Nil
Expected dividend yield (%)	Nil	Nil	Nil	Nil	Nil
Volatility (%)	Nil	Nil	Nil	Nil	Nil
Fair value per option (£)	6.81	5.43	5.85	5.43	5.43

Date of grant	14 June 2018	13 August 2018	14 December 2018	14 December 2018	1 October 2019
Market value of shares at date of grant (£)	5.43	7.24	6.29	6.29	8.40
Option price (£)	Nil	Nil	Nil	Nil	Nil
Number of share options outstanding	23,263	38,394	333,171	210,497	931,029
Term of option (years)	3	3	2	3	3
Assumed period of exercise after vesting (years)	Nil	Nil	Nil	Nil	Nil
Exercise price (£)	Nil	Nil	Nil	Nil	Nil
Risk-free rate (%)	Nil	Nil	Nil	Nil	Nil
Expected dividend yield (%)	Nil	Nil	Nil	Nil	Nil
Volatility (%)	Nil	Nil	Nil	Nil	Nil
Fair value per option (£)	5.43	7.24	6.29	6.29	8.40

Date of grant	13 December 2019	7 February 2020
Market value of shares at date of grant (£)	8.40	8.40
Option price (£)	Nil	Nil
Number of share options outstanding	363,525	11,905
Term of option (years)	3	3
Assumed period of exercise after vesting (years)	Nil	Nil
Exercise price (£)	Nil	Nil
Risk-free rate (%)	Nil	Nil
Expected dividend yield (%)	Nil	Nil
Volatility (%)	Nil	Nil
Fair value per option (£)	8.40	8.40

DMGT Long-Term Executive Incentive Plan Awards 2017 and 2018

These plans entitled certain executives to a percentage share of eligible profit growth over a three-year performance period.

The awards are settled in A Ordinary Non-Voting Shares based on the average share price for the first three days following release of the annual financial results or the date of employment.

DMGT Long-Term Executive Incentive Plan Awards 2019 and 2020

These awards entitle participants (who are not Executive Directors) to a set a number of shares further to a three-year restricted period. Awards are based on financial and individual performance for the previous financial year.

The awards are settled in A Ordinary Non-Voting Shares based on the average share price for the first three days following release of the annual financial results or the date of employment.

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DMGT Long-Term Executive Director Incentive Plan Awards 2019 and 2020

The Group expects to implement a new Executive Director (ED) plan, subject to shareholder approval, at the February 2021 AGM.

Three awards are expected to be granted to EDs, the first granted on 1 October 2019 and vesting on 30 September 2029, the second granted on 1 October 2020 and vesting on 30 September 2030 and the third granted on 1 October 2021 and vesting on 30 September 2031.

Once these three awards have been made, no further awards are intended to be made to the existing EDs until after 30 September 2029.

The awards are expected to be granted in A Ordinary Non-Voting Shares based on the average daily high & low share prices for a period of 30 trading days finishing on the third day following release of the annual financial results.

Insurance Risk (RMS) Option Plans

RMS maintains the 2014 Equity Award Plan (2014 Plan) and the 2015 Equity Incentive Plan (2015 Plan).

The 2014 Plan was introduced during the year ended 30 September 2014. The 2014 Plan allows grants of options and Restricted Stock Units (RSUs), both time and performance based, to employees, officers, directors and consultants of RMS.

The 2015 Plan was introduced during the year ended 30 September 2016. The 2015 Plan allows grants of options to employees, officers, directors and consultants of RMS. Options granted under this plan had two vesting conditions – a service period and the occurrence of an initial public offering of RMS or an event in which the Group ceases to hold at least 50.0% of the voting rights of RMS.

On 20 July 2020, the Group modified the 2015 Plan such that vesting now occurs only on the satisfaction of the service period. In addition, the modified plan allows for the granting of RSUs.

RMS options under the 2014 and 2015 Plans were granted at market value and are settled in equity upon exercise.

RMS share options

	Year ended 30 September 2020 Number of share options	Year ended 30 September 2020 Weighted average exercise price US$	Year ended 30 September 2019 Number of share options	Year ended 30 September 2019 Weighted average exercise price US$
Outstanding at 1 October	**10,487,464**	**9.46**	9,158,573	9.35
Granted during the period	**3,870,108**	**12.33**	3,309,136	9.63
Forfeited during the period	**(2,373,009)**	**9.60**	(1,980,245)	9.47
Exercised during the period	**(126,328)**	**10.00**	–	–
Outstanding at 30 September	**11,858,235**	**10.35**	10,487,464	9.46
Exercisable at 30 September	**9,718,471**	**9.53**	417,448	10.18

The weighted average share price at the date of exercise for share options exercised during the period was US$14.08 (2019 US$nil).

The options outstanding at 30 September 2020 had a weighted average remaining contractual life of 7.4 years (2019 7.5 years).

The inputs into the Black-Scholes model are as follows:

Date of grant	During 2014	During 2015	During 2016	During 2017	During 2018	During 2019	During 2020
Market value of shares at date of grant (US$)	14.59	10.00	9.04	9.52	9.62	9.63	12.33
Option price (US$)	14.59	10.00	9.04	9.52	9.62	9.63	12.33
Number of share options outstanding	8,000	220,368	2,833,950	1,473,954	1,782,611	2,048,388	3,490,964
Term of option (years)	7	7	10	10	10	10	10
Assumed period of exercise after vesting (years)	3-6	4-5	6.25	6.25	6.25	6.25	6.25
Exercise price (US$)	14.59	10.00	9.04	9.52	9.62	9.63	12.33
Risk-free rate (%)	1.25	1.25	1.64	2.17	2.45	2.80	1.00
Expected dividend yield (%)	2.91	3.63	Nil	Nil	Nil	Nil	Nil
Volatility (%)	28.81	25.63	30.85	30.62	29.55	28.88	30.17
Fair value per option (US$)	2.70	1.44	3.04	3.30	3.31	3.34	3.89

Expected volatility was determined by calculating the historical volatility of comparable companies.

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42 Share-based payments continued

RMS RSU awards

	Year ended 30 September 2020 Number of RSUs	Year ended 30 September 2020 Weighted average exercise price US$	Year ended 30 September 2019 Number of RSU	Year ended 30 September 2019 Weighted average exercise price US$
Outstanding at 1 October	–	–	10,914	–
Granted during the period	377,593	–	–	–
Vested during the period	–	–	(10,914)	–
Outstanding at 30 September	377,593	–	–	–

43 Ultimate holding company

The Company's immediate parent company is Rothermere Continuation Limited (RCL), a company incorporated in Jersey, in the Channel Islands, and previously named Rothermere Investments Limited.

On 5 December 2019, pursuant to a consolidation of the Group's holding structure, RCL acquired a Bermudan company known as Rothermere Continuation (Old Co) Limited (previously named Rothermere Continuation Limited), (RCOCL), and certain assets held by RCOCL, including 100% of the issued Ordinary Shares of the Company. RCL now holds 100% of the issued Ordinary Shares of the Company.

Daily Mail and General Trust plc is the only company in the Group to prepare consolidated financial statements.

44 Related party transactions

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note. The transactions between the Group and its joint ventures and associates are disclosed below.

For the purposes of IAS 24, Related Party Disclosures, executives below the level of the Company's Board are not regarded as related parties.

The remuneration of the Directors at the year end, who are the key management personnel of the Group, is set out in aggregate in the audited part of the Directors' Remuneration Report.

Ultimate controlling party

Rothermere Continuation Limited (RCL) is a holding company incorporated in Jersey, in the Channel Islands. The main asset of RCL is its controlling shareholding in DMGT, being its 100% holding of DMGT's issued Ordinary Shares and the largest single holding of DMGT A Ordinary Shares. RCL is controlled by a discretionary trust (the Trust) which is held for the benefit of Viscount Rothermere and his immediate family. The Trust represents the ultimate controlling party of the Company. Both RCL and the Trust are administered in Jersey. RCL and its directors, and the Trust are related parties of the Company.

On 5 December 2019, pursuant to a consolidation of the Group's holding structure, RCL acquired a Bermudan company known as Rothermere Continuation (Old Co) Limited (previously named Rothermere Continuation Limited), (RCOCL), and certain assets held by RCOCL, including 100% of the issued Ordinary Shares of the Company. RCL now holds 100% of the issued Ordinary Shares of the Company, however the underlying control of DMGT remains unchanged and continues to lie with the Trust.

Transactions with Directors

During the period, Forsters LLP in which Mr A Lane, a Non-Executive Director of the Company, is a partner, provided legal services to the Company amounting to £26,687 (2019 £nil).

Transactions with joint ventures and associates

Details of the Group's principal joint ventures and associates are set out in Note 25.

Associated Newspapers Ltd (ANL) has a 50.0% (2019 50.0%) shareholding in Northprint Manchester Ltd, a joint venture. The net amount due to ANL of £5.8 million (2019 £5.8 million) has been fully provided.

DMGV Ltd (DMGV) has a 23.9% (2019 23.9%) shareholding in Excalibur Holdco Ltd (Excalibur), an associate. During the period, services provided to Excalibur amounted to £0.5 million (2019 £0.5 million). At 30 September 2020, amounts due from Excalibur amounted to £0.1 million (2019 £0.1 million), together with loan notes of £17.3 million (2019 £17.3 million). The loan notes carry an annual coupon of 10.0% and £8.9 million (2019 £6.5 million) was outstanding in relation to this coupon at 30 September 2020. An expected lifetime impairment allowance of £12.0 million (2019 £12.0 million) has been made against the loan note and unpaid coupon balance.

DMGV has a 16.5% (2019 16.5%) shareholding in Bricklane Technologies Ltd (Bricklane), an associate. During the period, DMGV provided funding amounting to £nil cash and £nil of media credits (2019 £1.2 million cash and £0.8 million of media credits). During the period, the Consumer Media segment provided services to Bricklane amounting to £0.1 million (2019 £0.4 million).

DMGV has a 45.3% (2019 45.3%) shareholding in Yopa Property Ltd (Yopa), an associate. During the period, the Consumer Media segment provided services to Yopa amounting to £0.5 million (2019 £0.6 million). At 30 September 2020, £nil (2019 £0.1 million) was owed by Yopa. Also, during the period, the Property Information segment paid referral fees of £0.9 million (2019 £0.1 million) and made sales of £0.1 million (2019 £nil) to Yopa.

DMGV has a 36.8% (2019 36.8%) shareholding in Entale Media Ltd, an associate. DMGV provided cash funding amounting to £nil (2019 £2.0 million) during the period.

DMGV has a 22.4% (2019 6.0%) shareholding Quick Move Ltd, which became an associate during the period. DMGV provided funding amounting to £2.0 million cash and £1.0 million of media credits (2019 £nil) during the period.

During the period, DMG Events (Conferences) Ltd recharged personnel costs of £0.2 million to DMG Nigeria Events Ltd, an associate, in the period from 9 April 2020 to 30 September 2020. At 30 September 2020, £0.2 million, (at acquisition £0.2 million) was owed by DMG Nigeria Events Ltd.

DMGI Land & Property Europe Ltd (DMGILP), of which Landmark Information Group Ltd (Landmark) is a subsidiary undertaking, has a 50.0% (2019 50.0%) shareholding in PointX Ltd (PointX), a joint venture. During the period, Landmark charged management fees of £0.3 million (2019 £0.3 million) and recharged costs of £0.1 million (2019 £0.1 million) to PointX. PointX received royalty income from Landmark of £nil (2019 £0.1 million). DMGILP received dividends of £nil (2019 £0.2 million) from PointX. At 30 September 2020, £0.1 million (2019 £nil) was owed to Landmark by PointX.

Decision Insight Information Group (UK) Ltd (DIIG UK) has a 50.0% (2019 50.0%) shareholding in Decision First Ltd (DF), a joint venture. During the period, DIIG UK recharged costs to DF amounting to £0.2 million (2019 £0.2 million) and charged management fees amounting to £0.1 million (2019 £0.1 million).

RMSI Ltd (RMSI) invoiced sales amounting to £1.9 million (2019 £1.7 million) to Landmark, a company which shares a common director with RMSI. Costs were recharged by Landmark to RMSI amounting to £0.8 million (2019 £0.7 million). At 30 September 2020, £0.1 million (2019 £0.4 million) was owed to RMSI by Landmark.

Hobsons, Inc. (Hobsons) has a 50.0% (2019 50.0%) shareholding in Knowlura, Inc. (Knowlura), a joint venture. At 30 September 2020, £0.1 million (2019 £0.2 million) was owed by Knowlura.

Risk Management Solutions, Inc. (RMS, Inc.) has a 26.6% (2019 26.6%) shareholding in Praedicat, Inc. (Praedicat), an associate. During the period, RMS, Inc. provided funding of £nil (2019 £0.5 million) to Praedicat.

The Group has a 50.0% (2019 50.0%) shareholding in TreppPort, LLC (TreppPort), a joint venture. During the period, Trepp, LLC received dividends of £0.2 million (2019 £0.2 million) from TreppPort.

Other related party disclosures

Under an agreement to guarantee the income generated from certain property assets held by the Harmsworth Pension Scheme which were purchased from the Group during a prior period, the Group was charged for rent and service charges in relation to the current period amounting to £0.2 million (2019 £0.2 million). At 30 September 2020, £nil (2019 £0.1 million) was owed to the Harmsworth Pension Scheme by the Group.

At 30 September 2020, the Group owed £1.0 million (2019 £0.9 million) to the pension schemes which it operates. This amount comprised employees' and employer's contributions in respect of September 2020 payrolls.

The Group recharges its principal pension schemes with costs of investment management fees. The total amount recharged during the period was £0.3 million (2019 £0.3 million).

Contributions made during the period to the Group's retirement benefit plans are set out in Note 35, along with details of the Group's future funding commitments.

In July 2012, the Group entered into a contingent asset partnership whereby a £150.0 million loan note, guaranteed by the Group, was used to commit £10.8 million funding p.a. to the Harmsworth Pension Scheme. Interest payable to DMG Pension Partnership LP in the period totalled £11.0 million (2019 £11.0 million).

ANL, which shares common control by Rothermere Continuation Limited, with DMGT Healthcare Trustees, paid contributions to the scheme totalling £0.9 million (2019 £0.8 million). At 30 September 2020, a total of £1.2 million (2019 £1.3 million) was owed to the scheme by ANL.

45 Post balance sheet events

Acquisitions

On 1 October 2020, Cazoo Ltd (Cazoo) raised an additional £240.0 million of funding with new and existing investors. The Group invested £34.0 million cash consideration, as part of this funding round, diluting the Group's equity stake from 23.5% to 21.8%, or 20.0% on a fully diluted basis. Following this additional investment DMGT will continue to treat Cazoo as a financial asset at fair value through Other Comprehensive Income.

On 18 October 2020, dmg media acquired JPI Media's print operations at Dinnington, Portsmouth and Carn in Northern Ireland for £9.5 million cash consideration. The acquisition enables dmg media to better manage the printing of its national newspapers across the UK.

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46 Subsidiaries exempt from audit

The following UK subsidiaries will take advantage of the audit exemption set out within Section 479A of the Companies Act 2006 for the year ending 30 September 2020:

Subsidiary name	Company registration number
Daily Mail International Ltd	01966438
DMG Asset Finance Ltd	05528329
DMG Atlantic Ltd	04521108
DMG Business Media Ltd	02823743
DMG Events International Ltd	04118004
DMG Information Ltd	03708142
DMG Investment Holdings Ltd	03263138
DMGRH Finance Ltd	03191181
DMGZ Ltd	00272225
Harmsworth Royalties Ltd	04219212
Northcliffe Media Ltd	03403993
Ralph US Holdings	06341444
Young Street Holdings Ltd	04485808

The Directors of Daily Mail and General Trust plc have confirmed that the Company will provide a guarantee under Section 479C in relation to the subsidiaries listed above.

No dormant subsidiaries have taken the exemption from preparing individual accounts by virtue of Section 394A of Companies Act 2006.

No dormant subsidiaries have taken the exemption from filing with the registrar individual accounts by virtue of Section 448A of Companies Act 2006.

The following UK subsidiaries will take advantage of the audit exemption set out within Section 480 of the Companies Act 2006, exemption from audit for dormant companies for the year ended 30 September 2020:

Subsidiary name	Company registration number
A&N International Media Ltd	04147978
Central Independent News and Media Ltd	03015855
Daily Mail Ltd	01160542
DMG Angex Ltd	02302189
Mail Finance Services Ltd	04282263
MailLife Financial Services Ltd	01063950
Northcliffe Trustees Ltd	03394992
OneSearch Direct Group Ltd	SC202596
OneSearch Direct Property Information Ltd	SC212922
OneSearch Direct Property Ltd	SC155319
Pico Information Ltd	11149692
Richards Gray Ltd	03209331
Surveys Online Ltd	SC191569
The Mail on Sunday Ltd	01160545
Watervale Ltd	05231066

47 Full list of Group undertakings

Subsidiary name	Registered office	Country of incorporation or registration	Classes of shares held	% shareholding (% held directly by parent)
A&N International Media Ltd	Northcliffe House, 2 Derry Street, London W8 5TT	UK	Ordinary	100%
A&N Media Finance Services Ltd	Northcliffe House, 2 Derry Street, London W8 5TT	UK	Ordinary	100%
AN Mauritius Ltd	10th Floor, Standard Chartered Tower, 19 Cybercity, Ebène, Republic Of Mauritius, Mauritius	Mauritius	Ordinary	100%
Argyll Environmental Ltd	5-7 Abbey Court, Eagle Way, Sowton, Exeter, Devon EX2 7HY	UK	Ordinary, Ordinary A, Ordinary B	100%
Associated Newspapers (Ireland) Ltd	Third Floor, Embassy House, Herbert Park Lane, Ballsbridge, Dublin 4 662817	Ireland	Ordinary	100%
Associated Newspapers Ltd	Northcliffe House, 2 Derry Street, London W8 5TT	UK	Ordinary	100%
Associated Newspapers North America, Inc.	Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808, United States	USA	Common, Series A	100%
Central Independent News and Media Ltd	Northcliffe House, 2 Derry Street, London W8 5TT	UK	Ordinary	100%
Coral Mint Ltd	Herbert House, Herbert Park Lane, Ballsbridge, Dublin 4, Ireland	Ireland	Ordinary	100%
Courier Media Group Ltd (in liquidation)	C/O Begbies Traynor (London) Llp, 31st Floor, 40 Bank Street, London E14 5NR	UK	Ordinary	100%
Daily Mail and General Holdings Ltd*	Northcliffe House, 2 Derry Street, London W8 5TT	UK	Ordinary	100%
Daily Mail and General Investments Ltd	Northcliffe House, 2 Derry Street, London W8 5TT	UK	Ordinary	100%
Daily Mail and General Trust plc	Northcliffe House, 2 Derry Street, London W8 5TT	UK	Ordinary and Ordinary Non-Voting	N/A
Daily Mail International Ltd	Northcliffe House, 2 Derry Street, London W8 5TT	UK	Ordinary	100%
Daily Mail Ltd	Northcliffe House, 2 Derry Street, London W8 5TT	UK	Ordinary	100%
Daily Mail On-Air, LLC	CSC Lawyers Incorporating Service, 2710 Gateway Oaks Drive, Suite 150N, Sacramento, CA 95833, United States	USA	Ordinary	100%
Dailymail.com Australia Pty Ltd	Level 12, 207 Kent Street, Sydney, NSW 2000	Australia	Ordinary	100%
Decision Insight Hub Ltd	5-7 Abbey Court, Eagle Way, Sowton, Exeter, Devon EX2 7HY	UK	Ordinary	100%
Decision Insight Information Group (UK) Ltd	5-7 Abbey Court, Eagle Way, Sowton, Exeter, Devon EX2 7HY	UK	Ordinary	100%
Decision Insight Packco Ltd (in liquidation)	Centenary House, Peninsula Park, Rydon Lane, Exeter, EX2 7XE	UK	Ordinary	100%
DMG Angex Ltd	Northcliffe House, 2 Derry Street, London W8 5TT	UK	Ordinary	100%
DMG Asset Finance Ltd	Northcliffe House, 2 Derry Street, London W8 5TT	UK	Ordinary	100%
DMG Atlantic Ltd	Northcliffe House, 2 Derry Street, London W8 5TT	UK	Ordinary	100%
DMG Business Media Ltd	Northcliffe House, 2 Derry Street, London W8 5TT	UK	Ordinary	100%
DMG Carbon Group Ltd	Northcliffe House, 2 Derry Street, London W8 5TT	UK	Ordinary	100%
DMG Carbon Holdings Ltd	Northcliffe House, 2 Derry Street, London W8 5TT	UK	Ordinary	100%
DMG Conference & Exhibition Services (Shanghai) Ltd	Room 428, Level 4, No 55 Xiya Road (Plot 5 Of Zone F), Shanghai, China	China	Ordinary	100%
DMG Consolidated Holdings Pty Ltd	Level 2, 452 Flinders Street, Melbourne VIC 3000, Australia	Australia	Ordinary	100%
DMG Events (Canada), Inc.	#1510 – 140 10 Avenue SE, Calgary, Alberta T2G 0R1, Canada	Canada	Ordinary	100%
DMG Events (Conferences) Ltd	Northcliffe House, 2 Derry Street, London W8 5TT	UK	Ordinary	100%
DMG Events (Doha), LLC	Level 14/15 Commercial Bank Plaza, West Bay, Doha, Qatar	Qatar	Ordinary	100%
DMG Events (MEA) Ltd	Northcliffe House, 2 Derry Street, London W8 5TT	UK	Ordinary	100%
DMG Events (PNG) Ltd	Level 3, Pacific Mmi Building, Port Moresby, National Capital District, Papua New Guinea	Papua New Guinea	Ordinary	100%
DMG Events (UK) Ltd	Northcliffe House, 2 Derry Street, London W8 5TT	UK	Ordinary	100%
DMG Events (USA), Inc.	Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808, United States	USA	Common	100%
DMG Events Asia Pacific Pte Ltd	8 Marina Boulevard #05-02, Marina Bay Financial Centre, Singapore 018981	Singapore	Ordinary	100%
DMG Events Egypt Ltd	Office 1, Mezzanine Floor, Hall 2, Egypt International Exhibition Centre, Elmoushir Tantawy Axis, New Cairo, Egypt	Egypt	Ordinary	100%
DMG Events Energy Japan KK (in liquidation)	Roppongi Hills Keyakizaka Terrace, 6151, Roppongi, Minatoku, Tokyo, Japan	Japan	Ordinary	100%
DMG Events India Private Ltd	Level 4, Dynasty A Wing, Andheri Kurla Road, Mumbai- 400 059, Maharashtra, India	India	Ordinary	100%
DMG Events International Ltd	Northcliffe House, 2 Derry Street, London W8 5TT	UK	Ordinary	100%
DMG Events, LLC	Office 408, Salama Tower, Al Madinah, Al Munawarah Road, As Salamah District, PO Box 3650, Jeddah, Saudi Arabia	Saudi Arabia	Ordinary	100%
DMG Exhibition Management Services (PTY) Ltd	76 Eleventh Street, Parkmore, Johannesburg, 2196, South Africa	South Africa	Ordinary	100%
DMG Information Asia Pacific Pte Ltd	8 Marina Boulevard #05-02, Marina Bay Financial Centre, Singapore 018981	Singapore	Ordinary	100%
DMG Information Hong Kong Company Ltd	27/F 248 Queen's Road East, Wanchai, Hong Kong	Hong Kong	Ordinary	100%
DMG Information Ltd	Northcliffe House, 2 Derry Street, London W8 5TT	UK	Ordinary	100%
DMG Investment Holdings Ltd	Northcliffe House, 2 Derry Street, London W8 5TT	UK	Ordinary	100%
DMG Loanco Ltd	Northcliffe House, 2 Derry Street, London W8 5TT	UK	Ordinary	100%
DMG Media Ltd	Northcliffe House, 2 Derry Street, London W8 5TT	UK	Ordinary	100%

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47 Full list of Group undertakings continued

Subsidiary name	Registered office	Country of incorporation or registration	Classes of shares held	% shareholding (% held directly by parent)
DMG Nigeria Events Ltd	Plot E, Ikosi Road, Oregun Industrial Estate, Ikeja, Lagos, Nigeria	Nigeria	Ordinary	49.0%
DMG Oceans Ltd	Scottish Daily Mail, 20 Waterloo Street, Glasgow, G2 6DB	UK	Ordinary	100%
DMG US Investments, Inc.	Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808, United States	USA	Common	100%
DMG World Media Abu Dhabi Ltd (i)	15 Esplanade, St Helier, Jersey, JE1 1RB, Channel Islands	Jersey	Ordinary	100%
DMG World Media Dubai (2006) Ltd (i)	15 Esplanade, St Helier, Jersey, JE1 1RB, Channel Islands	Jersey	Ordinary	100%
DMGB Ltd*	Northcliffe House, 2 Derry Street, London W8 5TT	UK	Ordinary	100%
dmgi Land & Property Europe Ltd	5-7 Abbey Court, Eagle Way, Sowton, Exeter, Devon EX2 7HY	UK	Ordinary	100%
DMGK Ltd	Northcliffe House, 2 Derry Street, London W8 5TT	UK	Ordinary	100%
DMGRH Finance Ltd	Northcliffe House, 2 Derry Street, London W8 5TT	UK	Ordinary	100%
DMGT US Employee Services, Inc.	Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808, United States	USA	Common	100%
DMGT US, Inc.	Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808, United States	USA	Common, Series A	100%
DMGV Ltd	Northcliffe House, 2 Derry Street, London W8 5TT	UK	Ordinary	100%
DMGZ Ltd	Northcliffe House, 2 Derry Street, London W8 5TT	UK	Ordinary	100%
EDR Landmark Management Services Ltd	5-7 Abbey Court, Eagle Way, Sowton, Exeter, Devon EX2 7HY	UK	Ordinary	100%
Estate Technical Solutions Ltd	5-7 Abbey Court, Eagle Way, Sowton, Exeter, Devon EX2 7HY	UK	Ordinary A, Ordinary B, Ordinary C, Ordinary D, Ordinary E	100%
Guildford Zoot, Inc.	Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808, United States	USA	Common	100%
Harmsworth Printing (Didcot) Ltd (in liquidation)	C/O Begbies Traynor (London) Llp, 31st Floor, 40 Bank Street, London E14 5NR	UK	Ordinary	100%
Harmsworth Printing Ltd (in liquidation)	C/O Begbies Traynor (London) Llp, 31st Floor, 40 Bank Street, London E14 5NR	UK	Ordinary	100%
Harmsworth Quays Printing Ltd (in liquidation)	C/O Begbies Traynor (London) Llp, 31st Floor, 40 Bank Street, London E14 5NR	UK	Ordinary	100%
Harmsworth Royalties Ltd	Northcliffe House, 2 Derry Street, London W8 5TT	UK	Ordinary	100%
Hobsons, Inc.	Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808, United States	USA	Common	100%
JPIMedia Publications Ltd	Northcliffe House, 2 Derry Street, London W8 5TT	UK	Ordinary	100%
Justice for Sgt Blackman Ltd (in liquidation)	Northcliffe House, 2 Derry Street, London W8 5TT	UK	Limited by Guarantee	100%
Landmark Analytics Ltd	5-7 Abbey Court, Eagle Way, Sowton, Exeter, Devon EX2 7HY	UK	Ordinary	100%
Landmark FAS Ltd	5-7 Abbey Court, Eagle Way, Sowton, Exeter, Devon EX2 7HY	UK	Ordinary	100%
Landmark Information Group Ltd	5-7 Abbey Court, Eagle Way, Sowton, Exeter, Devon EX2 7HY	UK	Ordinary, Ordinary A, Redeemable Preference	100%
Landmark International Holdings Ltd	5-7 Abbey Court, Eagle Way, Sowton, Exeter, Devon EX2 7HY	UK	Ordinary	100%
Landmark Optimus Ltd	5-7 Abbey Court Eagle Way, Sowton Industrial Estate, Exeter, Devon EX2 7HY	UK	Ordinary	100%
Lawlink (UK) Ltd	5-7 Abbey Court, Eagle Way, Sowton, Exeter, Devon EX2 7HY	UK	Ordinary	100%
Lincolnshire Media Ltd	Savants, 83 Victoria Street, London SW1H 0HW	UK	Ordinary	100%
Mail Finance Services Ltd	Northcliffe House, 2 Derry Street, London W8 5TT	UK	Ordinary	100%
Mail Force Charity CIO*	Northcliffe House, 2 Derry Street, London W8 5TT	UK	–	100%
Mail Media, Inc.	Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808, United States	USA	Ordinary	100%
MailLife Financial Services Ltd	Northcliffe House, 2 Derry Street, London W8 5TT	UK	Ordinary	100%
Millar & Bryce Ltd	10th Floor 133 Finnieston Street, Glasgow, G3 8HB Scotland	UK	Ordinary	100%
Naviance, Inc.	Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808, United States	USA	Common	100%
Northcliffe Media Ltd	Northcliffe House, 2 Derry Street, London W8 5TT	UK	Ordinary	100%
Northcliffe Trustees Ltd	Northcliffe House, 2 Derry Street, London W8 5TT	UK	Ordinary A, Ordinary B	100%
Ochresoft Technologies Ltd	5-7 Abbey Court, Eagle Way, Sowton, Exeter, Devon EX2 7HY	UK	Deferred, Ordinary, Ordinary A, Preference	100%
OneSearch Direct Group Ltd	6th Floor, Skypark Sp1, 8 Elliot Place, Glasgow G3 8EP	UK	Ordinary	100%
OneSearch Direct Holdings Ltd	6th Floor, Skypark Sp1, 8 Elliot Place, Glasgow G3 8EP	UK	Ordinary A, Ordinary B	100%
OneSearch Direct Ltd	6th Floor, Skypark Sp1, 8 Elliot Place, Glasgow G3 8EP	UK	Ordinary	100%
OneSearch Direct Property Information Ltd	6th Floor, Skypark Sp1, 8 Elliot Place, Glasgow G3 8EP	UK	Ordinary	100%
OneSearch Direct Property Ltd	6th Floor, Skypark Sp1, 8 Elliot Place, Glasgow G3 8EP	UK	Ordinary	100%
Pico Information Ltd	5-7 Abbey Court, Eagle Way, Sowton, Exeter, Devon EX2 7HY	UK	Ordinary	100%
Quest End Computer Services Ltd	5-7 Abbey Court, Eagle Way, Sowton, Exeter, Devon EX2 7HY	UK	Ordinary	100%
Ralph US Holdings	Northcliffe House, 2 Derry Street, London W8 5TT	UK	Ordinary	100%
RCoaster.ie Ltd	Herbert House, Herbert Park Lane, Ballsbridge, Dublin 4, Ireland	Ireland	Ordinary	100%
Richards Gray Ltd	5-7 Abbey Court, Eagle Way, Sowton, Exeter, Devon EX2 7HY	UK	Ordinary	100%

Subsidiary name	Registered office	Country of incorporation or registration	Classes of shares held	% shareholding (% held directly by parent)
Risk Management Solutions (Bermuda) Ltd	Milner House, 18 Parliament Street, Hamilton, HM 12 Bermuda	Bermuda	Ordinary	99.3%
Risk Management Solutions Holdings, Inc.	Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808, United States	USA	Common	100.0%
Risk Management Solutions Ltd	Northcliffe House, 2 Derry Street, London W8 5TT	UK	Ordinary	99.3%
Risk Management Solutions Ltd (China)	12th Floor, Office 1205F, Beijing Excel Centre, No.6 Wudinghou Street, Xicheng District Beijing, 100033, PR China	China	Common	99.3%
Risk Management Solutions, Inc.	7575 Gateway Blvd, Newark, CA 94560, United States	USA	Common	99.3%
RMS Japan KK	Akasaka Kikyo Building 4th Floor, 11-15 Akasaka 3-Chome, Minato-Ku, Tokyo, 107-0052 Japan	Japan	Ordinary	99.3%
RMS Risk Management Solutions India Pte Ltd	406-407, Pooja Complex 22, Veer Savarkar Block, Shakarpur, Delhi 110092 India	India	Ordinary Voting	100.0%
RMS UK Holdings, Inc	Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808, United States	USA	Common	100.0%
RMS Worldwide, Inc.	7575 Gateway Blvd, Newark, CA 94560, United States	USA	Common	99.3%
Rochford Brady Legal Services Ltd	39/40 Upper Mount Street, Dublin 2, Ireland	Ireland	Ordinary	100.0%
SearchFlow Ltd	5-7 Abbey Court, Eagle Way, Sowton, Exeter, Devon EX2 7HY	UK	Ordinary	100.0%
Springthorpe Drake, Inc.	Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808, United States	USA	Ordinary	100.0%
Starfish Retention Solutions, Inc.	Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808, United States	USA	Common	100.0%
Surveys Online Ltd	6th Floor, Skypark Sp1, 8 Elliot Place, Glasgow G3 8EP	UK	Ordinary, Ordinary A, Ordinary B	100.0%
The Mail on Sunday Ltd	Northcliffe House, 2 Derry Street, London W8 5TT	UK	Ordinary	100.0%
Trepp Holdings, Inc.	Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808, United States	USA	Common	100.0%
Trepp UK Ltd	Northcliffe House, 2 Derry Street, London W8 5TT	UK	Ordinary	100.0%
Trepp, LLC	Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808, United States	USA	Membership Interests	100.0%
Watervale Ltd	5-7 Abbey Court, Eagle Way, Sowton, Exeter, Devon EX2 7HY	UK	Ordinary	100.0%
Young Street Holdings Ltd	Northcliffe House, 2 Derry Street, London W8 5TT	UK	Ordinary	100.0%

All subsidiaries are included in the consolidated financial statements of the Group.

* Direct investment held by the parent Company Daily Mail and General Trust plc (DMGT). All other subsidiaries are held indirectly through subsidiaries of DMGT.

(i) Principal place of business in the UAE.

Joint Venture name	Address of principal place of business	Classes of shares held	Financial year end	% capital included in consolidation
Decision First Ltd	Cardinal House, 9 Manor Road, Leeds, West Yorkshire, LS11 9AH	Ordinary	31 December	50.0%
Knowlura, Inc.	Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808, United States	Common	30 September	50.0%
Northprint Manchester Ltd	PO Box 68164, Kings Place, 90 York Way, London N1P 2 AP	Ordinary	31 March	50.0%
PointX Ltd	5-7 Abbey Court, Eagle Way, Sowton, Exeter, Devon EX2 7HY	Ordinary B	31 March	50.0%
TreppPort, LLC	Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808, United States	Ordinary	30 September	50.0%

The Group has joint control over all of the joint ventures listed above, because key operating decisions require the unanimous consent of the Group and the other investor(s).

Associate name	Address of principal place of business	Country of incorporation or registration	Classes of shares held	% shareholding
Bricklane Technologies Ltd	20 Baltic Street, London, United Kingdom, EC1Y 0UL	UK	Preference	16.5%
Entale Media Ltd	C/O Founders Factory Limited, Northcliffe House, Young Street, London W8 5EH	UK	Preference	36.8%
ES London Ltd	Northcliffe House, 2 Derry Street, London W8 5TT	UK	Ordinary	33.5%
Excalibur Holdco Ltd	Wowcher Limited, Dalston Works, 69 Dalston Lane, London E8 2NG	UK	B Ordinary	23.9%
Funcent DMG Information Technology Hong Kong Company Ltd	27/F 248 Queen's Road East, Wanchai, Hong Kong	Hong Kong	Ordinary	22.6%
Global Event Partners Ltd	Suite 1, 3rd Floor, 11-12 St. James's Square, London SW1Y 4LB	UK	Ordinary	15.0%
Independent Television News Ltd	200 Grays Inn Road, London WC1X 8XZ	UK	Ordinary	20.0%
iProf Learning Solutions India Pte Ltd	91 Springboard E-43 /1, Okhla Industrial Area Phase-2 Delhi South Delhi DL 110020 IN	India	Ordinary	10.8%

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Associate name	Address of principal place of business	Country of incorporation or registration	Classes of shares held	% shareholding
Liases Foras Real Estate Rating & Research Pvt. Ltd	S6, 2nd floor, Pinnacle Business Park, Andheri, Mumbai, Maharashtra 400093, India	India	Preference, Equity	30.5%
LineVision, Inc.	501 Boylston St, Suite 4102, Boston, MA 02116 USA	USA	Series A1	40.9%
Mercatus, Inc.	1735 Technology Dr, Suite 250, San Jose, California 95110, United States	USA	Ordinary	10.6%
OYO RMS Corporation	Akasaka Kikyo Building 4th Floor, 11-15 Akasaka 3-Chome, Minato-Ku, Tokyo, 107-0052 Japan	Japan	Ordinary	19.6%
Praedicat, Inc.	Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808, United States	USA	Preference	26.6%
Propstack Services Private Ltd	1st & 2nd Floor, Nyay Sagar Bdlg, Kalanagar, Bandra (East), Mumbai – 400 051	India	Preference, Equity	22.7%
Quick Move Ltd	86-90 Paul Street, London EC2A 4NE	UK	Ordinary, Preference	22.4%
RLTO Ltd	Office 7 35-37 Ludgate Hill, London EC4M 7JN	UK	Ordinary	20.0%
Skymet Weather Services Private Ltd	109, Kushal Bazar, Nehru Place, New Delhi – 110019	India	Ordinary	15.9%
WellAware Holdings, Inc.	2330 N Loop 1604 W, Ste 110, San Antonio, TX 78248, United States	USA	Preference	8.2%
Whereoware, LLC	Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808, United States	USA	Membership Interests	19.5%
Yopa Property Ltd	Suite 4, Building 4, Hatters Lane, Watford WD18 8YF	UK	Preference	45.3%

Investment name	Address of principal place of business	Country of incorporation or registration	Classes of shares held	% shareholding
Air Mail, LLC	Registered Agent Solutions, 9.E Loockerman Street, Suite 311, Dover, Kent, Delaware 19901, United States	USA	Preference	5.0%
BDG Media, Inc.	559 Driggs Avenue, Suite 2, Brooklyn, NY 11211, United States	USA	Ordinary	3.1%
Cazoo Ltd	41 Chalton Street, London NW1 1JD	UK	Preference	23.5%
Compstak, Inc.	Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808, United States	USA	Common	2.0%
Cue Ball Capital LP	The Corporation Trust Company, 1209 Orange Street, Wilmington, DE 19801, United States	USA	Partnership Units	2.5%
Evening Standard Ltd	Northcliffe House, 2 Derry Street, London W8 5TT	UK	Ordinary	5.0%
Farewill Ltd	1st Floor, 27 Downham Road, London N1 5AA	UK	Preference	5.4%
Financial Network Analytics Ltd	Albert House, 256-260 Old Street, London EC1V 9DD	UK	Ordinary	10.0%
GPNutrition Ltd	24 Hills Road, Cambridge CB2 1JP	UK	Ordinary	16.1%
Hambro Perks Ltd	111 Buckingham Palace Road, London SW1W 0SR	UK	Ordinary	2.9%
IPSX Group Ltd	15 Stratton Street, London W1J 8LQ	UK	Ordinary	2.5%
Kortext Ltd	26-32 Oxford Road, Suite B, 6th Floor, Avalon House, Bournemouth, Dorset, BH8 8EZ	UK	Ordinary, Preference	10.5%
Laundrapp Ltd	2nd Floor 110 Cannon Street, LondonEC4N 6EU	UK	Ordinary, Preference	1.7%
LDR Realisations 2019 Ltd (in liquidation)	66 Prescot Street, London E1 8NN	UK	Ordinary	8.6%
Lindentor 226. V V GmbH	Charlottenstraße 4, Berlin, 10969, Germany	Germany	Common	0.1%
Live Better With Ltd	70 White Lion Street, Islington, London N1 9PP	UK	Ordinary B	4.6%
Media Investors 17, LLC	The Corporation Trust Company, 1209 Orange Street, Wilmington, DE 19801, United States	USA	Membership interests	12.8%
Nazca IT Solutions BV	Standerdmolen 20, 3995 AA Houten, Netherlands	Netherlands	Ordinary	15.0%
PA Media Group Ltd	The Point, 37 North Wharf Road, Paddington, London W2 1AF	UK	Ordinary	17.3%
Pascal Metrics, Inc.	Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808, United States	USA	Ordinary	4.4%
Pembroke Holdings, LLC	46 Southfield Ave Ste 400, Stamford CT 06902, United States	USA	Membership Interests	10.0%
Plandek Ltd	Unit 10, 1 Luke Street, London, EC2A 4PX	UK	Ordinary B	2.5%
Taboola.com Ltd	7 Totseret Haaretz St., Tel-Aviv Israel	Israel	Preference	0.4%
Upstream Group, Inc.	The Corporation Trust Company, 1209 Orange Street, Wilmington, DE 19801, United States	USA	Ordinary	3.6%
Workana, LLC	13th Avenue, Suite 202 Brooklyn, New York, 11228, United States	Argentina	Membership interests	4.0%

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Unaudited Five Year Financial Summary

Consolidated Income Statement

	Year ended 30 September 2016 £m	Year ended 30 September 2017 £m	Year ended 30 September 2018 £m	Year ended 30 September 2019 £m	Year ended 30 September 2020 £m
Revenue	1,514.2	1,564.3	1,340.9	1,337.0	**1,203.4**
Adjusted operating profit	177.0	179.0	144.6	135.8	**88.3**
Exceptional operating costs, impairment of internally generated and acquired computer software, property, plant and equipment and investment property, amortisation and impairment of acquired intangible assets arising on business combinations and impairment of goodwill	(91.4)	(324.4)	(94.8)	(41.2)	**(62.0)**
Operating profit/(loss) before share of results from joint ventures and associates	85.6	(145.4)	49.8	94.6	**26.3**
Share of results of joint ventures and associates	4.9	16.9	118.4	(28.1)	**(11.4)**
Total operating profit/(loss)	90.5	(128.5)	168.2	66.5	**14.9**
Other gains and losses	130.8	14.0	565.5	73.7	**42.6**
Profit/(loss) before investment revenue, net finance costs and tax	221.3	(114.5)	733.7	140.2	**57.5**
Investment revenue	2.2	2.5	4.8	11.5	**8.3**
Net finance costs	(21.8)	(0.3)	(32.0)	(17.4)	**(13.4)**
Profit/(loss) before tax	201.7	(112.3)	706.5	134.3	**52.4**
Tax	(19.9)	(64.7)	(7.6)	(20.4)	**0.7**
Profit/(loss) for the year after tax	181.8	(177.0)	698.9	113.9	**53.1**
Discontinued operations	32.4	519.3	(10.7)	(22.6)	**135.9**
Equity interests of minority shareholders	(10.0)	3.0	1.2	(0.4)	**0.3**
Profit for the year	204.2	345.3	689.4	90.9	**189.3**
Adjusted profit before tax and non-controlling interests	259.6	226.1	182.3	144.7	**72.1**
Earnings before interest, taxation, depreciation and amortisation (EBITDA)	363.7	350.4	287.7	205.6	**142.5**
Adjusted profit after taxation and non-controlling interests	197.8	196.3	149.3	114.5	**59.4**
Earnings/(loss) per share					
Number of shares for basic	353.4	353.1	354.1	296.4	**227.8**
Number of shares for diluted	360.6	358.6	358.4	300.2	**233.0**
Profit effect of dilutive shares	(0.9)	(0.1)	–	–	**–**
From continuing operations					
Basic	48.6p	(49.3)p	197.7p	38.3p	**23.4p**
Diluted	47.4p	(48.5)p	196.0p	37.8p	**22.9p**
From discontinued operations					
Basic	9.2p	147.1p	(3.0)p	(7.6)p	**59.7p**
Diluted	9.0p	144.8p	(3.6)p	(7.5)p	**58.3p**
From continuing and discontinued operations					
Basic	57.8p	97.8p	194.7p	30.7p	**83.1p**
Diluted	56.4p	96.3p	192.4p	30.3p	**81.2p**
Adjusted earnings per share					
Basic	56.0p	55.6p	42.2p	38.6p	**26.1p**
Diluted	54.7p	54.7p	41.7p	38.1p	**25.5p**

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Unaudited Five Year Financial Summary

Consolidated Cash Flow Statement

	2016 £m	2017 £m	2018 £m	2019 £m	2020 £m
Net cash inflow from operating activities	232.1	219.5	115.0	154.8	**142.5**
Investing activities	(35.8)	138.6	481.3	221.1	**173.2**
Financing activities	(214.6)	(368.4)	(169.4)	(533.3)	**(114.1)**
Net increase/(decrease) in cash and cash equivalents	(18.3)	(10.3)	426.9	(157.4)	**201.6**
Cash and cash equivalents at beginning of year	31.5	17.5	7.4	435.9	**289.2**
Exchange (loss)/gain on cash and cash equivalents	4.3	0.2	1.6	10.7	**(10.9)**
Cash and cash equivalents at end of year	17.5	7.4	435.9	289.2	**479.9**
Net increase/(decrease) in cash and cash equivalents	(18.3)	(10.3)	426.9	(157.4)	**201.6**
Cash inflow/(outflow) from change in debt and finance leases	101.5	217.0	268.4	2.5	**32.3**
Change in net debt from cash flows	83.2	206.7	695.3	(154.9)	**233.9**
Loan notes issued and loans arising from acquisitions	(0.2)	–	–	–	**–**
Other non-cash items	(60.2)	7.7	1.7	4.1	**54.0**
Decrease/(increase) in net debt in the year	22.8	214.4	697.0	(150.8)	**287.9**
Net cash/(debt) at start of year	(701.5)	(678.7)	(464.3)	232.7	**81.9**
Net cash/(debt) at end of year	(678.7)	(464.3)	232.7	81.9	**369.8**

Consolidated Statement of Financial Position

	2016 £m	2017 £m	2018 £m	2019 £m	2020 £m
Goodwill and intangible assets	1,480.8	576.1	464.4	321.1	**350.3**
Property, plant and equipment	176.1	103.3	99.7	74.4	**63.0**
Right of use assets	–	–	–	–	**89.8**
Other investments including joint ventures and associates	165.9	766.0	790.9	132.8	**467.7**
Other non-current assets	285.5	189.9	353.3	322.8	**234.9**
Non-current assets	2,108.3	1,635.3	1,708.3	851.1	**1,205.7**
Net current assets/(liabilities)	(443.3)	(174.5)	217.7	155.0	**264.6**
Non-current liabilities	(1,135.7)	(541.6)	(250.6)	(231.8)	**(324.1)**
Net assets	529.3	919.2	1,675.4	774.3	**1,146.2**
Shareholders' equity					
Called-up share capital	45.3	45.3	45.3	29.3	**29.3**
Share premium account	17.8	17.8	17.8	17.8	**17.8**
Other reserves	(71.8)	15.6	1.3	24.4	**28.2**
Minority interests	178.2	11.0	13.5	–	**1.0**
Retained earnings	359.8	829.5	1,597.5	702.8	**1,069.9**
Total equity	529.3	919.2	1,675.4	774.3	**1,146.2**

Shareholder information

	2016	2017	2018	2019	2020
Dividend per share *	22.00p	22.70p	23.30p	23.90p	**24.10p**
Price of A Ordinary Non-Voting Shares:					
Lowest	£5.71	£6.06	£5.00	£5.42	**£5.38**
Highest	£7.90	£8.36	£7.81	£8.54	**£8.97**

* Represents the dividends declared by the Directors in respect of the above years excluding the Euromoney cash distributions and Euromoney dividend in specie

Company Statement of Financial Position

At 30 September 2020

	Note	At 30 September 2020 £m	At 30 September 2019 £m
ASSETS			
Fixed assets			
Property, plant and equipment	5	**0.3**	0.6
Shares in Group undertakings	8	**3,168.4**	3,237.6
Financial assets at fair value through Other Comprehensive Income	9	**1.0**	1.0
Trade and other receivables	10	**3.2**	3.6
		3,172.9	3,242.8
Current assets			
Trade and other receivables	10	**40.2**	40.3
Cash at bank and in hand	11	**155.8**	40.1
Deferred tax	14	**6.7**	5.6
		202.7	86.0
Total assets		**3,375.6**	3,328.8
LIABILITIES			
Creditors: amounts falling due within one year			
Trade and other payables	12	**(470.8)**	(264.5)
Borrowings	12	**(1.4)**	(0.8)
		(472.2)	(265.3)
Creditors: amounts falling due after more than one year			
Borrowings	13	**(202.7)**	(202.8)
Derivative financial liabilities	13	**(23.1)**	(24.4)
		(225.8)	(227.2)
Total liabilities		**(698.0)**	(492.5)
Net assets		**2,677.6**	2,836.3
CAPITAL AND RESERVES			
Called-up share capital		**29.3**	29.3
Share premium account	15	**17.8**	17.8
Share capital		**47.1**	47.1
Reserve for own shares	15	**(59.3)**	(49.1)
Capital redemption reserve	16	**21.2**	21.2
Profit and loss account	17	**2,668.6**	2,817.1
Equity shareholders' funds		**2,677.6**	2,836.3

The financial statements on pages 209 to 218 were approved by the Directors and authorised for issue on 20 November 2020. They were signed on their behalf by:

The Viscount Rothermere
P Zwillenberg

Directors

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Company Statement of Changes in Equity

For the year ended 30 September 2020

	Note	Called-up share capital £m	Share premium account £m	Capital redemption reserve £m	Reserve for own shares £m	Profit and loss account £m	Total £m
At 30 September 2018		**45.3**	**17.8**	**5.2**	**(57.2)**	**3,314.6**	**3,325.7**
Adjustment for transition to IFRS 9		–	–	–	–	0.7	0.7
Restated at 1 October 2018		**45.3**	**17.8**	**5.2**	**(57.2)**	**3,315.3**	**3,326.4**
Profit for the year		–	–	–	–	429.0	429.0
Total comprehensive income for the year		**–**	**–**	**–**	**–**	**429.0**	**429.0**
Cancellation of A Ordinary Non-Voting shares	(i)	(16.0)	–	16.0	–	–	–
Dividends paid		–	–	–	–	(74.1)	(74.1)
Euromoney dividend in specie	(i)	–	–	–	–	(661.8)	(661.8)
Euromoney cash distribution	(i)	–	–	–	–	(200.0)	(200.0)
Credit to equity for share-based payments		–	–	–	–	10.2	10.2
Deferred tax on share-based payments		–	–	–	–	0.6	0.6
Own shares acquired in the year		–	–	–	(2.5)	–	(2.5)
Settlement of exercised share options		–	–	–	–	(0.7)	(0.7)
Own shares released on vesting of share options		–	–	–	10.6	(1.4)	9.2
At 30 September 2019		**29.3**	**17.8**	**21.2**	**(49.1)**	**2,817.1**	**2,836.3**
Loss for the year		–	–	–	–	(106.1)	(106.1)
Total comprehensive expense for the year		**–**	**–**	**–**	**–**	**(106.1)**	**(106.1)**
Dividends paid		–	–	–	–	(54.9)	(54.9)
Credit to equity for share based payments		–	–	–	–	11.7	11.7
Deferred tax on share based payments		–	–	–	–	(0.6)	(0.6)
Own shares acquired in the year		–	–	–	(19.7)	–	(19.7)
Settlement of exercised share options		–	–	–	–	(0.2)	(0.2)
Own shares released on vesting of share options		–	–	–	9.5	1.6	11.1
At 30 September 2020		**29.3**	**17.8**	**21.2**	**(59.3)**	**2,668.6**	**2,677.6**

(i) On 3 March 2019, the Group announced its intention to distribute all of the Euromoney Institutional Investor PLC (Euromoney) shares owned by the Group to certain holders of DMGT's A Ordinary Non-Voting Shares (A Shares), by way of a dividend in specie (the Euromoney Distribution), as well as a £200.0 million cash distribution (the Cash Distribution). The terms were such that Fully Participating Shareholders would participate in the Euromoney Distribution and Cash Distribution whilst Rothermere Affiliated Shareholders would only participate in the Cash Distribution and on a limited basis.

The proposal was approved at a Class Meeting of the Fully Participating Shareholders on 26 March 2019. The Euromoney Distribution occurred at 8am on 2 April 2019 and the Cash Distribution on 15 April 2019.

Before these distributions were made c.46.4% of the A Shares held by Fully Participating Shareholders were converted into a new class of B Shares and c.4.0% of the A Shares held by Rothermere Affiliated Shareholders converted into a new class of C Shares. The Euromoney Distribution and a special dividend of £183.0 million in aggregate in cash was then paid to the Fully Participating Shareholders in respect of the B Shares and a restricted special dividend of £17.0 million in aggregate in cash was paid to the Rothermere Affiliated Shareholders in respect of the C Shares. Once these distributions were made the B Shares and the C Shares were converted into Deferred B Shares and Deferred C Shares respectively before being transferred to the Company for no valuable consideration and cancelled shortly thereafter. Consequently, these distributions resulted in a reduction in the share capital of DMGT plc. The voting Ordinary Shares did not participate in the distributions.

For each A Share held at 6.00pm on 29 March 2019, the conversion record time, the Fully Participating Shareholders received c.0.19933 of a Euromoney Share and c.68.13p in cash, and there was a reduction in their holding of c.0.46409 of an A Share. For each A Share held by the Rothermere Affiliated Shareholders, they received c.25.53p in cash and there was a reduction in their holding of c.0.03946 of an A Share.

The Rothermere Affiliated Shareholders' proportionate interest in the total number of A Shares in issue increased from 20.0% of the issued A Shares before the distributions to 30.0% after and their combined shareholding of A Shares and Ordinary Shares increased from 24.0% of the issued A Shares and Ordinary Shares before the distributions to 36.0% after.

Following the disposal of Euromoney in 2019 the Company intends to make available £113.6 million from the Group's cash resources to the defined benefit schemes (the Schemes). This will be held in a cash Escrow arrangement for the benefit of the Schemes, to be released to the Schemes or DMGT depending on the future level of the Schemes' funding. None of the Escrow will be released before 2024, up to £50.0 million may be released to the Schemes in 2024 depending on funding level, and in 2026 any remaining funds on Escrow will either be released to DMGT or the Schemes depending on funding level. See Note 35 of the Group's Annual Report.

Notes to the Company Statement of Financial Performance

1 Basis of preparation

Daily Mail and General Trust plc (DMGT) is a company incorporated and domiciled in the United Kingdom. The address of the registered office is Northcliffe House, 2 Derry Street, London, W8 5TT.

The financial statements of DMGT have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). The financial statements have been prepared under the historical cost convention, and in accordance with the Companies Act 2006. The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. See Note 2 for further detail.

All amounts presented have been rounded to the nearest £0.1 million.

Profit for the financial year

As permitted by Section 408 of the Companies Act 2006, a separate profit and loss account for the Company has not been included in these accounts. The Company's loss after tax for the year was £106.1 million (2019 profit of £429.0 million). This includes dividends receivable from subsidiary undertakings amounting to £nil (2019 £537.8 million).

Impact of amendments to accounting standards

The Company has applied the exemption available under FRS 101 in relation to paragraphs 30 and 31 of IAS 8, Accounting policies, changes in accounting estimates and errors (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued and is not yet effective).

2 Significant accounting policies

Foreign exchange

Transactions in currencies other than the Company's reporting currency are recorded at the exchange rate prevailing on the date of the transaction. At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the reporting date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rate prevailing on the date when fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in the profit and loss account for the year.

Investments in subsidiary undertakings

Investments in subsidiary undertakings are held at cost less any provision for impairment.

Financial assets at fair value through Other Comprehensive Income

Financial assets are recognised and derecognised on a trade date where a purchase or sale of an investment is under a contract whose terms require delivery of the investment within the time frame established by the market concerned, and are measured at fair value, including transaction costs.

As permitted by IFRS 9, the Group classifies its equity investments at Fair Value through Other Comprehensive Income. All fair value movements are recorded in Other Comprehensive Income and gains and losses are not recycled to the Income Statement on disposal.

Dividend income from Financial assets held at fair value through other comprehensive income is recorded in the Income Statement.

Unlisted equity investments are valued using a variety of approaches including comparable company valuation multiples and discounted cashflow techniques. In extremely limited circumstances, where insufficient recent information is available to measure fair value or when there is a wide range of possible fair value measurements, cost is used since this represents the best estimate of fair value in the range of possible valuations.

The fair value of listed equity investments is determined based on quoted market prices.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the reporting date. Deferred tax is provided in full on timing differences that result in an obligation at the reporting date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the asset, or on unremitted earnings of subsidiaries and associates where there is no commitment to remit these earnings. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax is not discounted.

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Notes to the Company Statement of Financial Performance

2 Significant accounting policies continued

Financial instruments disclosures

Financial assets

Trade and other receivables

Trade receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts. The majority of other receivables relate to amounts owed by subsidiary undertakings. Further information concerning interest charged on these receivables is set out in Note 10.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, short-term deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Financial liabilities and equity instruments

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Trade and other payables

Trade payables are non-interest bearing and are stated at their nominal value.

Capital market and bank borrowings

Interest bearing loans and overdrafts are initially measured at fair value (which is equal to net proceeds at inception), and are subsequently measured at amortised cost, using the effective interest rate method. A portion of the Company's bonds are subject to fair value hedge accounting and this portion of the carrying value is adjusted for the movement in the hedged risk to the extent hedge effectiveness is achieved. Any difference between the proceeds, net of transaction costs and the settlement or redemption of borrowings is recognised over the term of the borrowing.

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to settle on a net basis, or realise the asset and liability simultaneously.

Derivative financial instruments and hedge accounting

The Company's activities expose it to the financial risks of changes in foreign exchange rates and interest rates. The Company uses various derivative financial instruments to manage its exposure to these risks.

The use of financial derivatives is set out in Note 34 of the Group's Annual Report. The Company does not use derivative financial instruments for speculative purposes.

The Company does not apply hedge accounting except for fair value hedges. Gains and losses arising on derivatives that form part of net investment hedge or cash flow hedge relationships in the consolidated financial statements are recorded in the profit and loss account in the Company.

Financial instruments – disclosures

The Company has taken advantage of the exemption provided in IFRS 7, Financial Instruments: Disclosures and included disclosures relating to financial instruments in Note 34 of the Group's Annual Report.

Cash flow statement

The Company has utilised the exemptions provided under IAS 7, Statement of Cash Flows and has not presented a cash flow statement. A consolidated cash flow statement has been presented in the Group's Annual Report.

Related party transactions

The Company has taken advantage of the exemptions of IAS 24, Related Party Disclosures and included disclosures relating to related parties in Note 44 of the Group's Annual Report.

Share-based payments

The Company operates the Group's LTIP and other Group share-based payment schemes, details of which can be found in Note 42 of the Group's Annual Report.

Retirement benefits

The defined benefit pension schemes' surpluses/deficits have been allocated to Group companies on a buy-out basis – that is of an estimate of the liabilities and assets of the defined benefit schemes as at 30 September 2020. Accordingly the Company has not recorded an asset or liability in relation to the Group's defined benefit scheme.

Further information can be found in Note 35 of the Group's Annual Report.

Critical accounting judgements and key sources of estimation uncertainty

The following represents the key source of estimation uncertainty that has the most significant effect on the amounts recognised in the financial statements:

Impairment reviews are performed when there is an indicator that the carrying value of the shares in Group undertakings could exceed their recoverable values based on their value in use or fair value less costs to sell. Value in use is calculated by discounting future expected cash flows. These calculations use cash flow projections based on Board-approved budgets and forecasts which reflect management's current experience and future expectations of the markets in which the Group undertaking operates.

Risk adjusted pre-tax discount rates used by the Company in its impairment tests range from 10.5% to 15.3%, the choice of rates depending on the risks specific to that cash generating unit (CGU). The cash flow projections consist of a Board-approved budget for the following year, outlooks for the proceeding four years with nominal long-term growth rates beyond these periods. The nominal long-term (decline)/growth rates range from (3.0%) to 5.0% and vary with management's view of the CGU's market position, maturity of the relevant market and do not exceed the long-term average growth rate for the industry in which the CGU operates.

The carrying value of the investment in Group undertakings is £3,168.4 million (2019 £3,237.6 million).

Using the criteria above the Company has provided a sensitivity analysis of the key assumptions used to support the carrying value of its investments in Group undertakings.

If the growth rate assumptions above were reduced by 1.0% this would increase the impairment by £188.8 million. If the growth rate assumptions above were increased by 1.0% this would reduce the impairment by £264.3 million resulting in headroom.

If the discount rate assumptions above were reduced by 1.0% this would reduce the impairment by £235.0 million resulting in headroom. If the discount rate assumptions above were increased by 1.0% this would increase the impairment by £184.8 million.

3 Auditor's remuneration

Statutory audit fees relating to the Company amounted to £0.7 million (2019 £0.5 million).

4 Employees

	2020 Number	2019 Number
Average number of persons employed by the Company including Directors	**11**	19

	2020 £m	2019 £m
Total staff costs comprised:		
Wages and salaries	**3.3**	9.5
Share-based payments	**10.9**	9.0
Social security costs	**2.4**	1.7
Pension costs	**0.1**	0.1
	16.7	20.3

The remuneration of the Directors of the Company during the period are disclosed in the Remuneration Report of the Group's Annual Report.

Financial Statements

Notes to the Company Statement of Financial Performance

5 Property, plant and equipment

	Fixtures, fittings and artwork £m
Cost	
At 30 September 2018 and 2019	0.9
Additions	–
At 30 September 2020	**0.9**
Accumulated depreciation	
At 30 September 2018	–
Charge for the year	(0.3)
At 30 September 2019	(0.3)
Charge for the year	(0.3)
At 30 September 2020	**(0.6)**
Net book value – 2018	0.9
Net book value – 2019	0.6
Net book value – 2020	**0.3**

6 Tax

There was a current tax credit for the year of £7.5 million (2019 £8.1 million).

7 Dividends

During the period, the Company paid a final dividend for the year ended 30 September 2019 of 16.6 pence per share and an interim dividend for the year ended 30 September 2020 of 7.5 pence to Ordinary and A Ordinary shareholders amounting to £54.9 million (2019 £74.1 million).

The Board has declared a final dividend for the year ended 30 September 2020 of 16.6 pence per Ordinary/A Ordinary Non-Voting Share (2019 16.6 pence) which will absorb an estimated £37.6 million (2019 £37.8 million) of shareholders' equity for which no liability has been recognised in these financial statements. It will be paid on 5 February 2021 to shareholders on the register at the close of business on 4 December 2020.

8 Shares in Group undertakings (listed on pages 203 to 205)

	Cost £m	Provision £m	Net book value £m
At 30 September 2018	3,353.6	(320.0)	3,033.6
Additions	219.1	–	219.1
Impairment charge	–	(15.1)	(15.1)
At 30 September 2019	3,572.7	(335.1)	3,237.6
Additions	9.2	–	9.2
Impairment charge	–	(78.4)	(78.4)
At 30 September 2020	**3,581.9**	**(413.5)**	**3,168.4**

	Cost £m	Provision £m	Total £m
Analysis of movements in the period:			
Daily Mail and General Holdings Ltd	9.2	(336.2)	(327.0)
DMGB Ltd	–	257.8	257.8
	9.2	(78.4)	(69.2)

9 Financial assets at fair value through Other Comprehensive Income

	£m
At 30 September 2018 Available for sale investments	6.5
Adjustment for transition to IFRS 9	0.7
Restated at 1 October 2018	7.2
Disposals	(6.2)
At 30 September 2019 Financial assets at Fair value through Other Comprehensive Income	1.0
Movement	–
At 30 September 2020 Financial assets at Fair value through Other Comprehensive Income	**1.0**

10 Trade and other receivables

	Note	2020 £m	2019 £m
Amounts falling due after more than one year			
Derivative financial assets	(i)	**3.2**	3.6
		3.2	3.6

	Note	2020 £m	2019 £m
Amounts falling due within one year			
Amounts owed by Group undertakings		**9.7**	16.6
Other financial assets	(ii)	**21.7**	15.4
Prepayments and accrued income		**0.6**	0.2
Other receivables		**0.1**	0.2
Corporation tax		**7.5**	7.9
Derivative financial assets	(i)	**0.6**	–
		40.2	40.3

(i) Details of the Company's derivative financial assets are set out in Note 34 of the Group's Annual Report.

(ii) The Company deposits collateral with its bank counterparties with whom it has entered into a credit support annex to an ISDA (International Swaps and Derivatives Association) Master Agreement. This represents cash that cannot be readily used in operations.

11 Cash at bank and in hand

	2020 £m	2019 £m
Cash at bank and in hand	**155.8**	40.1

12 Trade and other payables falling due within one year

	Note	2020 £m	2019 £m
10.00 % Bonds 2021		**0.8**	–
Bank overdrafts		**0.6**	0.8
Interest payable		**3.6**	3.6
Amounts owing to Group undertakings	(i)	**461.6**	251.8
Accruals and deferred income		**5.4**	8.9
Other payables		**0.2**	0.2
		472.2	265.3

(i) Amounts owing to Group undertakings are repayable on demand and bear interest of UK bank base rate plus 0.5%.

Financial Statements

Notes to the Company Statement of Financial Performance

13 Trade and other payables falling due after more than one year

	Note	2020 £m	2019 £m
10.00 % Bonds 2021		–	0.8
6.375 % Bonds 2027		**202.7**	202.0
Derivative financial liabilities	(i)	**23.1**	24.4
		225.8	227.2

The nominal values of the bonds are as follows:

	2020 £m	2019 £m
10.00 % Bonds 2021	**0.8**	0.8
6.375 % Bonds 2027	**200.0**	200.0
	200.8	200.8

(i) Details of the Company's derivative financial liabilities are set out in Note 34 of the Group's Annual Report.

The Company's bonds have been adjusted from their nominal values to take account of direct issue costs, discounts and movements in hedged risks. The issue costs and discounts are being amortised over the expected lives of the bonds using the effective interest method. The unamortised issue costs amount to £0.4 million (2019 £0.5 million) and the unamortised discount amounts to £0.6 million (2019 £0.7 million).

Details of the fair value of the Company's bonds are set out in Note 33 of the Group's Annual Report.

The bonds are subject to fair value hedging using derivatives as set out in Note 34 of the Group's Annual Report. Consequently, their carrying value is also adjusted to take into account the effects of this hedging activity.

During the prior period the Company bought back £6.4 million nominal of its outstanding 2021 bonds incurring a premium of £0.9 million.

The book value of the Company's other borrowings equates to fair value.

The maturity profile of the Company's borrowings is as follows:

	Overdrafts £m	Bonds £m	Owed to group undertakings £m	Total £m
2020				
Within one year	**0.6**	**0.8**	**461.6**	**463.0**
Over five years	**–**	**202.7**	**–**	**202.7**
	–	**202.7**	**–**	**202.7**
	0.6	**203.5**	**461.6**	**665.7**
2019				
Within one year	0.8	–	251.8	252.6
Between one and two years	–	0.8	–	0.8
Over five years	–	202.0	–	202.0
	–	202.8	–	202.8
	0.8	202.8	251.8	455.4

14 Deferred tax

Movements on the deferred tax asset were as follows:

	2020 £m	2019 £m
At start of year	**5.6**	3.8
Share-based payments	**(0.6)**	0.6
Tax charge for the year	**1.7**	1.2
At end of year	**6.7**	5.6

In the opinion of the Directors, it is more likely than not that the Company will be able to recover the deferred tax asset against suitable future taxable profits generated by its subsidiary undertakings.

15 Capital and Reserves

Share premium account:

	2020 £m	2019 £m
At start and end of year	**17.8**	17.8

Own shares:

	2020 £m	2019 £m
At start of year	**(49.1)**	(57.2)
Additions	**(19.7)**	(2.5)
Own shares released on vesting of share options	**9.5**	10.6
At end of year	**(59.3)**	(49.1)

The Company's investment in its own shares represents shares held in treasury or shares held by an employee benefit trust to satisfy incentive schemes. At 30 September 2020, this investment comprised the cost of 4,455,593 A Ordinary Non-Voting Shares (2019 4,566,121 shares) held in treasury and 3,705,104 A Ordinary Non-Voting Shares (2019 2,157,613 shares) held in the employee benefit trust. The market value of the Treasury Shares at 30 September 2020 was £29.0 million (2019 £38.9 million) and the market value of the shares held in the employee benefit trust at 30 September 2020 was £24.1 million (2019 £18.4 million).

The employee benefit trust is independently managed and has purchased shares in order to satisfy outstanding share options and potential awards under the long-term incentive plan.

The Treasury Shares are considered to be a realised loss for the purposes of calculating distributable reserves.

16 Capital redemption reserve

	£m
At start and end of year	**21.2**

17 Profit and loss account

	2020 £m	2019 £m
At start of year	**2,817.1**	3,314.6
Adjustment for transition to IFRS 9	**–**	0.7
Restated at 1 October	**2,817.1**	3,315.3
Net profit for the year	**(106.1)**	429.0
Dividends paid	**(54.9)**	(74.1)
Euromoney dividend in specie	**–**	(661.8)
Euromoney cash distribution	**–**	(200.0)
Other movements on share option schemes	**12.5**	8.7
At end of year	**2,668.6**	2,817.1
Total reserves	**2,648.3**	2,807.0

The Directors estimate that £1,532.9 million of the Company's profit and loss account reserve is not distributable (2019 £1,532.9 million).

18 Contingent liabilities and guarantees

At 30 September 2020 the Company had guaranteed subsidiaries' outstanding derivatives which had a mark to market liability valuation of £nil (2019 £nil) and letters of credit with a principal value of £2.3 million (2019 £2.9 million). The Company is the guarantor of a loan note amounting to £150.0 million (2019 £150.0 million) in respect of the contingent asset partnership referred to in Note 44 of the Group's Annual Report.

Financial Statements

Notes to the Company Statement of Financial Performance

19 Ultimate holding company

The Company's immediate parent company is Rothermere Continuation Limited (RCL), a company incorporated in Jersey, in the Channel Islands, and previously named Rothermere Investments Limited.

On 5 December 2019, pursuant to a consolidation of the Group's holding structure, RCL acquired a Bermudan company known as Rothermere Continuation (Old Co) Limited (previously named Rothermere Continuation Limited), (RCOCL), and certain assets held by RCOCL, including 100% of the issued Ordinary Shares of the Company. RCL now holds 100% of the issued Ordinary Shares of the Company.

Ultimate controlling party

Rothermere Continuation Limited (RCL) is a holding company incorporated in Jersey, in the Channel Islands. The main asset of RCL is its controlling shareholding in DMGT, being its 100% holding of DMGT's issued Ordinary Shares and the largest single holding of DMGT A Ordinary Shares. RCL is controlled by a discretionary trust (the Trust) which is held for the benefit of Viscount Rothermere and his immediate family. The Trust represents the ultimate controlling party of the Company. Both RCL and the Trust are administered in Jersey. RCL and its directors, and the Trust are related parties of the Company.

On 5 December 2019, pursuant to a consolidation of the Group's holding structure, RCL acquired a Bermudan company known as Rothermere Continuation (Old Co) Limited (previously named Rothermere Continuation Limited), (RCOCL), and certain assets held by RCOCL, including 100% of the issued Ordinary Shares of the Company. RCL now holds 100% of the issued Ordinary Shares of the Company, however the underlying control of DMGT remains unchanged and continues to lie with the Trust.

20 Post balance sheet events

Details of the Company's post balance sheet events can be found within Note 45 of the Group's Annual Report.

Shareholder Information

Company Secretary and Registered Office

Fran Sallas
Northcliffe House
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Email: enquiries@dmgt.com
England Registered Number: 184594

Website

The Group's website (www.dmgt.com) gives information on the Company and its operating companies and includes details of significant Group announcements.

Financial calendar 2021

21 January	Trading update
3 February	Annual General Meeting
5 February	Payment of final dividend
31 March	Half year end
9 April	Payment of interest on bonds
27 May	Half yearly financial report released
10 June	Interim ex-dividend date
11 June	Interim record date
21 June	Payment of interest on bonds
2 July	Payment of interim dividend
22 July	Trading update
30 September	Year end
18 November	Announcement of annual results
25 November	Ex-dividend date
26 November	Record date

Capital gains tax

The market value of the A Ordinary Non-Voting Shares (A Shares) in the Company on 31 March 1982 (adjusted for the 1994 bonus issue of A Shares and for the four-for-one share split in 2000) was 9.75 pence.

Distribution of Euromoney shares

The distribution to DMGT's shareholders of shares in Euromoney Institutional Investor PLC (Euromoney) on 2 April 2019 was treated as income for UK tax purposes, in the same way as DMGT's usual dividend payments. For the purposes of UK individual shareholders calculating dividend income and the base cost of Euromoney shares for capital gains tax purposes, the value per Euromoney share was £13.00. The 'Retail Investor Tax FAQs' document in the 'Shareholders' section of www.dmgt.com contains further information about the tax implications for UK individual shareholders, including the base cost for capital gains tax purposes of their remaining shares in DMGT.

Registrars

All enquiries regarding shareholdings, dividends, lost share certificates, or changes of address should be directed to Equiniti, the Company's Registrars, at the address set out on the following page.

Electronic communications

EQ operates Shareview, a free online service which enables shareholders to check their shareholdings and other related information and to register to receive notification by email of the release of the Annual Report. It also offers practical help on matters such as transferring shares or updating contact details. Shareholders may register for the service at www.shareview.co.uk.

This Annual Report is available electronically on the Company's website which contains a link to Shareview to enable shareholders to register for electronic mailings. Notification by email has been given of the availability of this Annual Report on the Company's website to those shareholders who have registered.

Shareholder Information

Low-cost share dealing service

EQ provides a simple low-cost dealing service for the Company's A Shares, details of which are available at www.shareview.co.uk/dealing or by calling +44 (0)3456 037 037. Details of this and other low-cost dealing services can be found on the Company's website at www.dmgt.com.

Share price information

The current price of the Company's A Shares can be found on the home page of the Company's website at www.dmgt.com.

Eurobond paying agent

The paying agent for the Company's 10% Bonds due 2021 and the 6.375% Bonds due 2027 is Deutsche Trustee Company Limited, Winchester House, 1 Great Winchester Street, London EC2N 2DB. Enquiries should be directed to John Donegan, Group Financial Controller, whose email address is john.donegan@dmgt.com.

CREST

Shareholders have the choice of either holding their shares in electronic form in an account on the CREST system or in the physical form of share certificates.

Investor relations

Investor relations are the responsibility of Adam Webster, whose email address is adam.webster@dmgt.com.

ShareGift

In the UK, DMGT supports ShareGift, which is administered by the Orr Mackintosh Foundation (registered charity number 1052686) and which operates a charity share donation scheme for shareholders wishing to give small holdings of shares to benefit charitable causes. It may be especially useful for those who wish to dispose of a small parcel of shares which would cost more to sell than they are worth. There are no capital gains tax implications (i.e. no gain or loss) on gifts of shares to charity and it is also possible to obtain income tax relief. If you would like to use ShareGift or receive more information about the scheme, ShareGift can be contacted by visiting its website at www.sharegift.org or by writing to ShareGift, 4th Floor Rear, 67/68 Jermyn Street, London SW1Y 6NY.

Shareholdings at 30 September 2020

Ordinary Shares

Balance ranges	Total number of holdings	Percentage of holders	Total number of shares	Percentage issued capital
1–500,000	0	0.00	0	0.00
500,001 and over	2	100.00	19,890,364	100.00
Totals	**2**	**100.00**	**19,890,364**	**100.00**

A Shares

Balance ranges	Total number of holdings	Percentage of holders	Total number of shares	Percentage issued capital
1–1,000	859	56.29	228,543	0.11
1,001–5,000	370	24.25	882,898	0.41
5,001–10,000	106	6.95	739,581	0.34
10,001–20,000	49	3.21	701,553	0.33
20,001–50,000	52	3.41	1,584,856	0.74
50,001–100,000	25	1.64	1,735,614	0.81
100,001–500,000	36	2.36	8,071,082	3.76
500,001 and over	29	1.90	200,969,200	93.51
Totals	1,526	**100.00**	214,913,327	**100.00**

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Visit www.dmgt.com to see what is happening across our business and the marketplaces in which we operate.

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Both manufacturing mill and the printer are registered to the Environmental Management System ISO 14001 and are Forest Stewardship Council® (FSC) chain-of-custody certified.

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