Future plc

Annual Report and Accounts FY 2020

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ANNUAL REPORT FY 2020

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Marcus Rashford photographed for FourFourTwo magazine

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Photographer: Nick Eagle

Group Overview

Future plc is a global platform for specialist media, listed on the London Stock Exchange (symbol: FUTR). These highlights refer to the Group's annual results for the year ended 30 September 2020.

Media division KPIs

Online users[1] (million)

FY 2020	281.8
FY 2019	181.0
FY 2018	118.0
FY 2017	49.0

Total global monthly online users to Future websites. Source: Google Analytics
[1]All figures are excluding forums as they are non-commercial websites for which Future does not write content or actively manage or monetise. Previously reported figures have been restated to exclude forums. FY 2020 forums only online users are 17.1m (FY 2019: 25.3m). Online users figures from FY 2019 have also been restated to exclude SmartBrief newsletter subscribers which have been reclassified to email newsletters.

Event attendees (thousand)

FY 2020	100
FY 2019	151
FY 2018	155
FY 2017	76

Number of visitors to Future events includes 32 in-person events held virtually in FY 2020 due to COVID-19.

eCommerce transactions (million)

FY 2020	13.6
FY 2019	9.8
FY 2018	3.2
FY 2017	2.0

Number of transactions made via affiliate links on Future websites.

Email newsletter subscribers (million)

FY 2020	9.4
FY 2019	7.0

Total subscribers to Future email newsletters. Data available from FY 2019.

Magazine division KPIs

Total circulation (million)

FY 2020	3.8
FY 2019	1.5
FY 2018	1.3
FY 2017	1.0

Total of each magazine and bookazine circulation per issue.

Total subscribers (million)

FY 2020	1.5
FY 2019	0.9
FY 2018	0.9
FY 2017	0.5

Number of subscribers to Future magazines per issue.

Corporate KPIs

Revenue (£million)

FY 2020	339.6
FY 2019	221.5
FY 2018[2]	130.1
FY 2017	84.4

Consolidated Group revenue.

Global audience (million)

FY 2020	393.6
FY 2019	269.2
FY 2018	193.4
FY 2017	85.6

Includes magazines and bookazines circulation, online users (excluding forums), event attendees, social media followers (Twitter, Facebook and YouTube) and newsletter subscribers.

Adjusted operating profit (£million)

FY 2020	93.4
FY 2019	52.2
FY 2018	18.5
FY 2017	8.9

Adjusted operating profit represents earnings before share-based payments (relating to equity-settled awards with vesting periods longer than 12 months) and related social security costs, interest, tax, amortisation of acquired intangible assets, fair value movements on contingent consideration (and unwinding of associated discount) and currency option, and exceptional items, and any related tax effects.

Adjusted operating profit margin

FY 2020	28%
FY 2019	24%
FY 2018[2]	14%
FY 2017	11%

Adjusted operating profit margin is adjusted operating profit as a percentage of revenue.

Reported operating profit (£million)

FY 2020	50.7
FY 2019	26.7
FY 2018	5.3
FY 2017	0.8

Consolidated statutory operating profit.

Adjusted free cash flow (£million)

FY 2020	96.0
FY 2019	53.7
FY 2018	17.4
FY 2017	15.3

Adjusted free cash flow is defined as adjusted operating cash inflow less capital expenditure. Adjusted operating cash inflow represents operating cash inflow adjusted to exclude cash flows relating to exceptional items and settlement of employer's social security costs on share-based payments, and to include lease repayments following adoption of IFRS 16 *Leases*.

Free cash flow (£million)

FY 2020	87.9
FY 2019	49.7
FY 2018	12.3
FY 2017	10.2

Free cash flow is defined as a statutory operating cash inflow less capital expenditure.

Adjusted diluted EPS (p)

FY 2020	74.7
FY 2019	47.5
FY 2018	24.3
FY 2017[3]	18.4

Adjusted diluted EPS represents adjusted profit after tax divided by the weighted average dilutive number of shares at the year end date.

Leverage

FY 2020	.60x
FY 2019	.74x
FY 2018	.86x
FY 2017	.91x

For FY 2020 leverage is defined as debt as a proportion of EBITDA adjusted for the impact of IFRS 16 and including the 12-month trailing impact of acquired businesses (in line with the Group's bank covenants definition). For previous years leverage is defined as total net debt divided by adjusted EBITDA.

Notes

2. FY 2018 restated for IFRS 15 *Revenue from contracts with customers*. 3. Restated for FY 2018 rights issue.

Chairman's Statement

Richard Huntingford
Chairman

Dear Shareholders,

In this highly unusual and challenging year, it is my pleasure to report that Future has continued to thrive, with Future's content now read by one in three people in the UK and US. Global audiences increased rapidly during FY 2020 from a mix of underlying growth in audience engagement, through new launches and acquisitions, and the increased consumption of digital content during the pandemic.

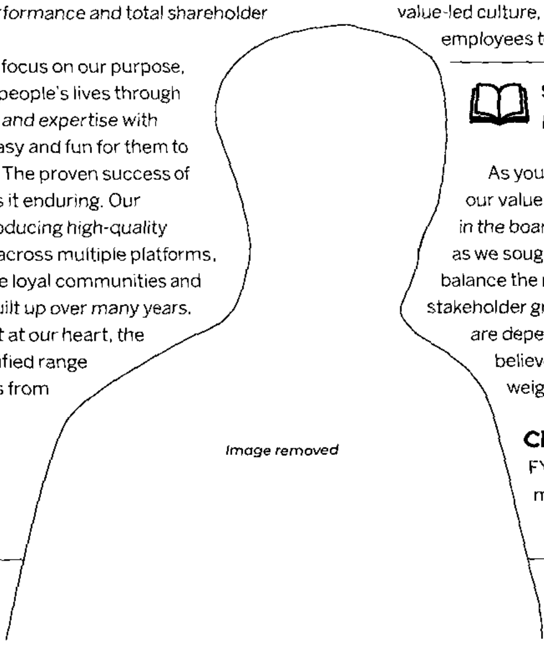
This growth in audience has helped lead to another exceptional year of results. Revenue for the year increased by 53% to £339.6m, with organic revenue growth of 6% driven by strong organic Media revenue growth of 23% which offset the impact of COVID-19 on Magazines revenue, which declined organically by 29%. Adjusted operating profit increased 79% to £93.4m. These results were delivered despite the unprecedented challenges arising from the pandemic.

Clear strategy

The Group continues to successfully execute on the strategy of being a global platform for specialist media, with scalable, diversified brands, and this has resulted in strong financial performance and total shareholder return.

We maintain our focus on our purpose, which is to change people's lives through sharing knowledge and expertise with others, making it easy and fun for them to do what they want. The proven success of our strategy makes it enduring. Our commitment to producing high-quality content, delivered across multiple platforms, helps us expand the loyal communities and audiences we've built up over many years.

With this content at our heart, the Group has a diversified range of revenue streams from consumer direct purchases, advertising, eCommerce and events. Our innovative and scalable technology stack is critical in our ability to respond to the changing media landscape; our eCommerce capability gives our intent audience what they need to be guided through online purchases, and our advertising tech stack provides advertising clients with high-value targeted audiences.



Value-led business

As a value-led business, we are driven by our purpose and defined by our values. We have continued this year to focus on embedding our value-based culture. Our values support our strategy and the way we execute it, so we rely on our Future Playbook to bring alignment in the way we behave and work. Despite the social, economic and environmental challenges of this year beyond just the pandemic, we have seen the positive effects of our staff living our values. These challenges have brought out the best in our staff; from innovative solutions to continuing to deliver high-quality content and experiences to our communities and our clients, to support and engagement of cultural change, inclusion and diversity. We recognise that to continue the success of the business we must continue to facilitate a value-led culture, encouraging and enabling our employees to operate in this way.

Stakeholder engagement
pages 44 to 48

As you will read later in this Annual Report, our value-led culture was very much to the fore in the boardroom, when the pandemic unfolded, as we sought to understand, respond to and balance the needs and priorities of our different stakeholder groups, whose interests and well-being are dependent on our decision-making. I firmly believe that we got the balance as fairly weighted as could have been expected.

Challenging market

FY 2020 has been a year of significant market challenges, from the COVID-19

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pandemic to economic, social and political disruption, and as we enter the financial year 2021 these challenges continue. Despite this uncertain backdrop, the Group has not just been resilient; it has thrived. This is evidenced by the financial and operational performance, which proves not only that our strategy is enduring and robust, but also that our value-led culture is a differentiator in a challenging landscape.

The Group initiated a three-pronged approach, focusing on our employees, clients and stakeholders as we considered how to lessen the impact of the pandemic. We believe that our approach has proven successful and enabled us to deliver our current results and maintain the momentum into our new financial year. Future is a global-first business, which congregates around a shared culture and vision, not locations, and is able therefore to pivot quickly to adapt to market conditions. We are used to working in a collaborative way across locations, so the move to homeworking had minimal impact on our ability to deliver to our audiences and customers. Our diversified business model reduces risk and our unified processes and platforms allow us to serve our audience and clients in multiple ways.

Investing in growth

The Group has a clear acquisition strategy of buying businesses in which we can add value through our diversified business model. Our acquisitions complement and accelerate our organic growth, and we continually diversify by moving into adjacencies, new verticals, and by building out our platform.

The robustness of our business model - and ability to grow during difficult market conditions - means that we remain committed to our strategy to grow both organically and through acquisitions. During FY 2020 the Group has been able to continue to invest in growth, with a number of new launches into new verticals and the successful completion of two acquisitions: Barcroft Studios, in November 2019; and the transformational acquisition of TI Media in April 2020. Our proven integration model enabled us to integrate these businesses in line with our investment case, despite the restrictions around office working. Since the period end, we acquired CinemaBlend, in early October 2020.

Barcroft Studios is a video production company with expertise in monetising audiences through social media. Barcroft creates content for global platforms, including

ABOVE: Barcroft creates content for global platforms such as YouTube, as well as producing high-end television for networks, broadcasters and streaming platforms.

"I want to thank the incredible team at Future who have worked tirelessly and adapted to a new way of working as the Group has continued to provide high quality content to our communities. Once again, Future has proven itself to be one of the most innovative and agile media companies, and that is reflected with this year's excellent financial results. The Group's resilience against a challenging market is testament to our strategy and our people."

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Snapchat and YouTube, as well as producing high-end original productions for networks, broadcasters and streaming platforms, including Netflix, National Geographic Channel, the BBC and Channel 4.

TI Media is a UK-based, print-led consumer magazine and digital publisher, with deep industry heritage and a portfolio of popular brands, including Country Life, Woman & Home, Decanter and Marie Claire. This exciting acquisition has introduced to Future substantial new specialist audiences, including women's lifestyle, TV entertainment, gardening, wine, golf and a number of additional sports verticals, as well as growing the Group's presence in home interest, cycling and country sports. The opportunities to grow these portfolios through Future's platform of diversified revenue streams, as well as growing the brands globally, is significant and has already borne fruit, with new launches over the last few months in gardening, TV viewing, outdoors, health and women's lifestyle. The Group also announced that expected cost synergies of £20m per annum will be achieved within 24 months, an increase from the £15m initially identified. The delivery of these savings is progressing well, with the Group already securing annual cost synergies of over £20m, of which £3m has benefited FY 2020. Both of these acquisitions bring an excellent opportunity for the Group to accelerate growth, in both its global presence and also the continual development of the diversified platform business model. I am excited by the opportunities that these acquisitions bring to the Group.

On the 25 November 2020 the Group announced that we have agreed the terms of a recommended offer to acquire the entire issued and to be issued share capital of GoCo Group plc. We believe that the combination will significantly strengthen the Group's proposition of seeking to address the growing consumer demand for informed and value driven purchasing decisions enabled by intent driven content.

ABOVE: The opportunities to grow these portfolios through Future's platform of diversified revenue streams, as well as growing the brands globally, is significant and has already borne fruit.

The Group also decided to invest in the creation of 150 new roles across digital media and technology to support the growth plans; this was announced in early October, and is an investment in the region of £5-6m. This investment in resource will support and accelerate our significant online audience growth potential.

People

At Future, we believe our people are our greatest asset. Their commitment, integrity, resilience and flexibility have enabled the Group to thrive in these more challenging market conditions. They bring our values to life in the way they work and collaborate with each other. In addition, as the Group continues to expand through acquisition, which brings changes to the business, our employees have shown great resilience and adaptability throughout.

On behalf of the Board and our shareholders, I would like to thank all our employees for their hard work, dedication and continued passion to the Future cause during FY 2020, which has been the driving force behind the Group's outstanding results.

I would also like to make special mention of our Chief Executive Zillah Byng-Thorne, and her executive leadership team. The pandemic has highlighted the difference between the large cohort of Chief Executives deemed to be "good leaders" of the companies that they run and the small pool of Chief Executives who are "truly outstanding leaders": Individuals who are able to respond to the need for difficult, urgent and far-reaching decision-making and who, in hugely challenging times, lead with clarity, bravery, authenticity and empathy, whilst putting the needs of others before their own. Zillah has shown herself to be just such a leader, supported magnificently by her executive team.

How we create value for our stakeholders pages 44 to 48

Capital structure and dividends

The Group continues to be highly cash generative. Adjusted free cash flow was 103% of adjusted operating profit (FY 2019: 103%), with net debt of £62.1m at the end of the year. The Board's policy is that leverage should not exceed 1.5x, with an exception for acquisition spikes; our year end leverage was 0.6x. Therefore, the Board is delighted to propose an increased final dividend of 1.6p a share (FY 2019: 1.0p), payable on 16 February 2021 to all shareholders on the register at the close of business on 15 January 2021. Our goal continues to be the implementation of a progressive dividend policy, and at the same time to balance shareholder returns and investment in the company to support future growth and optimise value for shareholders.

Following the end of the year, the Group agreed a £215m two year term loan in order to part-fund the recommended offer for GoCo Group plc. In addition the Group's £30m short dated COVID-19 facility was cancelled. This ensures that the business has a balance sheet and debt capacity in line with its objective of not operating with leverage of more than 1.5x (outside of exceptional circumstances). In conjunction with this, and as part of the viability assessment on page 43, the Board undertook a detailed going concern review. This included reviewing the Group's forecasts and projections, after applying a number of severe but plausible downside sensitivities to those projections, and assessing the headroom on the Group's credit facilities. Future's diversified revenue model, and strong balance sheet, which includes current headroom of over £100m on available facilities at 30 September 2020 leave the Group well positioned to continue to adapt to market conditions in these uncertain times.

The continuing success of the Group and the transformative steps we have taken this year is reliant on the support of our shareholders and our banking syndicate, so I would like to thank them for their continued confidence in our strategy.

Board composition

We have a strong Board team in terms of experience, entrepreneurial and ambitious spirit and business acumen. It is important that we continue to build a Board that is aligned to the Group's culture and values, and commensurate with the Group's FTSE250 status and growth ambitions. The three appointments we have announced this year reflect this commitment.

In February 2020 we announced the appointment of Meredith Amdur as an Independent Non-Executive Director. Meredith is currently Chief Executive Officer of Rhetorik, a leading data supplier to technology vendors. She brings knowledge, understanding and experience of the US media market, and especially digitally-led environments.

As previously announced, Rachel Addison was appointed as Chief Financial Officer of the Group, effective 1 June 2020. Rachel is a great addition to the Future Board as we continue to strengthen and diversify our collective acumen and experience. Rachel, previously Chief Financial Officer at TI Media, has significant experience in the media market; I am delighted to welcome her to the Board. Rachel takes the place of Penny Ladkin-Brand, who has stepped into her new role as Chief Strategy Officer. I would like to take this opportunity to extend my thanks to Penny for her guidance to the Board over the last five years as CFO.

In September we announced the appointment of Mark Brooker as an Independent Non-Executive Director with effect from 1 October 2020. I am delighted to welcome Mark, who has a wealth of experience of executive and non-executive board roles; his insight and understanding of platform-based businesses will hugely benefit the Group.

Corporate Governance Section pages 50 to 53

Looking to the future

After such an exceptional year the Group faces the future with confidence. Our value-led culture, outstanding team, resilient strategy and confident investment in growth means this is an exciting time for Future. I am confident that we will continue to deliver significant long-term value for shareholders.

Richard Huntingford
Chairman
10 December 2020

Our Vision and Strategy

At Future, our success is the product of aligning our vision and strategy within our organisation, and how we enforce the strategy.

Why we exist (Our Purpose)

"We change people's lives through sharing our knowledge and expertise with others, making it easy and fun for them to do what they want."

Future is a global platform *for specialist media driven* by technology, with diversified revenue streams

At Future, we pride ourselves on the heritage of our brands and the loyalty of our communities.

Offering core expertise, we are the trusted advisor, who helps enthusiasts follow their passion through high-quality content, innovative technology and unique experiences.

We create loyal communities and *fans of our brands* by giving them a place they want to spend their time and meet their needs

We succeed by delivering content that connects with audiences, in areas in which we have expertise, recognising that in today's media landscape providing the answers to our audience's needs is the first requirement if you want them to spend time with you.

As we strengthen our global reach across our core verticals, *we continue to be proud of the way we bring people together to enjoy shared passions* wherever they are in the world. Cultivating a highly engaged audience that through our help we are able to monetise is fundamental to everything that we do, and we now reach a global audience of 393.6m (FY 2019: 269.2m) through our websites, events, social media and magazines.

We are *diversifying our monetisation models* to create significant revenue streams. We are focused on three material revenue types: Advertising, Consumer Direct and Intent

We look to grow profitably and generate cash returns, both organically and through acquisitions, and aim to do this through diversifying our audience and *developing new sources of monetisation.*

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We leverage our data and analytics to drive innovation and execution of our strategy

We are a data-rich company, which uses data insight to better understand and serve our audience, as well as serving our commercial partners. Through our data insight, we have launched new products across our verticals, like the innovation of our proprietary new lead generation product - Falcon, and into new verticals where we see an opportunity, like the launch of our pets vertical with PetsRadar.com.

We are expanding our global reach through organic growth, acquisitions and strategic partnerships

Investing in our business is a core part of our strategy. That includes ensuring we invest in our core brands, technology and people as well as looking to acquire new assets. In determining what businesses we acquire we are keen to ensure that they align with and enhance our existing portfolio and further our strategic vision. We look for scalable brands that have loyal and specialist audiences that can be monetised in different ways and that will add value to the Group.

Our strategy is underpinned by a number of principles:

1 - Activators

- Future is our first team and content is our first thought
- **We are aligned on our strategy and purpose. We call this the "Future Playbook"**
- We have common goals. We call this "what's important right now"
- **We think about the long term as well as the short. We call this "horizon planning"**
- We operate a matrix, which means we go slower to go faster. We use responsibility assignment matrices (RACIs) to help
- **We are diversified globally, divisionally and vertically**
- We take the time to operate as a lean and simple business
- **We are ambitious. We think in terms of leaps not increments**
- We are also brilliant at the basics and believe in marginal gains
- **We take calculated risks in some areas, and we protect those risks through adopting a "maximum acceptable loss" approach**

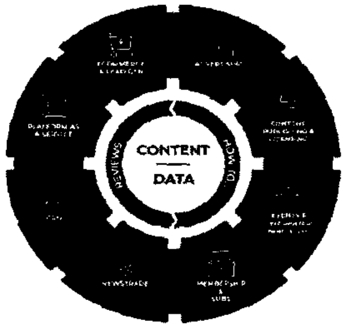
2 - Differentiators

- We offer the easiest-to-access 'how to' advice wherever our audiences are
- **We have the most relevant review content in the world**
- We demonstrate the value of original content
- **We disrupt through platforms**
- We anticipate our customers' needs

3 - Competitive essentials

- We create meaningful relationships with strategic partners
- ***We blend human and artificial intelligence***
- We have simple but brilliant proprietary software
- **We know our customers**
- We have world-class Search Engine Optimisation

How we execute our strategy



We believe that strategy is about having a series of intentional steps to help us achieve our goal. Future's vision is clear: to be a global leader in helping people achieve their goals, utilising our expert advice and content.

We use McKinsey's Three Horizons of Growth planning approach across the organisation as a means of ensuring that each year our intentional steps achieve our ambitions. This approach encourages our people to engage with the strategy in a meaningful and relatable way and ensures that we deliver a mix of performance today and investment in future performance. We believe this is critical to underpinning our longer-term growth. We also believe that by breaking our strategy down into intentional steps we manage risk and can adapt to changing landscapes in an agile way.

Annually we set out our key areas of focus and what we want to do in order to ensure we achieve our overarching strategic ambitions - we call this What's Important Right Now. We have ensured that our plan for FY 2021 has enough focus on the things which will continue the success of the last three years. Agreeing on the right priorities is key to delivering on our strategic objectives and we want to continue our growth momentum through both organic growth in FY 2021 and growth plans for FY 2022 and beyond. We will focus on achieving a balance of more predictable revenue streams, with increased recurring revenues online to further ensure stability in our business. As the way we reach our audiences and how we monetise them is experiencing disruption, we have ensured that our goals are focused on staying relevant for newer generations and new media models. To deliver operating leverage we are focused on continuing to optimise our centres of excellence, streamlined operational base and low-cost locations, while the continual transition from print to online enables margin expansion.

We have three underlying pillars that help us execute our strategy.

1. Protect the core, grow existing brands & audiences

As a purpose-focused company, we concentrate on growing and leveraging our ecosystem of brands, as these are the touchpoints in which we engage with our communities, making it easier for them to do the things they love. We have a combination of heritage and acquired brands that help us expand market share within our verticals as well as allowing us to enter new verticals and access new communities while continuing to ensure we provide expertise in these areas. Our brands help us deliver targeted highly qualified audiences to our advertising and eCommerce partners.

We continue to nurture our legacy brands by focusing on optimising their revenue streams and innovating content. For example, last financial year we expanded the monetisation of our music brands by launching The Guitarist of the Year competition, a new paid-entry awards event from GuitarWorld, GuitarPlayer and BassPlayer. This enabled us to leverage the relationships we had with our audiences across these leading magazines, and websites, to create a truly unique event. Future's deep vertical knowledge and communities of special interest ensure that one of its unique selling points is the ability to create new brands from the relationships it has with other niche brands. For example, T3 is a lifestyle brand which helps audiences buy premium products. Its content is highly flexible in that it can pivot to focus on premium products outside of its core of technology and gadgets and cover other verticals, such as premium men's grooming, cars and sports equipment.

Future's brands reach over 393.6m consumers and business decision-makers every month. By reaching 1 in 3 internet users in the US and UK, we are one of the leading media publishers across the UK, US and Australia. This level of engagement gives us market-leading positions in many of our verticals. Future is the go-to media partner for specialist endemic advertisers, while this scale opens up further monetisation. For example, our launch of the Totally Games video series, sponsored by Acer, utilises the best of our gaming brands (Future Games Show, GamesRadar and our games magazines) and Barcroft's video monetisation model. Overall, we have seen phenomenal online audience growth of 56% year-on-year (excluding forums[4]) to 281.8m, with 48% organic growth. Whilst this growth was bolstered by the pandemic lockdown, as people increasingly went online for entertainment, news and online shopping, the underlying online audience growth (adjusting for COVID-19 impact) was 44%, with organic growth of 37%, as our content

[4]2020 online audience to forums: 17.1m, -32% year-on-year

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continues to meet and exceed the need of our specialist audiences. Structurally, as there is an acceleration to online, we are best placed to benefit from this as we develop our brands to serve our communities' needs: Live Science's coverage of COVID-19 information and news helped our audience better understand the pandemic. Our B2B education brand Tech & Learning produced a range of content about at-home education including how-tos and tips such as our evergreen article "Free Online Learning Resources For Schools".

We hold 23 market-leading positions online, in print and in events. We continue to focus on growing our market share through organic means and through acquisition. The right acquisitions for Future are ones where we believe we can uniquely create additional value while accelerating our strategy. Our acquired brands benefit from the standard processes and platforms of our legacy brands allowing us to optimise their performance.

The acquisition of TI Media in April 2020 has provided us with an exceptional opportunity to move into new verticals, such as women's lifestyle, TV and wellness. Here we can further monetise these new communities by applying our platform business model to diversify the revenue streams and further grow the audience in previously untapped territories such as the US. The value of the vertical presence and expertise that came with this acquisition is already evident in our launches of new websites Gardening Etc, Fit & Well, What to Watch, Advnture, PetsRadar and My Imperfect Life - launched within just five months of acquisition completion. The speed with which we are able to grow in these acquired verticals is a testament to the Group's operating leverage built on standard practices and platforms and flexible operating model, given that this all happened during the Spring pandemic lockdowns. We are already progressing the pipeline for migrating TI Media's websites onto our standard Vanilla web platform, with Homes & Gardens, Livingetc and Woman & Home all migrated. While the modular nature of our tech stack means that those sites that are not yet migrated have benefited from being plugged into our ad tech stack, Hybrid, and our eCommerce technology, Hawk, to drive previously untapped advertising and eCommerce revenues. This is what makes the TI Media acquisition so exciting, as we apply our expertise in serving high-quality content specific to these communities' needs, which is highly flexible in terms of reacting to current trends, as well as our innovative and scalable technology stack to enable us to fully monetise these communities.

ABOVE: Live Science's coverage of COVID-19 information and news helped our audience better understand the pandemic.

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2. Ongoing diversification

We continue to focus on diversifying our business, by expanding into new monetisation streams and new verticals, which we do organically and through acquisition. Our product offering has changed materially with over 240 brands in the Group's portfolio, across 18 specialist audience verticals, through innovative new launches, to acquisitions. Diversification allows us to have a strong defence against the impact of detrimental changes to any one revenue stream, as evidenced by the way we pivoted to mitigate the impact of the COVID-19 pandemic on magazines and events, and a strong offence by seeding longer term opportunities that enable continued organic revenue growth. Diversification across verticals, revenue streams and global footprint also accelerates our growth, making it a key driver of our strategy.

Future has operations across the UK and US but we are a global-first company that reaches a global audience. The growth of our US audience is a key part of our diversification strategy as we grow organically and through acquisition. Revenue from the US is now at 49% of the Group's total revenue, following the acquisition of TI Media in April 2020. We are focusing on launching .com brands, in particular utilising the strong brand equity and new verticals acquired with TI Media, and growing these brand audiences in the US. The growth of Realhomes.com is one example of our ability to grow brands in this way. The Real Homes brand, when acquired from Centaur in August 2017, was a UK-focused print brand. We launched Realhomes.com a few months later and since then traffic has continued to grow substantially, with 34% of online users now in the US and Canada. Similarly, we acquired Team Rock in February 2017 and subsequently launched Loudersound.com, which has seen significant growth globally and in the US.

In order to grow online brands in the US, we take deliberate steps to adopt a US-first mindset. These steps include switching from .co.uk to .com, focusing keyword and critical terms research on US traffic volumes, encouraging the use of US English over UK English, changing our social strategy to focus more on US peak hours, and where appropriate internationalise content. Internally, we ensure traffic targets are global, we conduct US relevance checks on new and acquired websites, and ensure that the US audience team works closely with UK content teams.

The success of this US-first strategy is evident in the growth of US online users to Whathifi.com. Having acquired What Hi-Fi in May 2018, a predominately UK-focused brand, we focused on growing the website in the US using the steps detailed above, this has resulted in US online users increasing by 479% to 2.1m in September 2020 compared to 366k in September 2018.

Our acquisition of Barcroft Studios in November 2019, presented us with an excellent opportunity to build a new revenue stream in social media video production, which we recognise as an important growth area. Barcroft has significant expertise in effectively monetising video. To fully utilise this expertise and embed video monetisation into our diversified business model, which we call the Future Wheel, we launched, in September 2020, Future Studios, a highly-skilled video production centre of excellence, which focuses on producing and distributing valuable original video content.

On 25 November 2020 we announced that we had made a recommended offer for GoCo Group plc - a business which owns Gocompare.com, a leading price comparison site, LookAfterMyBills.com, an energy automated switching site and Myvouchercodes.co.uk, a voucher deals site. This acquisition, which is subject to shareholder approval, is one that we believe is a compelling mix of complementarity and growth opportunity that will create substantial value for both sets of shareholders. The full details of the recommend offer are set out in the Rule 2.7 Announcement.

Through the acquisition, we expect to create a leading offering for consumers to help them save money more easily by bringing together our depth of audience insight and reach with GoCo Group's expertise in price comparison and financial services, underpinned by the proprietary technology of both groups.

For example, with the benefit of the GoCo Group's technology, readers of Realhomes.com making a decision on home improvements will also have access to relevant energy products and switching options within the same content, minimising friction for the reader and anticipating their purchasing needs, in the same way our Hawk technology

REAL HOMES

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ABOVE: We are focusing on launching .com brands, in particular utilising the strong brand equity and new verticals acquired with TI Media, and growing these brands audiences in the US. The growth of Realhomes.com is one example of our ability to grow brands in this way.

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also provides details on the best products and prices.

The new verticals that have come from the TI Media acquisition provide significant eCommerce potential. For example, the women's lifestyle sector covers a multitude of markets including beauty, fashion, wellness and homes. Wellness is a prime market for eCommerce, with fitness products ranging from at-home gym equipment to weighing scales. The launch of our new website Fit & Well makes the most of this opportunity, combining the content expertise acquired with TI Media and Future's eCommerce technology. Additionally, the TI Media acquisition has significantly increased our sports portfolio, a significantly large eCommerce market, off the back of which we have launched website Advnture. We've seen a significant increase in affiliate click throughs across all the TI Media sites following the rollout of Hawk. Widget clicks have more than doubled from TI Media's legacy system to our eCommerce technology Hawk, and this should only improve further as we execute on our eCommerce content plan.

Diversified verticals enable us to grow our overall audience faster, since we can reach a wider group of potential readers. Further progress this year has led to 69% of revenue now coming from outside of the technology vertical, up from 63% in FY 2019.

We place equal importance on growing our existing verticals to entering new ones. This is because, by owning a number of brands within the same vertical, we are able to implement our successful content strategy and ensure we meet all our audiences' needs from Future brands. Diversification across multiple content verticals and brands reduces the risk of search engine algorithm updates affecting overall traffic materially, as those changes tend to be vertical-specific rather than broad.

In spite of the impact of the COVID-19 pandemic on the global economy, Future has performed strongly; our diversified revenues help us to compensate for downturns in any one revenue stream. We had to cancel three significant in-person exhibitions this year and magazine sales were affected by the closure of high street stores, but we saw incredible uplift in both eCommerce and digital advertising during the lockdown period, proving the resilience of our strategy.

At the start of the financial year, we launched Future Labs, an agile team that acts as an innovation incubator. Future Labs has built a playbook that industrialises Horizon 3 strategic planning, by identifying opportunities that spark change and then cost-effectively innovate the concept into a minimum viable product. Projects are then incubated by Labs until validated, and once a proven revenue stream, successful projects graduate out of Labs and are integrated into Future's normal operations. This financial year Labs has innovated a new lead generation technology, Falcon, which captures in-market customer information generated from our eCommerce sales and monetises it multiple times at high cost-per-lead. We have already implemented the Falcon widget onto 15 of our websites and continue to work on adding it to the rest of our sites. With B2B as the core focus for lead generation we have focused on implementing Falcon on to B2B websites.

We also ensure that we diversify within our revenue streams by reducing reliance on any one partner. In terms of eCommerce partners we have a diversified retailer mix; in FY 2020 Amazon made up 30% of eCommerce revenue, compared to 51% in FY 2017. Our partners cover numerous markets, which allows us to fully utilise them across all our verticals. Our Hawk technology means we are always able to provide the best price in the market at any given time, and this also includes a stock availability feature. As a result during the peak of the global lockdowns we were able to pivot results to where the products were available, demonstrating the power of the diversified retailer base. As our content is data-led we drive high-intent traffic to our eCommerce pages. Our eCommerce strategy is built on optimising all areas of the purchase funnel. By working to improve all metrics, rather than focusing on one, we are creating a multiplayer effect, driving significant revenue growth.

At Future, we work closely with Google and other strategic partners to constantly optimise and evolve our Advertising Technology infrastructure. We have partnered with a number of leading global 'identity' organisations that allow us to maintain our ability to serve personalised advertising whilst protecting user privacy. Future operates across a number of highly verticalised areas generating significant amounts of rich first party data of engaged and intent-based audience segments. This first party data, which is completely unaffected by changes to third party cookies, is already used in the delivery of advertising campaigns. This detailed understanding of our audiences enables superior targeting capabilities which allows for advertisers to reach special interest audiences and their purchase intents.

Future is well positioned to capitalise as buying strategies evolve; buyers will look for the trusted first party rich audiences that our portfolio delivers. The advertising technology solutions we have implemented and continue to develop ensures we can transact in a multitude of ways to deliver known and first party audiences at scale.

3. Operating leverage

A number of core elements underpin our operating leverage, from our internal systems and processes to the diversification of our revenue streams. We continue to focus on driving our Media revenues, which are higher margin and subsequently improves our operating leverage. An important part of our strategy for TI Media brands is to grow their online presence.

At Future we ensure that we have standard core processes and systems under a simplified business structure, to ensure there is no duplication of costs. These are our centres of excellence which range from back-office functions to editorial practices. We have created a number of Playbooks to ensure equal standards of excellence within all areas of the business. Our Playbooks are embedded into our People & Culture site alongside key information such as people policies and procedures our colleagues and managers need to help them manage their people and career. Additionally, we are working on rolling out Future University modules focused on embedding the Playbooks into the way we work.

In September 2020 we launched Future Studios, a new video centre of excellence, which unites expertise from Future and Barcroft Studios which we acquired in November last year. Future Studios focuses on producing and distributing valuable original video content for internal clients across the Future family. We are investing increasingly in original video production, distribution and monetisation as 5G adoption will see average mobile speeds exceed those experienced at home and this will lead to an acceleration in video consumption.

Our philosophy around systemising, having structures and repeatable processes means we are not reliant on being in an office and we are able to pivot quickly. We believe that habit is the key driver of activity within any organisation and so the rhythms and rituals are critical to driving behaviour. We completed the acquisition of TI Media in April 2020, more than doubling the number of staff in the UK. It is a testament to these centres of excellence that we have been able to onboard these staff and progress swiftly with the integration despite all staff working from home and, largely, continuing to do so. In order to onboard our TI Media colleagues remotely we created the Future University, an online training portal to share best practices, and held over 1,000 one-to-one virtual meet and greets within just two weeks. Despite the acquisition completing during the Government-enforced lockdown relating to COVID-19, we are exactly on track in terms of integration.

Due to the pandemic, we had to cancel a number of in-person events. However, the flexibility of our business operations and the ingenuity and dedication of our staff meant we quickly adapted to hold a total of 32 virtual events and webinars between March and September this year, including serving the games market with the Future Gaming Show, since the largest games show of the year, E3, could not go ahead. The PC Gaming Show was also a huge success, with an 18% year-on-year increase in advertising revenue. Our events team also reconfigured the Decanter World Wine Awards tasting event (usually held over five days at ExCeL) to run in the office within all appropriate guidelines across three weeks in August to deliver £3m entry revenue. Some of our biggest events, The Photography Show and New York TV Week, both held virtually in September 2020, and three Homebuilding & Renovating Shows, held virtually in July and September 2020, achieved over 32,300 attendees. It is a testament to the value of our content and our passionate communities that we continue to engage with them whichever the platform.

We are a global-first company with a structure that means we can insource to the lowest cost locations. At Future, as a result of the global operating model, we are not pinned to local offices but are based around information sharing, virtual meetings and collaborative documents. Our tools, which were designed to be global by their very nature, are digital and therefore can operate virtually. As a global-first company, we value continual communication, particularly during the lockdown, and as such in addition to a number of other formats we hold monthly virtual "town hall" meetings with the Executive Leadership Team for the entire company, utilising chat technology for staff to ask questions directly.

Image removed

ABOVE: Some of our biggest events, The Photography Show, New York Week and three Homebuilding & Renovating Shows, were held virtually this year.

Image removed

Future is a value-based, purpose-led company and as such, we aim to achieve cultural alignment between all our staff. Our culture is more democratic than hierarchical and this empowers our staff to make decisions, streamlining the process and ensuring that great ideas come to the fore and we continue to innovate.

One of the core enablers of our operating leverage is our approach to content creation. We write content once and then publish multiple times. Revenue content compounds over time; content paid for in prior years

Total Digital Revenue
- Stacked by Article Creation Financial Year (Excluding Mobile Nations)

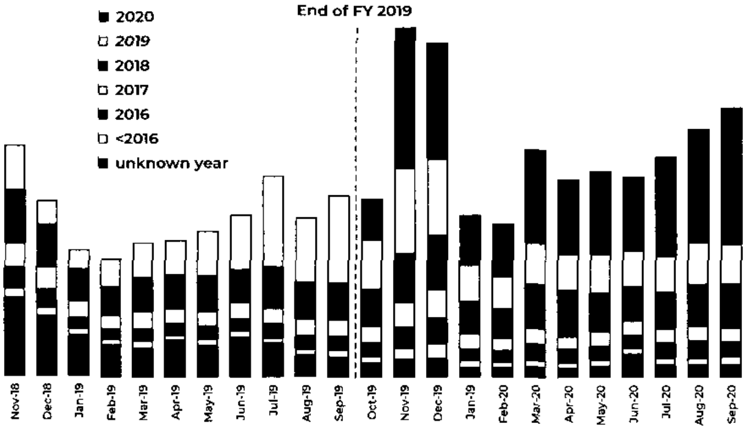


Chart includes digital advertising and eCommerce revenue and excludes Mobile Nations because data is not available.

continues to deliver revenue in FY 2020. While by focusing on content that has the potential to drive the most revenue we attract intent traffic to our websites which feeds our eCommerce revenue stream. Much of this content is "evergreen" in nature, which means that articles we paid for and published years ago are still driving revenue for us today.

Our flexible and scalable tech stack supports organic growth and acquisitions. 38 sites are now on our Vanilla web platform, two of which are TI Media sites (with an additional TI Media site migrated since the end of the financial year), while six new launches in the last six months have been in relation to the brands developed as a result of TI Media acquisition - My Imperfect Life, Gardening Etc, Fit & Well, What to Watch, Advnture and PetsRadar. We have a one platform approach with all staff operating on common systems and swift transition following integration. Implementing our tech stack onto newly acquired websites enables Future to gain scale.

The successful implementation of our technology stack and centres of excellence to our acquisitions of Mobile Nations, SmartBrief, cycling brands and Barcroft Studios, has resulted in revenue growth of 12% year-on-year, on a full year FY 2019 proforma basis, despite the challenges of the pandemic. Barcroft receives a commission on advertising-based video on demand revenue for their videos on social channels, which has increased by 45% year-on-year, and additionally, advertising-based video on demand revenue we sell directly for the Group has increased by 156% year-on-year.

How we execute our strategy

THE FUTURE PLAYBOOK

We have created the Future Playbook, which is a guide for our staff on the "rules of the game" at work. We share the Playbook with every new member of staff to ensure we are aligned on our strategy and how we execute it. As a value-led business the Playbook plays a pivotal role in ensuring we have an aligned culture by including our six values on how we behave. Providing staff with a clear guide to our values and our strategy ensures we are focusing on the same goals. We move faster when we all pull in the same direction.

1 We are part of the audience and their community

Our passion for our products makes us part of the community we engage with. Our audiences give us a voice and that's an incredible privilege that we treat with reverence. We embrace all the ways we are able to communicate to our audiences – print, online and in person – and love doing so.

2 Let's do this

We take the best decisions we can in the face of uncertainty. It makes us think each decision through – then we go for it. We commit to what we've agreed and have the confidence to persevere through tough times. But *we're able to admit mistakes because that helps us learn and chart a new course when we need to.* That's called *'doing it right'.*

3 We are proud of our past and excited about our future

We are proud to work at Future, because being part of this team feels good. We are one team, one company with big ambitions.

4 It's the people in the boat that matter

Having the right team in the boat is mission critical. We are all successful when we are self-motivated, self-aware and self-disciplined. We support each other, challenge each other and have fun with each other. We are determined to hire people we can learn from and who we would have as our boss.

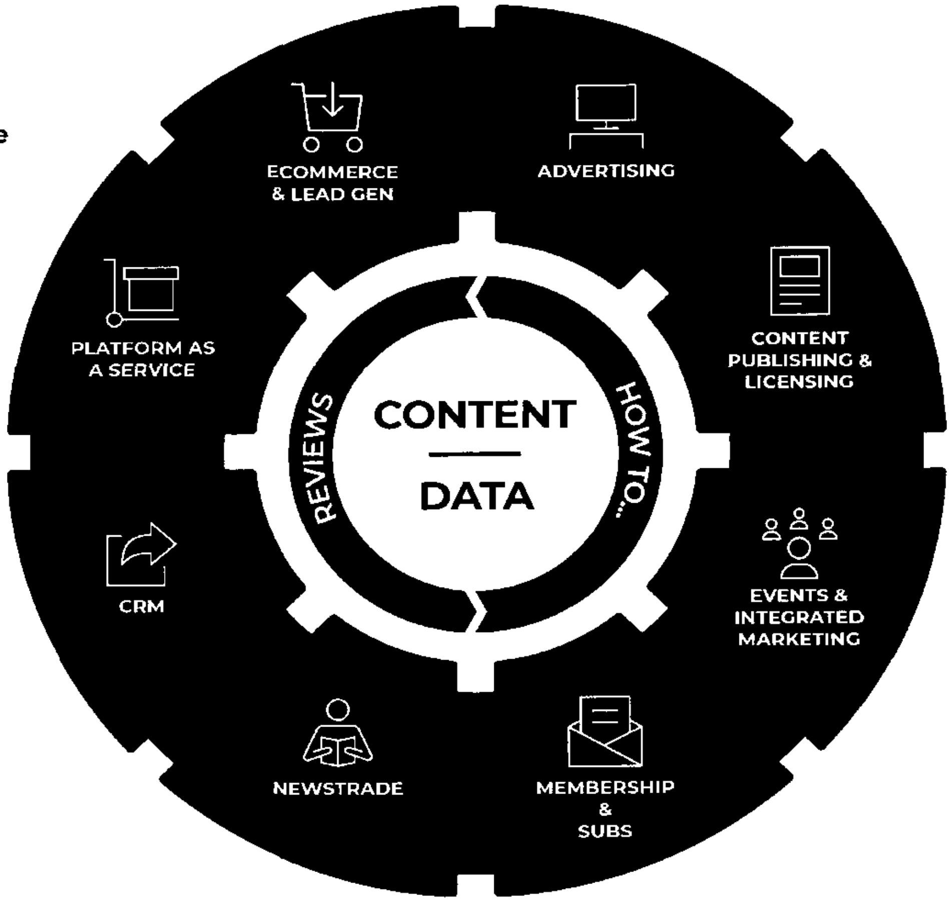
5 We all row the boat

No matter how long you've worked here, or what your role is at Future, your contribution counts – so grab an oar! We move faster when everyone pulls in the same direction. So what you do – and how you do it – matters. We take responsibility because that's the best way to get things done. We collaborate because we're stronger together.

6 Results matter – success feels good

We love being successful. We restlessly look to improve, be ever creative, and commercial in our ventures. Great results mean we are able to align the needs and expectations of our audiences, communities, clients and shareholders.

The Future Strategy Wheel



Future's Business Model

The Future Strategy Wheel

We have a clear purpose: to change people's lives through sharing knowledge and expertise with others, making it easy and fun for them to do what they want.

Our strategy is aligned with fulfilling this purpose by building our global communities and increasing the ways in which we serve them our content, in line with their needs. One of our key differentiators is that we are part of our communities, meaning we enjoy sharing our knowledge and expertise with our audience.

To ensure that our business model is truly diversified our strategy of diversification is focused on three distinct elements:

1. globally;
2. divisionally; and
3. vertically.

It is the combination of these three elements that drives the success of our diversification strategy, as we are able to capitalise on all opportunities and win across all areas. Alongside this is our diversified business model, which we continue to build on in order to meet our audience's needs in whichever way required. This is the Future Wheel.

Monetising the wheel

We continue to build on our Future Wheel, this year adding video and lead generation revenue streams. We have also made significant progress in monetising our brands and their content, organic and acquired, through the different revenue streams. The Future Wheel serves our audiences through online, events, print and video, ensuring that we provide our content in the most useful way possible.

Our robust and scalable tech stack means that it is simple for us to grow brands by adding new revenue streams. We have already introduced our eCommerce technology Hawk and our ad technology Hybrid to the acquired TI Media websites. We also focus on making our content as monetisable as possible by focusing on reusable content, such as from magazine to online content and content that can be easily translated to other geographic territories. This means we maximise our editorial teams' efficiency as well as increasing the evergreen nature of our content for which revenue compounds over time.

We acquired Real Homes in July 2017. The brand was UK-focused with little digital reach. We transformed the brand by building out its revenue streams into eCommerce, a video series, and re-launched the website on our Vanilla platform with our ad tech stack implemented. Additionally we significantly broadened its online reach outside the UK; US online users to the website have grown from 7.1k online users when it was re-launched in November 2017 to 456k online users in September 2020.

LENS ONE – GLOBALLY

Future's Markets

Our business model is global-first in that our content, processes and systems are not fixed to where we operate geographically. We run this global approach from our operations across two geographies.

US

We have substantial reach in the US and Canada, reaching a total of 136.2m online users (excluding forums). US operations consist of editorial, video production, advertising sales and events across websites, video, newsletters and magazines. The largest part of our B2B content and operations are based in the US, including SmartBrief which is based in Washington DC. The US accounts for 49% of Group revenue, and 57% of Group organic revenue, driven by our US-first brand strategy.

	FY 2020	FY 2019
Revenue £m[5]	167.7	118.8
Online users m[6]	136.2	91.0
No. of events	30	31
Circulation m	0.4	0.6
Subscribers m	0.4	0.5

[5] Revenue excludes intra-group revenues

[6] Online users exclude forums. FY 2020 US & Can online users to forums: 7.4m, -34% year-on-year. FY 2019 online users restated due to re-classification of SmartBrief online newsletter subscribers to email newsletters

UK

The UK operations include our Australia business, which acts as a complete satellite branch. The UK operations monetise all of our online audience outside of the US and Canada. The UK is where the majority of our consumer print magazines are produced, as well as joint centres of excellence for back office, including finance, HR and technology, with facilities in Bath and Grenoble, France. The UK also houses the Group's licensing operation which facilitates content distribution for both online and print publications into 37 countries. In Australia we have brands including Get Price, APC and PC PowerPlay which all serve the local market.

43% of Group organic revenue came from the UK operations in 2020, which is a result of us focusing on expanding our US audience. Total revenue in the UK made up 51% of Group revenue, which is a reflection of the UK-based TI Media acquisition.

	FY 2020	FY 2019
Revenue £m[5]	171.9	102.7
Online users m[7]	58.5	30.3
No. of events	20	25
Circulation m	3.4	0.9
Subscribers m	1.1	0.4

[7] Online users exclude forums and include online users from UK 46.5m and AU & NZ 12.0m. Rest of World online users 87.1m are not included

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United States

Number of staff:
398

Offices:
New York and Washington DC

United Kingdom

Number of staff:
1,600

Offices:
London, Bath, Farnborough

OFFICE LOCATIONS[8]

France

Number of staff:
15

Office:
Grenoble

Australia

Number of staff:
24

Office:
Sydney

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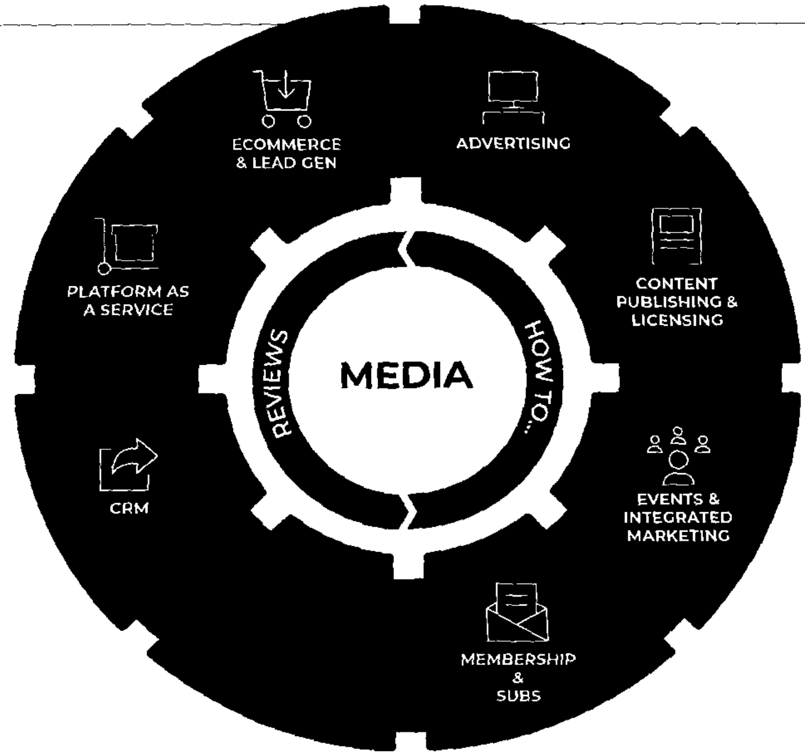
[8]Number of staff as at September 2020

LENS TWO – DIVISIONALLY

Media Division



Our Media division consists of all revenue streams outside of magazines. This includes eCommerce, digital advertising, events, lead generation, newsletters and CRM, and digital licensing. Our digital advertising revenues are generated from first party sold, programmatic and content solutions. eCommerce revenues are where we receive a commission on sales made by our retail partners. Lead generation revenues are generated from us matching our customers with the right product suppliers, for which they pay per lead. Events and integrated marketing revenue is generated from sponsorship and ticket sales to our consumer and B2B events, as well as events we hold for our advertising partners as part of creative solutions. Our CRM revenue streams are primarily generated from SmartBrief which produces, and monetises through advertising and email newsletters for our B2B partners.

Our Media division drives significant growth within our business as we focus on delivering our content digitally. This is underpinned by our scalable tech stack which allows us to accelerate online growth through eCommerce tech Hawk, ad tech Hybrid, lead generation tech Falcon, email newsletter tech, as well as our common web platform Vanilla. Additionally, the acquisition of Barcroft Studios in November 2019 added an important new element to our Media division - that of video production and monetisation.

Media revenues are now generated from 111 websites and 66 events (50 of which were held this year) in the UK, US and Australia.

MEDIA KPIs

281.8m online users (excluding forums)
181.0m in FY 2019[a]

100k event attendees, both live and virtual
151k in FY 2019

13.6m eCommerce transactions
9.8m in FY 2019

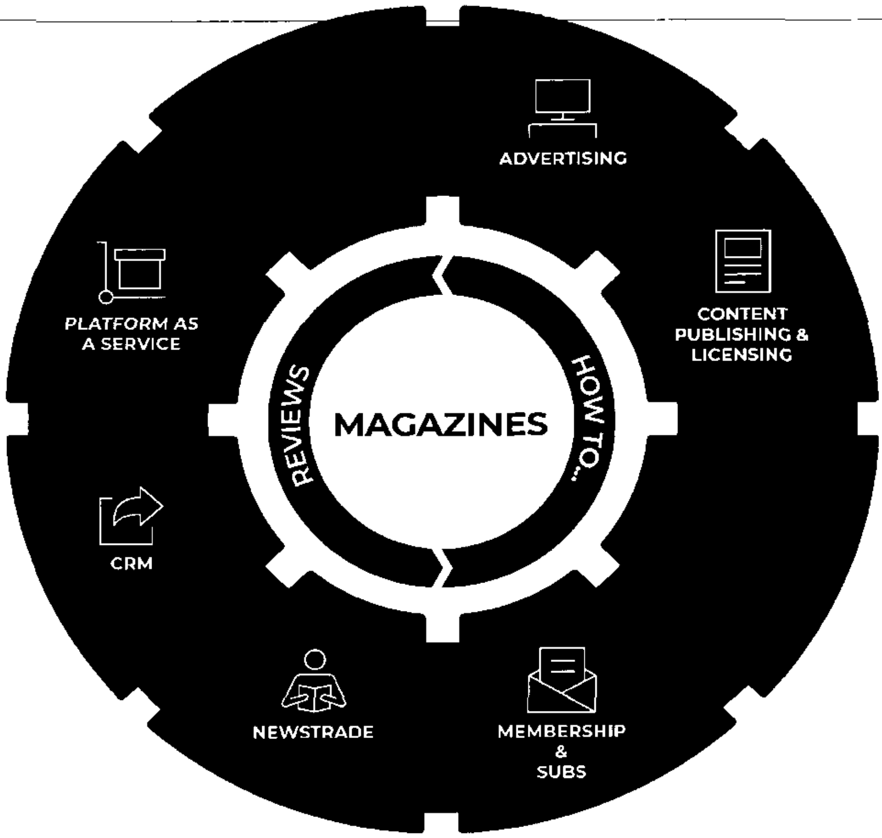
38 digital licensing partners
14 in FY 2019

98.7m social media followers
52.0m in FY 2019

9.4m email newsletter subscribers
7.0m in FY 2019

[a]2020 online users to forums: 17.1m, -32% year-on-year. FY 2019 online users restated due to re-classification of SmartBrief online newsletter subscribers to email newsletters

Magazine Division



The Magazine division is the home of our extensive range of specialist magazines and bookazines both in print and digital format. Our magazines are exported to many countries in addition to being sold in the UK on the newsstand and through subscription. We have a portfolio of 115 magazines, which has increased this year due to the acquisition of TI Media in April 2020. We have an extensive range of bookazines, and published 410 throughout FY 2020. Our total global circulation of magazines and bookazines is 3.8m, up from 1.5m in FY 2019. Subscriptions make up 39% of total circulation[10] and we continue to focus on building engagement with our readers to increase subscription sales.

We also have a strong print licensing revenue stream, where we generate revenue from our specialised content. We have a total of 96 regular frequency print licensing agreements across 28 countries.

Future Fusion, our in-house creative services agency, also sits within the Magazine division and creates content and strategy for ambitious brands that want to power up their own channels with effective content.

MAGAZINE KPIs

3.8m total circulation[10]
1.5m in FY 2019

1.5m subscribers
0.9m in FY 2019

115 magazines published
78 in FY 2019

410 bookazines published
568 in FY 2019

[10] Total of each magazine and bookazine circulation per issue.

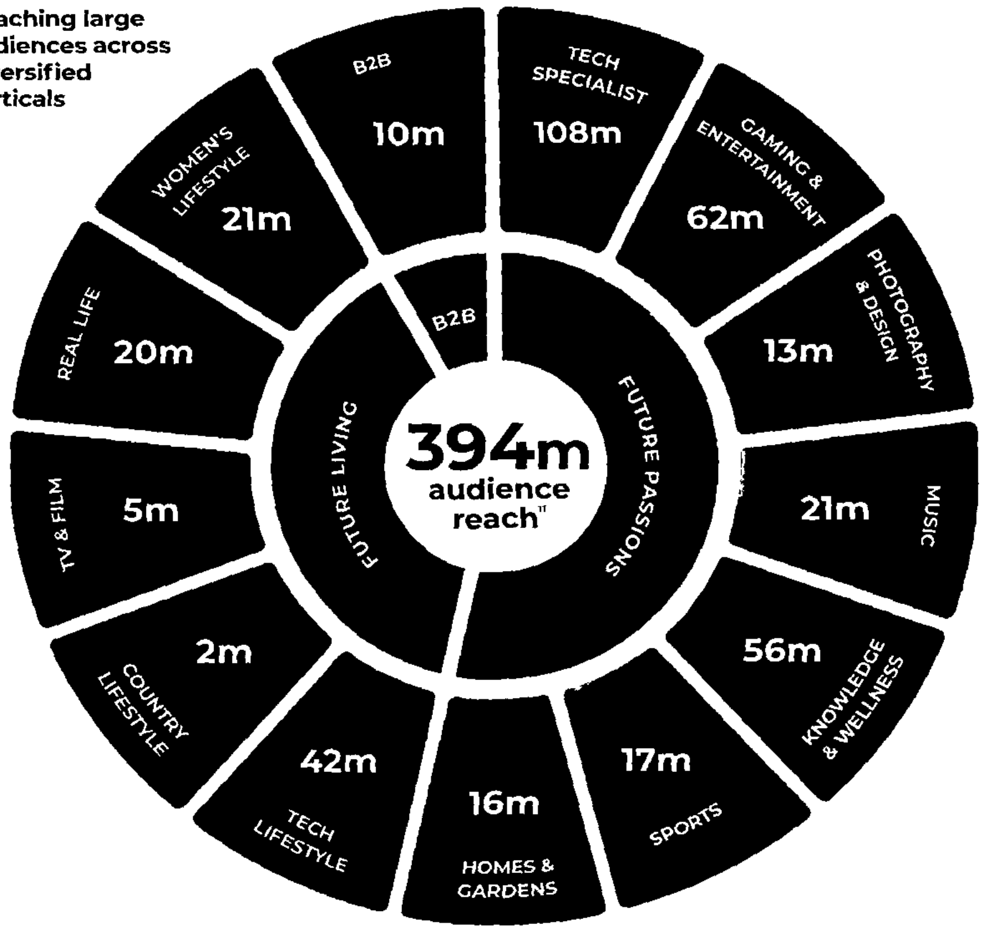
Lens three - vertically

LENS THREE – VERTICALLY

Loyal Communities – Our Verticals

By creating content that meets the needs of our audiences and helping them do the things they love, we create strong specialist communities. At Future, we believe that loyal communities are a differentiator in media; where we create content that meets a need and as a result has a value for our partners.
Our brands span three core verticals: Passions, Living, and B2B.

Reaching large audiences across diversified verticals



[†]Sum of verticals does not equal total due to rounding

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woman&home

Davina McCall photographed for
Woman & Home magazine

Future Passions

Our Passions core vertical is focused on consumer hobbies and interests. The word passions reflects the high engagement of the audience in this core vertical. They are passionate about their interests and as part of our communities we are too.

Tech Specialist

Our tech specialist portfolio includes Future legacy brands like TechRadar, and acquisitions such as What Hi-Fi, Tom's Hardware, Windows Central, Android Central and iMore. Each brand focuses on a distinct niche within consumer technology and includes magazines, websites and events, reaching a total audience of 107.6m. Online audience figures are 98.9m (excluding forums), up 27% year-on-year. Our expert, specialist content connects with users across the consumer spectrum, providing accessible, informative technology news, reviews, how-tos and buying guides.

Gaming & Entertainment

Our gaming & entertainment portfolio has been the voice of authority and source of influence for gamers across digital, events and print for over 30 years. Our content engages with a wide audience from hardcore gamers to casual and social gamers. Our brands have a total audience reach of 62.3m and an online audience of 44.6m (excluding forums), up 67% year-on-year. Brands include GamesRadar, Future Games Summit and PC Gamer, the number one PC gaming website in the UK, US and Australia.

Photography & Design

Our photography portfolio is market leading - with our flagship photography website Digital Camera World holding number one position in the UK and number three in the US. Our photography brands provide photography professionals, amateurs and enthusiasts advice on how to improve their images, find the best gear and get inspiration.

Our extensive design portfolio provides insight and inspiration to professional designers and illustrators, sharing peer-to-peer advice to help them be more successful. We are market-leading both in print and online in the UK and online in the US.

We have seen strong growth in online audience to our photography and design portfolio, up 27% year-on-year (excluding forums), with Digital Camera World in particular showing significant growth of 34% (excluding the forum).

Music

We are the UK's most extensive music portfolio, with websites, magazines and events covering all genres, from rock to acoustic, drumming to electronic music. MusicRadar provides trusted gear reviews, alongside current gear news and expert tuition. Our music audience is highly engaged with 11.4m social media followers, and a total online audience of 9.5m, up 32% year-on-year.

Knowledge & Wellness

With expert editorial teams across history, science and technology, our knowledge portfolio provides engaging and authoritative content for all ages. During the COVID-19 pandemic our science brand Live Science has been invaluable in providing accurate and timely information. Live Science holds a number one position in the UK and US. This vertical is also the home of our new wellness website Fit & Well, helping people live a better, healthier, happier and longer life. We have significant total audience reach of 56.2m with online users up 53% year-on-year (excluding forums).

Sports

Our sporting brands combine expert editorial with decades of heritage. We are a trusted destination for a wide range of sports enthusiasts, whatever their skill level, from football to rugby, cycling to yachting. Our acquisition of TI Media significantly boosted our sports portfolio and we took the opportunity to combine editorial and commercial expertise to launch a new sports website Advnture in July 2020. Our sports brands have a total audience reach of 17m and our road cycling portfolio is market-leading in the UK. Online audience is up 217% year-on-year to 10.7m (excluding forums).

Homes & Gardens

Creating beautiful content for the home lover, our home interest brands cover everything from the vintage and classic to modern interiors and home-building projects. With an audience reach of 16.4m, across magazines, online and events we are the market leader in home interest in the UK. Online audience is up 417% year-on-year to 6.8m (excluding forums).

BREAKOUT CASE STUDY

Advnture

Launched in July 2020 Advnture.com is the home of outdoor buying advice, providing expert guidance and inspiration for everyone taking part in outdoor sports and activities. Advnture capitalises on the eCommerce opportunity around outdoor gear and fully utilising content from our sports magazines.

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Brands include:

REAL HOMES · Camera · Guitar · Rock · musicradar · Louder · Yachting · gamesradar+ · PC Gamer · techradar · What Hi-Fi? · androidcentral · Space · Fit&Well · Creative Bloq

Vertical audience stats:

Total circulation:[12] **1.3m** (up from 1.1m in FY 2019)

Total online users: 225.7m (up from 153.6m in FY 2019)[13]

Total events: 19 (down from 26 in FY 2019), 85.9k attendees (down from 144k in FY 2019)

Total social media followers: 64.1m

Market-leading positions: 19

Number 1 publisher in technology online in the UK
Number 1 in home interest in print and in homebuilding events in the UK
Number 1 space website in the US and UK
Number 1 music-making print publisher in the UK and US
Number 1 photo website and event in the UK
Number 1 in creative design online and in print in the UK and online in the US
Number 1 road cycling website in the UK
Number 1 hi-fi print publisher in the UK
Number 1 equestrian print publisher in the UK
Number 1 boating and yachting print publisher in the UK
Number 1 games print publisher in the UK

[12] Total of each magazine and bookazine circulation per issue.
[13] Excludes forums. 2020 Future Passions online users to forums: 13.6m, -30% year-on-year.

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Future Living

Our Future Living core vertical provides a focus on all things lifestyle and the way we live. Home to many iconic brands Living has a digital-first, global headset.

Women's Lifestyle

Our women's lifestyle vertical inspires and entertains women in an approachable and lively manner by focusing on the things that matter to them. This new vertical, established with the acquisition of TI Media, includes iconic brands such as Woman & Home and Marie Claire UK, the portfolio has an audience reach of 21.3m globally, including 12.1m online, up 45% year-on-year on a proforma basis. Launched in September 2020, website My Imperfect Life is an informative and relatable site helping young millennial women navigate the realities and demands of their lives today.

TV & Film

With a global audience reach of 4.9m, our TV & film portfolio consists of iconic brands such as Total Film and SFX as well as heritage brands such as TV Times. The portfolio covers TV listings, TV and film news and reviews and exciting entertainment features. Our new launch of website What to Watch in July 2020 and our acquisition of website CinemaBlend in October 2020, furthers our digital presence and ensures that this vertical remains at the forefront of TV and film content.

Country Lifestyle

Our heritage country lifestyle print brands have a combined age of more than 400 years. We are the UK's leading country lifestyle portfolio with an audience reach of 2.1m, with online audience of 1.4m, up 32% year-on-year on a proforma basis. Our diverse range of brands cover all countryside pursuits and interests from celebrating the most beautiful countryside, finest houses and gardens, to caravanning, and shooting.

Tech Lifestyle

Tech lifestyle is our newly created vertical, opening up new opportunities to diversify our brands and reach larger audiences. The portfolio includes Decanter, the UK's leading wine media brand, providing authoritative content, independent advice and inspirational events and competitions, design and lifestyle magazine Wallpaper, and tech lifestyle brands T3 and Tom's Guide for tech innovation lovers as well as travel, fitness and style. The portfolio also encompasses new launch PetsRadar, a digital pets brand with a mission to help the world's pets lead happier, healthier and longer lives. The portfolio has an audience reach of 42.1m across print, online and events. Online users are up 63% year-on-year to 38.1m (excluding forums).

Real Life

Our real life vertical's mission is to inspire the world through our amazing real life stories. These brands position us at the forefront of popular culture and allow us to reach large and growing audiences through our focused social and digital strategies. The acquisition of Barcroft Studios in November 2019 introduced video and social strategy which is the linchpin of the real life vertical. The portfolio reaches 19.8m social media followers.

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BREAKOUT CASE STUDY

whattowatch

Website What to Watch was launched in July 2020. The site harnesses the content, expertise and broad audience reach of Future's TV entertainment brands, helping users to binge smarter and guides consumers through today's confusing video programming choices, advising them on the services and gear they need.

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Brands include:

marie claire · MY IMPERFECT LIFE · woman&home

CINEMABLEND *acquisition post period end · FILM · whattowatch

TV Times · COUNTRY LIFE · THE FIELD

SHOOTING TIMES · T3 · tom's guide

Decanter · PetsRadar · Wallpaper*

Vertical audience stats:

Total circulation[14]: 2.2m (up from 106k in FY 2019)

Total online users: 53.9m (up from 25.2m in FY 2019)[15]

Total social media followers: 33.8m

Market-leading positions: 3

Number 1 Countryside & county print publisher in the UK

Number 1 shooting print publisher in the UK

Number 1 wine magazine in the UK

[14] Total of each magazine and bookazine circulation per issue.
[15] Excludes forums. 2020 Future Living online users to forums: 3.5m, -40% year-on-year.

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Future B2B

Our B2B portfolio includes many leading B2B publications, websites and events. With a total audience reach of 9.6m, our B2B brands connect audiences with expert content intelligently, effectively and efficiently. The portfolio covers a diverse range of sectors including education, telecommunications, AV, media and entertainment, and technology.

Our B2B vertical takes full advantage of our diversified business model, with revenue streams from newsletters, online advertising, print and events. The acquisition of SmartBrief in July 2019 gave Future access to new B2B sectors as well as expertise in newsletter monetisiation. This expertise combined with Future's centres of excellence in marketing and advertising has resulted in a scalable and robust B2B business model.

Brands include:

SmartBrief · AV Technology · Tech & Learning · Installation · B&C · NYC TV Week · TVTechnology · AVNetwork · TVBEurope

Vertical audience stats:

Total circulation[16]: 244k (down from 313k in FY 2019)

Total email newsletter subscribers: 6.6m (up from 6.0m in FY 2019)

Total online users: 2.16m (up from 2.15m in FY 2019)

Total events: 31 (up from 30 events in FY 2019)

Total attendees 14.6k (up from 7.2k in FY 2019)

Market-leading positions: 1

Number 1
AV tech print *publisher in the US*

[16] Total of each magazine and bookazine circulation per issue.

BREAKOUT CASE STUDY

TECH&LEARNING

Response to COVID-19 pandemic: our B2B vertical showed its strength and flexibility during the pandemic. The B2B events team quickly adapted to the closure of live events to host a total of 24 virtual B2B events, with total attendees of 12.3k. Additionally, the B2B editorial teams were quick to adapt content to provide audiences with the most relevant and needed content, particularly in the education portfolio which offered advice on at home teaching.

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SOURCES & DEFINITIONS

Organic

Organic growth defined as the portfolio at constant FX rates (i) excluding acquisitions and disposals made during FY 2019 and FY 2020 and (ii) including the impact of closures and new launches.

Online audience

Online audience is online users taken from Google Analytics. Unless otherwise stated, online users are the monthly average for the year.

Online internet users reach

Online reach of internet users is taken from comScore Media Metrix; UK is as at July 2020, desktop age 6+ and mobile age 18+ and US is as at September 2020, desktop age 2+ and mobile age 18+.

Total audience reach

Audience reach consists of: the sum of each magazine and bookazine circulation per issue + monthly online users (excluding forums) + event attendees + newsletter subscribers + online subscribers + social media followers (Twitter followers, Facebook fans, YouTube subscribers and Instagram followers).

Market positions

- Online market positions are based on comScore online unique visitors in relevant comScore categories and competitive sets - July 2020 (UK), September 2020 (US), desktop age 2+ and mobile age 18+.
- Print market positions are based on newstrade copy sales (Oct 2019 - September 2020) and ABC circulation within ABC defined market sectors for the period January-June 2020.
- Advertising market positions are based on competitor ad spend from MediaRadar (July 2019-June 2020).

Image removed

Chief Executive's Review

Zillah Byng-Thorne
Chief Executive

The Group achieved exceptional results in FY 2020. Despite the challenging market resulting from the COVID-19 pandemic, Future has thrived by taking advantage of the changing market landscape to deliver content to our communities in different ways. The success has been driven by Future's value-led culture, which is aligned throughout the business, resulting in agile and innovative staff who have adapted and thrived under challenging circumstances.

Group revenue has grown by 53% year-on-year to £339.6m (FY 2019: £221.5m), driven by a combination of organic growth and acquisitions, underpinned by continued online audience growth (+56%) to 281.8m[17] (48% organic growth). Group organic revenue grew by 6% (H1: 11%; H2: 1%) as our diversified strategy more than offset any impact of COVID-19. Organic Media growth was strong at 23%, driven by eCommerce growth of 58% and digital advertising growth of 15% offsetting the impact of event cancellations, which declined organically by 43%. Our Magazines division (21% of Group organic revenue) was more impacted with organic revenue decline of 29% (H1: -12%; H2: -45%). Adjusted operating profit is up 79% year-on-year to £93.4m, with adjusted diluted EPS up 57% to 74.7p (FY 2019: 47.5p).

The Group continues to increase the Media division share of total revenues, and eCommerce and digital advertising have had a phenomenal year in terms of revenue, up organically 58% and 15% year-on-year respectively. These revenue streams have benefited from the significant increase in our audience scale during the lockdown period, which accelerated the growth in people consuming content and shopping online. While we benefited from the impact of the growth during lockdown, what was particularly pleasing to see was exit audience growth rates of 29% in September 2020, outlining the core underlying strength of the business outside of lockdown. Media accounts for 70% of total revenue, and proforma with full year TI Media financials it accounts for 58% of revenue. We are committed to driving Media revenue of TI Media brands to further increase the share of revenue from the Media division. Organic growth in the Media division was partly offset by declines in Magazines organic revenue of 29%, reflecting the impact of store closures during COVID-19.

Adjusted operating profit margin increased to 28% (FY 2019: 24%), driven by the increase in higher-margin Media revenues. This growth is a reflection of our continued

"Our exceptional results demonstrate the continued strength of our strategy, as well as the innovation, fortitude and agility of our business, focused on its purpose, delivered by its people. Despite continued market uncertainty, we remain well-positioned to continue our strong growth."

[17] *Excluding forums. 2020 forums only online users are 17.1m (2019: 25.3m).*

Image removed

focus on improving operating leverage. Our efficient operating model supported by a robust and scalable technology stack, as well as centres of excellence, provide a cost advantage, enabling us to invest more in new innovation.

Future is a highly cash-generative business with strong adjusted free cash flow of 103% of adjusted operating profit (FY 2019: 103%), demonstrating the Group's continued focus on efficient working capital management and operating leverage.

Our strategy and performance review

Our strategy remains clear and simple, to build a specialist global media platform that drives intent, enabled by technology and insight with scalable, diversified brands. Our strategy continues to deliver despite macro uncertainty, and we have been able to keep investing in our ongoing growth whilst ensuring that we manage costs effectively during the challenging macro environment. The recommended offer for GoCo Group is in line with this strategy and will create a leading specialist media platform, providing consumers with insights, informing them and enabling them to save money on their key purchasing decisions.

Content is at the heart of what we do and this works hand in hand with our technology and business model to meet our audiences' changing needs. Over the last financial year we have invested over £50m in content creation, with editorial headcount now accounting for around 46% of total workforce. As a result of our focus to grow TI Media brands in the US and digitally, coupled with our ongoing investment in new content areas, we announced in October 2020 that we would be investing in over 150 new positions in Editorial, Video and Engineering this year.

Online we reach one in three people in the US and UK, generating a total of 281.8m online users[18]. We hold 23 market-leading positions across 11 of our verticals and across online, print and events. We have seen phenomenal audience growth this year, bolstered by the increase in online activity during the pandemic lockdown period. Total online users grew 56% year-on-year, with organic growth of 48%. Additionally, 25 websites grew over 50% on a proforma basis for acquisitions made in FY 2019 and FY 2020. We were able to adapt our content to suit the needs of our audience, by producing COVID-19 related content such as Live Science's informative articles on the pandemic, to buying guides for at-home office equipment and at-home education advice through our Tech & Learning brand.

As part of the development of our audience strategy we launched eight new websites this financial year, six in the last three months of the financial year. The strength of our operating leverage means we were able to continue the fast pace of our development pipeline, despite the impact of COVID-19. Many of these new launches are in new verticals, introduced by the TI Media acquisition. For example, new website launches Advnture, Fit & Well, Gardening Etc, PetsRadar, What to Watch and My Imperfect Life utilise the content expertise of the TI Media team in these verticals, while our scalable advertising and eCommerce technology stack enables a strong path to revenue growth.

We are significantly progressed with our strategy to migrate the TI Media ".com" brands to our proprietary Vanilla website platform which allows a standardised approach to online content creation, ensuring it can be reused, published in different languages and analysed effectively. Woman & Home, Livingetc and Homes & Gardens websites were all migrated during the Autumn. In addition, as outlined above, our strategy to launch new ".com" websites in pre-existing TI Media audience verticals is well progressed. We are excited about the online revenue potential of these new launches.

Through our Future Labs team, established earlier this financial year, we have developed a new lead generation technology, Falcon, as we seek to continue the diversification of our revenue streams and the expansion

ABOVE: The addition of CinemaBlend boosts our presence in the TV & Film and Games & Entertainment verticals, particularly in the US.

[18]Online users for forums are 17.1 million, -32% year-on-year.

of our technology stack. We have significant global audience reach of 393.6m across all our channels and Falcon will provide the opportunity to add a further incremental revenue stream to our model.

Execution underpinned by values

We pride ourselves on being a values-led business that is underpinned by its purpose of helping people through sharing our knowledge and expertise. We are committed to embedding our values throughout the business, as we believe that businesses with strong cultures are the most successful, particularly in times of market uncertainty. It is a testament to the success of this approach and our employees that we have delivered strong results this year; their passion and ability to adapt and innovate during the initial lockdown has meant that rather than simply survive during these unprecedented times, we have thrived, while also ensuring that we have continued to support our wider stakeholder base.

Our values encompass the way we operate as a business externally as well as internally, from our commitment to sustainability to the inclusion and diversity of our workforce. We strive to create an inclusive culture that embraces the breadth of experience that a truly diverse workforce can offer. We have launched our "I am Future" Inclusion and Diversity initiative and the Future Foundation which aims to help increase social mobility and support our most vulnerable. This included making financial donations towards the provision of free school meals in the UK. In response to Black Lives Matter, we have committed to ten pledges to ensure we are equally representing black people - covering advertising, editorial content & photography, to training and awareness and diversity targets, including ensuring our editorial represents our communities.

COVID-19 update

Our main focus is to protect our staff, clients and stakeholders and as such we have taken a three-pronged approach to navigate the challenges brought by the COVID-19 pandemic.

The health and safety of our staff is our utmost priority and so from the middle of March, we moved to globally working from home ahead of local government enforced lockdowns. Due to our global-first operating model, the business was already set up for remote working and therefore the change has been almost seamless. Our colleagues have been outstanding and have adapted quickly to the new environment. We place great importance on good communication, and so to adapt to the reduction in contact time, we have increased communication frequency including weekly Chief Executive letters, weekly leadership team calls, consisting of around 100 colleagues, and virtual town halls, as well as increasing mental health support including weekly virtual yoga and mental health first aiders. During this time we also set up a COVID-19 Hardship Fund for colleagues who, as a result of issues beyond their employment at Future, may have suffered hardship.

Image removed

ABOVE: Three events which would normally be held in March were cancelled, and were instead held virtually with great success. A total of 32 virtual events were held this year, which demonstrates the flexibility of not just our operating model, but also our staff.

It has been important for us to support our communities during the pandemic. In the UK we allowed all staff to take one day of leave per week to volunteer for the NHS should they wish to. We considered it equally important for us to support our partners during these times, as a consequence we launched a number of initiatives including evolving the magazine distribution model to make it easier for warehouse and shop staff to handle our magazines safely, cancelling events swiftly to minimise costs for partners, and processing customer requested refunds promptly.

At the start of the lockdown we did not know what lay ahead and as a result, the business pivoted quickly to ensure it exercised financial restraint while assessing the wider impact of the pandemic on the business. The Board and senior leaders, plus staff volunteers took up to 20% pay cuts (see Director's Remuneration Report for more details). Additionally, as a precaution, Future (and TI Media pre-transfer) accessed £0.5m of UK Government support from the Coronavirus Job Retention Scheme. This ensured that if the outcomes were more severe, we would protect jobs at a time of great uncertainty.

It quickly became apparent that the impact of the pandemic would be less material to the Group than first anticipated. As a consequence, all employees (with the exception of the Board who took a pay reduction during March-May) were repaid their salary reductions, and full pay was restored. Similarly, all government support in the UK and US was repaid in full.

Overall the Group has performed very strongly during the COVID-19 pandemic period. The two areas most impacted by the pandemic were magazine sales and events, reflecting the closure of high-street stores and restrictions on holding in-person events. As a result, we cancelled 27 in-person events, which in FY 2019 delivered

£8.9m of revenue. For three of our larger events brands (The Photography Show, The National Homebuilding & Renovating Franchise and New York City TV Week) we pivoted to host these virtually with great success. The Photography and Video Show was held at the end of September with 16,890 attendees enjoying 175 seminars and 130 exhibitors. A total of 32 virtual events were held this year, contributing £1.4m of revenue, which demonstrates the flexibility of not just our operating model, but also our colleagues. We estimate the impact of retail closures resulted in approximately £20m of lost magazine sales.

Despite the impact on retail, the lockdown period presented us with a valuable opportunity to trial new titles and launch into print media sectors that reflected the sudden shift in readers' interests. Market data highlighted a surge in popularity of topics such as well-being & mindfulness, hobbies, puzzles and pastimes, and we were able to respond with a number of new bookazines that have proven to be popular with readers. The ability to respond to our readers' needs has been further reflected in our bookazine sales channel, and as retail outlets globally have reopened these sales have recovered more quickly than magazines.

Acquisitions

A core part of our strategy is to buy and build where we identify assets which, we believe combined with Future, present a unique opportunity to add value. We have a systematic approach to all acquisitions, resulting in a number of transactions to date being originated in-house. We have made significant progress on the integration of TI Media, which is now complete. The Finance and magazine subscription systems have been migrated onto our common platforms, and our ad stack and Hawk widgets have been integrated across all non-Vanilla websites, alongside the migration of Homes & Gardens, Livingetc and Woman & Home websites to our web platform Vanilla. Delivery on synergies continues to progress well with £20m already secured ahead of earlier forecasts of £15m per annum, of which £3m benefits our FY 2020 results. We continue to expect the cost to deliver the synergies to be in the region of £12m, of which £9.9m (being £9.1m restructuring and £0.8m impairment of the TI Media legacy finance system) is reflected in our FY 2020 results as a charge to profit.

In November 2019 we acquired Barcroft Studios for a total consideration of £23.4m, of which 40% was satisfied by the issue of shares, with the remainder paid in cash. Barcroft is an award-winning TV and digital video production company that creates original content, which is then published on a variety of owned and operated social sites in addition to being distributed across mass media channels. Barcroft's videos, which focus on real life stories, are watched by millions. Now fully integrated, this is an exciting acquisition as it has added another significant new revenue stream in video production to the Future Wheel and presents opportunities for the Group to further monetise through video. In addition, by utilising Barcroft's expertise in monetising and engaging with social audiences, we are able to drive social media engagement across our other Future verticals and brands.

In October 2020 we acquired CinemaBlend, a high-growth digital brand focused on the TV, film and entertainment market, based in the US. The addition of CinemaBlend boosts our presence in the TV & Film and Games & Entertainment verticals, particularly in the US. Additionally, the acquisition also provides an opportunity to accelerate the development of our recently launched website What to Watch by establishing a strong market position from which to grow both online brands, as well as benefiting from collaboration, content sharing and new expertise.

On the 25 November 2020 we announced that we have agreed the terms of a recommended offer for GoCo Group plc, the price comparison business, which values the entire issued and to be issued share capital of GoCo Group at £594m on a fully diluted basis. We believe that the Combination will significantly strengthen the Future Group's proposition of seeking to address the growing consumer demand for informed and value driven purchasing decisions enabled by intent driven content. We believe the Combination provides a truly unique opportunity to capitalise on the combination of Future's deep audience insight with GoCo's expertise in price comparison and the proprietary technology of both the Future Group and the GoCo Group.

Current trading and outlook

The new financial year (FY 2021) has started well, and we benefit from ongoing momentum from the organic business as well as from acquisitions. Our online audience continues to show strong growth, which was underpinned by our recent successful Amazon Prime Day in October.

We meet the ongoing challenges of the COVID-19 pandemic through our three-pronged approach focusing on our employees, clients and stakeholders as we consider how to lessen the impact to the business.

The strength of our performance in FY 2020 combined with the long-term fundamentals of growing global digital advertising spend and eCommerce growth add to our confidence that, despite market uncertainty, we remain well-positioned to continue our strong growth.

Our diversified strategy continues to offset the impacts of the ongoing macro uncertainty, and, as a result, the positive trends we have seen in FY 2020 are expected to continue in FY 2021.

Zillah Byng-Thorne, Chief Executive
10 December 2020

Risks and uncertainties

Effective risk management is essential to support the achievement of our strategic and operational objectives as we address the challenges and uncertainties facing businesses today.

The Board recognises that the appropriate management of risk is key to the delivery of the Group's strategic objectives and the continued delivery of superior returns for all of our stakeholders (you can read more about our key stakeholders on pages 44 to 48). As set out on pages 12 and 21, we actively capitalise on the opportunities impacting our industry to ensure that the Group remains well positioned to deliver on the evolving needs of our audience.

The Board has overall responsibility for the risk management framework and for ensuring that we manage risks appropriately. Future takes its approach to the identification, evaluation and mitigation of risk and uncertainty extremely seriously, and applies a robust framework that embeds risk management throughout its organisation and across its operations. Whilst it is accepted that risk forms a part of operating in business, delivering its strategic objectives whilst mitigating those risks is a fundamental objective for Future's Board and its executive management teams.

Approach to risk

In the current year and ongoing, in addition to its broad strategic responsibilities, the Board:-

- *twice annually reviews the principal and emerging risks faced by the Group and approves the Group Risk Register.*
- *twice annually understands the impact of principal and emerging risks and assesses the robustness of mitigations and internal controls in place.*
- annually approves the Group's Risk Appetite Statement.

The Audit and Risk Committee reinforces the process further by conducting 'deep dive' reviews, either on specific risks such as cyber security, or through discussions with Executive Leadership Team members to challenge their particular risk registers.

Prioritising and reporting risks

The management of risk is embedded in the day-to-day operations of the management teams. Key risk indicators are monitored through monthly trading meetings and quarterly business reviews where any areas of opportunity or risks to the business are discussed as a standing agenda item. Any changes are fed back to the Executive Leadership Team (ELT), Audit and Risk Committee and the Board.

Risk management framework

Defence	***Oversight***	***Third line***	***Second line***	***First line***
Responsibility	Board	Controls Reviews	Leadership Team	Group Finance Function
Actions	• Sets the Group's risk appetite taking into account its strategic objectives • Identifies principal Group risks • Conducts 'deep dives' into specific Principal Risks • Carries out a robust assessment of any emerging risks • Assesses the impact of Principal Risks when analysing the Group's long-term viability and sustainability • Considers views from management and the Audit and Risk Committee as part of its review of the effectiveness of the system of internal controls	• Monitors the adequacy and effectiveness of internal control and risk management systems • Reports to the Audit and Risk Committee and Board on a regular basis	• Prioritises Principal Risks through a formal bi-annual review process • Allocates resources to manage risks according to potential impact • Communicates priorities to the business • Reviews detailed risk registers to agree Principal Risks • Identifies any emerging actions where Group-wide action is required • Implements risk mitigation plans	• Maintains the risk register & conducts interviews with the Executive Leadership Team

Group-level risks are either derived from 'top-down' or 'bottom-up' review of a broad range of individual current strategic and operational risks. The ELT is responsible for identifying risks and working with the Group Finance Director to capture them in the Group's risk register. All risks identified by the ELT are scored out of 5 (with 5 being the highest) in respect of three areas: the likelihood of the risk crystallising, the impact if the risk does crystallise, and the strength of any mitigation in place (in respect of mitigation, a score of 1 represents strong mitigation). A combined score is then calculated by multiplying each of these scores together (with 125 being the highest possible score).

Each of these Group-level risks is then assessed by the Board in terms of its potential impact on the Group and its key stakeholders. The Group prioritises risk mitigation actions by considering risk likelihood and potential severity.

Emerging risk

Whilst Future operates in an evolving environment with several clear risks, it takes a pro-active and robust approach to identifying any new risks, and evaluating and mitigating all known risks through a regular review process.

Our internal controls seek to minimise the impact of risks, either by reducing their likelihood or mitigating their impact, as explained further in the Corporate Governance report on pages 74 to 77, and during the year we have continued to develop those controls. Effective risk management remains at the core of the Group's strategy, which includes a formal, six-monthly review by the ELT and the addition of risk management to the Audit and Risk Committee as a standard agenda item for every meeting. There have been no significant control failings or weaknesses identified during the year in respect of risk management. Climate change is not currently considered to be an emerging or a principal risk for the Group.

Risk appetite

The Board recognises that continuing to deliver superior returns for shareholders and other stakeholders is dependent upon accepting a level of risk. Our risk appetite sets out how we balance risk and opportunity in pursuit of our strategic objectives.

Zero tolerance

The Group has zero tolerance for risk which may impact:

- The safety of our people
- Our reputation and brand
- Our legal and regulatory compliance

Core business model
The Group has low tolerance for risk in its core operations.

Strategy and vision
The Group accepts a moderate level of risk in pursuing new opportunities, including potential new markets.

Our Principal Risks

The output from the above process is a summary of Principal Risks that is set out in the table on pages 40 to 42 and summarised in the heat map on page 42. The heat map sets out the relative likelihood of the risk crystallising and the impact on the Group if the risk did crystallise – effectively the 'gross' risk score before considering the strength of any mitigation. The relative strength of the mitigation available to the Group to combat each risk is depicted in the colour of the risk on the heat map (green being strong, amber being average and red being low mitigation). The symbol X has been included in the Summary of Principal Risks table overleaf to indicate principal risks emerging in FY 2020.

Each Principal Risk has been analysed according to its impact on both the Group's existing business model, as set out in the 'Future Strategy Wheel', and the core elements of the Group's strategy as set out in the 'Future Playbook'. More information on the Future Strategy Wheel and the Future Playbook can be found on the website. Considering both the existing business model together with the strategic direction of the Group, the Board carried out a robust assessment of long term viability, which included performing sensitivity analysis and reverse stress-testing.

The symbol V has been included in the Summary of Principal Risks table overleaf to indicate those that have been taken into account when performing the viability testing.

Changes to the Group's risk assessment in the year

As a result of the risk reviews undertaken during the current financial year, the risk below has been identified as a prior year Principal Risk that is no longer considered to be as significant due to improved mitigations and is therefore not included in the Summary of Principal Risks table overleaf :-

FY 2019 principal risks not included in FY 2020 assessment	Reason for reduction in risk rating
Acquisitions – the risk that any acquisition and its subsequent integration fail to create shareholder value	The business has an established track record of acquisitions and integrations which has been further validated with recent transactions. Additionally, in FY 2020 the executive leadership team was expanded to include a dedicated M&A function. M&A activity will continue to be monitored as a risk but the Group does not feel that it currently meets the criteria for being a principal risk.

In addition, the prior year risk titled 'reliance on 'search'' has been incorporated into the new risk, reliance on third party distribution platforms.

Summary of Principal Risks

Gross Risk movement relative to prior year ▲ ▼ = Residual Risk movement relative to prior year △ ▽ = New Principal Risk X

Risk

Personal data

V O

Business Model link: iii, iv, vi, viii
Strategy link: 1, 3, 4

Description

The collection, storage and use of personal data by the Group presents a risk of misuse, loss of personal data, or cyber-attack which could result in high penalties from the Information Commissioner's Office (ICO) or claims from data subjects. Future may suffer reputational risk, as well as a significant financial penalty, if it is responsible for the breach.

Future (and the third parties it relies on) is required to comply with strict data protection and privacy legislation, including the General Data Protection Regulation (GDPR). Such laws restrict Future's ability to collect and use personal information and place significant transparency and accountability obligations on Future. The need to comply with data protection legislation is a significant control, operational and reputational risk which can affect the Group.

Acquisitions increase the level of risk relating to personal data due to the increased volume of data being processed and the requirement to migrate the data from legacy systems and suppliers which may not be operating with the same standards as Future and its partners.

Mitigation

The Data Protection Officer oversees all data protection matters and works with stakeholders within the Group to review, develop and improve its data practices and procedures.

Controls and contract provisions are in place to ensure compliance with data protection legislation and confirmation is sought from all third parties who might be involved in providing or processing data to ensure they are also in compliance with such legislation.

The Group has implemented a process to respond to subject access requests in a proper and timely fashion and uses a Consent Management Platform on its websites within the IAB's Consent and Transparency Framework.

Governance oversight

The Audit Committee regularly reviews results of internal control reports and the Board receives internal corporate governance and compliance updates. You can read more about our governance framework on page 64.

Risk

Staff – Key person risk

V O

Business Model link: i-viii
Strategy link: 1-5

Description

Our future success will depend upon our continued ability to identify, hire, develop, motivate and retain highly skilled individuals in both the UK and US, in our senior management and technical teams.

The Group has a long standing CEO with a successful track record in growing the profitability of the business and maintaining its strategic direction.

Mitigation

The Group has recruited several new senior roles recently to provide additional strength and depth to the leadership team, while crucially transitioning to a new CFO during the period.

The editorial and operational leadership has been expanded with the TI acquisition.

In addition, during FY 2020 we created a number of new executive leadership roles to include, B2B MD, CSO, CMO and CPO.

Technology has been split from a single role into two separate executive leadership roles, with one of these roles focused solely on our front-end website platform development and technology.

In order to attract and retain top talent and ensure that Future remains an attractive place to work, appropriate reward packages (including long term incentive plans) are in place for key individuals.

Governance oversight

The Nomination Committee regularly reviews Board succession planning and the Board receives updates on senior talent management programmes. You can read more about the work of the Nomination Committee on page 70.

Risk

Cyber security and IT

●

Business Model link: i, ii, vi, vii, viii,
Strategy link: 1, 4

Description

Cyber security covers the protection of our devices, services, and networks and the information stored within them from theft or damage. A cyber security incident could result in interruption to trading, damage to reputation and financial penalties along with remediation costs and diversion of management time.

Mitigation

Effective cyber security governance is in place with regular Group steering meetings and a dedicated role responsible for overseeing risk and recommending actionable roadmaps to improve information security procedures and protections across the Group.

Future seeks to ensure all of its systems and public owned and operated infrastructure complies with best practice as regards to security by continually investing in and upgrading IT systems and processes.

The Group's core network is protected by Two-Factor authentication security and firewall restrictions with a plan in place to mitigate the effects of any hack.

All workstations are protected by antivirus software which is kept up-to-date and websites are subject to monthly vulnerability assessments with any required remediation being completed in a timely manner.

To protect against system/network outages (caused by fraud or other issues), Future's network has multiple back-up facilities held in different locations that minimises any single point of failure. Servers are distributed across two main data centre locations and several controlled server rooms in different buildings in Bath and New York.

Following completion of acquisitions, assets are quickly moved onto the Group's existing infrastructure (data centres and cloud based providers) except where not possible or practicable. Websites acquired by the Group are usually transitioned to the Group's platform to ensure they meet the required security and best practice standards.

Governance oversight

The Audit and Risk reviews Cyber Security assessment reports, IT network management and security reviews, and receives external advisory guidance on key cyber risks. You can read more about the work of the Audit and Risk Committee on page 74.

Key:

Link to Future's Business Model:

i Advertising
ii. Content publishing & licensing
iii. Events and integrated marketing
iv. Membership & Subs
v. Newstrade
vi. CRM
vii. Platform as a service
viii. Ecommerce & lead Gen

Link to our vision and strategy:

1. A global specialist media platform
2. Fans of brands and loyal communities
3. Diversifying monetisation
4. Leveraging our data and analytics
5. Expanding global reach

Long-term viability:

V: Risk taken into account as part of the Company's long term viability assessment (see overleaf)

Mitigation: ● Strong mitigation O Average mitigation ■ Low mitigation

Risk

Economic & Geo-political uncertainty

V O

Business Model link: i-viii
Strategy link: 3, 5

Description

Group performance could be adversely impacted by factors beyond our control such as the economic conditions and political uncertainty in key markets.

The macroeconomic climate and continued uncertainty surrounding the impact of Brexit on the UK economy and the US political landscape could lead to reduced consumer spending and a related downturn in advertising.

Mitigation

This risk is mitigated by keeping abreast of macro-economic developments and ensuring that the Group responds swiftly to any as they materialise.

The Group is diverse geographically and continues to grow the diversity of its revenue segments. This mitigates the impact of political or economic stability in any particular country or region.

The Group has demonstrated through the ongoing pandemic that its diversified revenue streams across different media have provided a resilience to economic shocks.

In addition, the Group has focused on being the market leader wherever possible, which should result in more resilience in economic downturns.

Governance oversight

The Chief Executive and Chief Financial Officer present reviews and forecasts on the impact of the macroeconomic environment at each Board meeting. You can also read more about this in the Strategic Report on pages 6 to 53.

Risk

Digital Advertising market changes

O V

Business Model Link: i, ii, viii
Strategy link: 1-5

Description

Continuing changes to the digital advertising landscape and changing user habits may impact Future's share of advertising market revenues and advertising yield:

(i) the move to increased privacy standards across the advertising ecosystem, may have potential effects on yield from removing 'targeted personalised ads';

(ii) the changing mix of media advert consumption means that increasingly more users are viewing adverts on mobile devices, which also has a higher mix of video advertising formats. Future needs to ensure that its advertisement proposition stays relevant to ensure that it can capitalise in these markets while maintaining a premium yield;

(iii) the ability to compete for a share of available advertising expenditures may be more challenged as more traditional offline and emerging media companies continue to enter the online advertising market.

Mitigation

Future is a premium publisher with large market shares of highly endemic audiences and as a consequence advertising partners work with Future because of the brands and audiences it has. Future's sales teams are trained to sell the benefits associated with working with Future (rather than acquiring advertising programmatically).

Future has enhanced first party audience capabilities with which it is currently targeting advertiser's campaigns with rich first party audience data. This allows advertisers to hyper target Future's special interest user base and their purchase intents. This first party data proposition is completely unaffected by any third party cookie changes.

Continued investment in Future's Hybrid technology ensures that Future drives the best available audiences in the market.

The Group's expansion of its video offering, facilitated further by the acquisition of Barcroft (specialist digital video production and social channel distribution company) enables Future to capitalise both on growing video advertising demand and the social channel advertising market.

Governance oversight

The Board receives updates on innovation and reviews digital advertising risks as part of the corporate plan process. You can also read more about our Business Model and our approach to Digital Advertising in the Strategic Report on pages 6 to 53.

Risk

Reliance on third party distribution platforms

V ●

Business Model Link: i, ii, viii
Strategy link: 1-5

X

Includes the prior year risk relating to reliance on 'search'

Description

We depend on our continued ability to market, distribute and monetise our content through search engines and social media platforms. These platforms could decide not to market or distribute some or all of our products and services, change their terms and conditions of use at any time and/or significantly increase fees.

Changes in algorithms and strategies of tech giants could materially impact traffic and media revenues. For instance, search engines can make changes to their ranking algorithms, methodologies and design layouts that could reduce the prominence of links to websites offering our content and negatively impact traffic.

Mitigation

Although Future has not been materially impacted by any algorithm changes to date, the Group is not complacent.

Future has a dedicated audience development team who work to ensure Future embeds best practice within its editorial and technical teams.

The Group continues to invest in the creation of expert quality content that meets the needs of audiences including internal critical review of our approach to, and success in, delivering the information and advice our users are searching for.

We continue to invest in our online platforms to provide a secure environment with strong user experience and are committed to ensure that we adhere to online advertising standards.

The Barcroft acquisition has strengthened our expertise in distributing and monetising content across a broader group of digital platforms with which Future has strong partnerships.

The Group's recent diversification into B2B helps drive a direct relationship with the end customer and the Group continues to invest in other direct sources to drive traffic.

Governance oversight

The Board discusses third party distribution platforms with specific focus on the investment needed. You can also read more about our Business Model and how our business is diversified in the Strategic Report on pages 6 to 53.

continued overleaf:

Summary of Principal Risks continued

Risks

Reliance on key third party service providers

V■

Business Model Link: ii, v, viii

Strategy link: 1, 3

X

Description

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.

Key third parties include:

- Printers and paper suppliers
- Magazine wholesalers and hauliers
- Data centre and cloud service providers

Mitigation

Robust continuity arrangements are in place for disruption to key third parties.

Print options and contingency plans are regularly assessed.

Our magazine wholesaler finances are kept under constant review. Operational contingency plans are in place to switch to alternative networks should a failure occur in both wholesalers.

Future operates multiple data centres in order to ensure resilience in key services and avoid unplanned downtime or service disruption.

Operational and financial due diligence is undertaken for any new key suppliers or material changes. Contracts, service levels and outputs are closely managed on an on-going basis for key third party services.

Governance oversight

The Board regularly discusses the security of supply and receives presentations from ELT members in regard to their key suppliers where the Board deems an update is required. You can also read more about our Business Model and how our business is diversified in the Strategic Report on pages 6 to 53.

Risks

Pandemic impact continues

V●

Business Model link: i-viii

Strategy link: 3, 5

X

Description

Whilst Future's trading results overall have proven resilient during the pandemic period of FY 2020, continuation of the pandemic may have longer term impacts on other stakeholders such as employees, customers, suppliers, the wider economy and consequently the success of the Group.

Mitigation

The safety of Future's employees has been a priority. All staff are supported in their need to work from home according to their personal circumstances.

Intra-company communication has continued at regular intervals using accessible technology - monthly town hall streaming of communication to all staff including real time Q&A sessions, in addition to listening sessions hosted by senior business leaders.

Effort to keep in touch and maintain contact with customers has been a focus with credit extended to regular customers when necessary to assist and ease pressure on their cash flows during the recent periods of difficulty.

Supplier payments have continued to be made in accordance with supplier payment terms.

Governance oversight

The Board has received regular updates on the impact of COVID-19 on our people and on the business and the mitigations being put in place to protect them. You can read more about this on page 49.

Risks

Media market disruption and changing consumer habits

VO

Business Model link: i, ii, viii

Strategy link: 1-5

X

Description

Failure to anticipate and respond to market disruption and changing consumer habits may affect demand for our products and services and our ability to drive long-term growth.

Mitigation

Future's strategy priority is to stay relevant for newer generations and new media models.

The Group continues to grow its organic audience and that of its acquired websites through the investment in its editorial content.

The Barcroft acquisition has extended Future's capability to access the high growth market of VOD and social channel content distribution in addition to extending the Group's capability to develop video content on owned websites.

The Group continues to develop its partnerships with digital app stores to maximise distribution of its digital subscription content.

Governance oversight

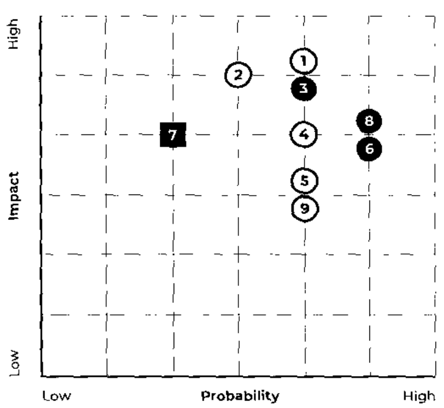
The Chief Executive provides the Board with regular updates on market and competitor activity. You can also read more about our Business Model in the Strategic Report on pages 6 to 53.

Principal Risks Heat Map

● Strong mitigation O Average mitigation ■ Low mitigation

Gross Risk (before mitigation)

1. Personal data
2. Staff - Key person risk
3. Cyber security and IT
4. Economic & geo-political uncertainty
5. Digital advertising market changes
6. Reliance on third party distribution platforms
7. Reliance on third party service providers
8. Pandemic impact continues
9. Media market disruption and changing consumer habits



Longer term viability statement

Assessing the Group's longer term prospects and viability

The Directors have based their assessment of viability on the Group's current strategy, which is outlined in pages 12-33. The Group's prospects are assessed primarily through its annual long-term detailed planning process which considers profitability, the Group's cash flows, committed facilities, liquidity and forecast funding requirement over the next three years. This exercise is completed annually and was signed off by the Board in September 2020. As part of this the Board considers the appropriateness of key assumptions, taking into account the external environment and the Group's strategy.

The assessment period

A three-year period is used for the Group's Viability Statement as this aligns with the length of the Group's detailed plan, and this horizon most appropriately reflects the dynamic and changing media environment in which the Group operates.

Assessing the Group's viability

The viability of the Group has been assessed, taking into account the Group's current financial position, including external funding in place over the assessment period, and after modelling the impact of certain scenarios arising from the principal risks, which have the greatest potential impact on viability in that period.

A number of scenarios have been modelled, considered severe but plausible, that encompass these identified risks. Whilst each of the risks on pages 40 to 42 has a potential impact and has been considered as part of the assessment, only those that represent severe but plausible scenarios were selected for modelling. None of these scenarios individually threaten the viability of the Group. The assessment undertaken includes the impact of the recommended offer for GoCo Group plc.

The scenarios have been run both individually and with 2) and 3) combined (as the combination of all downside scenarios occurring at once is considered to be remote) as well as running the impact of the recommended offer for GoCo Group plc (where the acquisition does not deliver the results that are expected and also where the acquisition does not complete as a result of it not obtaining shareholder approval), both separately, and with the combined downside scenario.

The scenarios have been modelled using the Group's existing £135m RCF which runs to February 2023 and the £215m term loan for the acquisition of GoCo Group plc which runs to November 2022 and amortises at £20m per quarter from 30 June 2021. The £30m COVID-19 facility that was agreed in April 2020 has been cancelled and so has not been included in the modelling. As these facilities expire within the three year time period we have assumed for the purposes of this viability assessment that the Group will undertake a further refinancing exercise to both 'right-size' and lengthen the tenor on the Group's facilities prior to their expiry.

The scenarios are hypothetical and purposefully severe with the aim of creating outcomes that have the ability to threaten the viability of the Group. The Group has multiple control measures in place to prevent and mitigate the scenarios from taking place

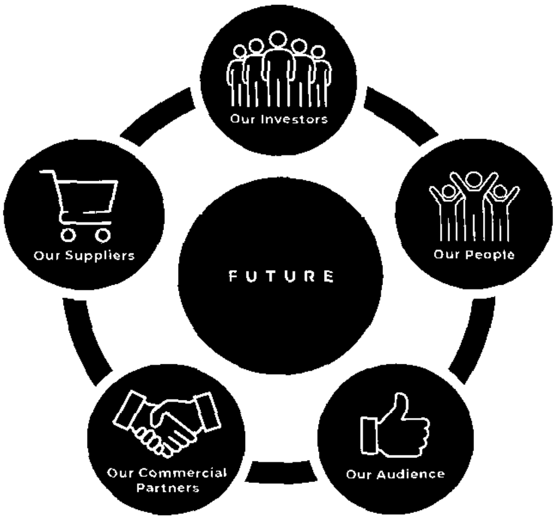
Although each of the downside (and the combined) scenarios result in increased leverage they all result in headroom over the existing bank facilities and covenants at all testing points (even where none of the various options available to the Group in order to maintain liquidity, such as reducing any non-essential capital and operating expenditure as well as not paying dividends, are utilised).

The results of the above stress testing showed that the Group would be able to withstand the impact of these scenarios occurring over the assessment period.

Viability statement

Based on these severe but plausible scenarios, the Directors have a reasonable expectation that the Company will continue in operation and meet its liabilities as they fall due over the three-year period considered.

Scenario	Associated Principal Risk(s)	Description
1) Data security breach	1. Personal data	A serious data security or regulatory breach results in a significant monetary penalty of €20m and a loss of reputation among customers resulting in a significant reduction in Media revenues and additional IT costs whilst the breach is rectified. Given the inherent uncertainty of total quantum, this test is purposely severe as a stress test for the Group.
2) Significant Media revenue reduction	2. Key person risk 5. Digital Advertising 6. Third party distribution platforms 9. Media market disruption and changing consumer habits	This scenario assumes a significant reduction in eCommerce and advertising revenues (net of direct cost reductions) compared to the three year plan of 10% per annum. The scenario also assumes no bonus payment in any of the next three years.
3) Significant change in external environment	4. Economic & geo-political uncertainty 7. Third party service providers 8. Pandemic impact continues	This assumes a reduction in Events, Advertising and Magazine revenues as well as a print margin decline and extended collection days and an overseas third party distributor going bankrupt, resulting in bad debt exposure and supply disruption. The scenario also assumes no bonus payment in any of the next three years.



How we engage with our stakeholders

Our purpose is to change people's lives through sharing our knowledge and expertise with others, making it easy and fun for them to do what they want. Shared and enduring values are at the heart of any successful organisation, and that's why our core values underlie everything we do. In order to create these values, it is important to first identify who our stakeholders are, understand what matters to them, and how our operations impact on them and their communities.

The Board is responsible for leading stakeholder engagement, ensuring that we fulfil our obligations to those impacted by the business. We believe that considering our stakeholders in key business decisions is not only the right thing to do, but is fundamental to our ability to drive value creation over the longer term.

In this section we identify our five key stakeholder groups and have provided an overview of their interests, their concerns and the ways in which the Board acted with regard to these groups when taking its key strategic decisions throughout the year and what the Board has learned from these interactions having regard (among other matters) to the factors set out in Section 172(1)(a) to (f) of the Companies Act 2006. The Board will sometimes engage directly with certain stakeholders on particular issues, but the size and distribution of our stakeholders and of Future means that stakeholder engagement often takes place at an operational level, within the context of the Board's agreed strategy. In this section we show how the Board engaged with each of our key stakeholder groups, summarise the specific actions we took for stakeholder groups in response to the COVID-19 pandemic and set out some case studies which give more detail of how our stakeholders are considered when making specific decisions.

SECTION 172 STATEMENT

The Board of Directors of Future plc have always taken decisions for the long term, and collectively and individually our aim is always to uphold the highest standards of conduct. A broad range of stakeholders are important to the Group at local, regional and functional levels.

Day-to-day engagement with our key stakeholders, and other local stakeholder groups, is conducted at the level and in a format best suited to the context. This may be locally, regionally or functionally, by the Board or senior management, depending on the stakeholder. Where the Board does not engage directly with our stakeholders, it is kept updated so Directors maintain an effective understanding of what matters to our stakeholders and can draw on these perspectives in Board decision-making and strategy development. As the Board receives presentations and makes decisions, we ensure that the impact on any of these groups is considered. We periodically review which are our key stakeholder relationships and examine how we engage with them. We also consider ways to ensure that we maintain open lines of communication with those stakeholder groups and whether there are ways that the Board's engagement can be improved to help us operate more effectively.

Image removed

Our people

Our talented and engaged workforce are committed to upholding our values, enabling us to deliver on our promises and we recognise that listening to them and keeping them engaged is essential to that success continuing.

You can read more about how we invest and reward our people on page 50 and how the Group engages, including how we helped them negotiate the COVID-19 pandemic, on page 50.

How the Board engaged in 2020

Workforce engagement has always been a key priority for the Board. Claire MacLellan, the Chief Operating Officer who is responsible for global HR, attends Board meetings once a year to give updates and an HR dashboard, showing key statistics, is reviewed at each Board meeting. Our employee opinion survey formally captures their views and is a key part of how we track engagement. During October 2019 the Board visited the New York office, and in March the Bath office. In addition, in response to the challenges raised by the pandemic, we held a number of live events via Google hangouts led by the executive team.

Feedback, suggestions and concerns from employees across the business are also considered through channels such as town hall meetings and ELT listening sessions. The Board receives regular updates on these topics.

The Board considered the impact of the TI Media acquisition on the existing Future people, and how the TI Media people would integrate into the Future community, including looking at the different approaches to furlough, best practice ways of working and the impact on diversity.

What we learnt

Our people are proud to work at Future and are proud of Future's response to COVID-19.

Managing the integration of new businesses into Future's culture is something that we do well (but there is always room for improvement).

Inclusion and Diversity is very important to our people and the education and awareness programmes in this area are very much in demand. Mental well-being has been a key focus area during the year, with many colleagues finding the loss of physical office space isolating.

What we are going to do in 2021

Listening, learning and responding to our people will continue to be a priority during the next 12 months. We have, as part of this, formalised our internal communications calendar to ensure we have the opportunities to interact whilst the company works remotely.

Our audience

We create fans of our brands by giving them a place where they want to spend their time and where they go to meet their needs. They are central to our business and without them we would not exist.

You can read more about our audience and how we have continued to delight them on pages 14 to 19.

How the Board engaged in 2020

The Board receives regular audience insight reports throughout the year and we looked at our audience needs at our Board strategy day. The impact of COVID-19 on our ability to meet the needs of our audience and how this was addressed was discussed as part of the broader COVID-19 response debate.

The Board considered how we can diversify our audience when discussing acquisition opportunities. The demands and resource requirements to create scalable platforms were also discussed.

Cyber security risk discussions included a focus around ensuring that any threats to our audience were quickly identified and mitigated. We are working towards embedding the overriding GDPR principle of 'data protection by design and default' in our organisation.

What we learnt

Our content has been a source of help and advice for hundreds of millions of people each month, and this need was met even more so during the early period of the pandemic and global lockdowns. Meanwhile our magazine readers have been eager to access our content and have been turning to our subscriptions to ensure that they can continue to access our content when the marketplace was disrupted.

What we are going to do in 2021

Looking ahead, the challenge is to ensure that the platforms we evolve and the technology we use continues to meet the demands of our audience.

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Our commercial partners

Working on our behalf, our commercial partners are a face for our business. Ensuring they are motivated to deliver good quality work helps us deliver the best service to our audience.

You can read more about our commercial partners and how we work with them on page 52.

How the Board engaged in 2020

The Board receives reports on how we have worked with our commercial partners throughout the year, with a focus on key commercial events, ie CES, E3 or new product launches.

The Board considered how we can build and improve on our existing commercial partnerships when discussing acquisition opportunities.

What we learnt

By working with our commercial partners we can diversify our content monetisation, reaching a wider audience whilst staying relevant to them.
Our unique relationship with many of our endemic advertisers meant that we were able to host a number of virtual events with significant engagement in response to the cancellation of the physical events.

What we are going to do in 2021

We will continue our engagement with our commercial partners, ensuring we are adapting to their needs in this changing environment.

Our suppliers

We believe it is important that our suppliers are not only price competitive but also have a strong compliance, quality, service, sustainability and innovation ethos.

You can read more about our suppliers and how we work with them on page 52.

How the Board engaged in 2020

Engagement with suppliers is key to our values, ranging from our approach to Modern Slavery (our statement can be found on our website), to the protection of our other stakeholders' data, to name just a few. One of the key pillars supporting this statement is our Supplier Code and we continue to engage with suppliers on this.

What we learnt

Compliance is key for our suppliers and visits to our key production suppliers and processes ensure that we carry out the right due diligence to help them comply and ensure the highest standards which are vital to keep slavery and human trafficking out of our supply chain.

What we are going to do in 2021

We will continue our engagement with our suppliers, providing support and guidance to ensure adherence with our Supplier Code.

Our investors

Shareholders are the owners of Future.

The Board places great importance on having positive relationships with all shareholders and seeks to ensure there is an appropriate level of dialogue with them.

How the Board engaged in 2020

We conduct extensive engagement with our institutional investors throughout the year. Our AGM and investor presentations gives the Board the opportunity to engage with investors on the running of their company, and to receive feedback.

The Board receives regular updates on investor communication activity, changes to the shareholder register, analysis of share price performance and particular investment themes such as environmental, social and corporate governance. In addition, the feedback from shareholder / analyst interactions is shared with the Board on a regular basis, via our Corporate Brokers.

What we learnt

Investors understand the strategy that underpins our future growth plans and are keen to see the traction from these.

You can read more about the feedback we had from shareholders on the implementation of our new remuneration policy for 2019/20 on page 84.

What we are going to do in 2021

We will continue to engage with our shareholders throughout 2021. We look forward to welcoming shareholders, subject to there being no COVID-19 restrictions in place, at our AGM in February where they will have an opportunity to meet the new Board members, Rachel Addison and Mark Brooker, for the first time and vote on their election and other resolutions.

Stakeholder engagement case studies

COVID-19 response

The business implications of the COVID-19 pandemic have been fast moving and, at times, uncertain. A summary of the various actions taken by the Group are shown on page 49. The Board discussed the Group's response and the impact on stakeholders, in particular our people, our audience and our suppliers.

Acquisition of TI Media

During the Board's discussions on the acquisition of TI Media the Board gave extensive consideration to what the impact of the proposed acquisition would be on the various stakeholder groups. This involved an appraisal of the financial effects of the acquisition, the operational risks involved in its integration, optimal financing arrangements and regulatory risk relating to the Competition and Markets Authority. In addition, the Board considered the impact of the acquisition on the employees of both Future and TI Media, particularly during the consultation process with employees, the audience and suppliers, as well as the potential consequences for existing shareholders.

Workforce

We continue to be a responsible employer in our approach to our people, ensuring we communicate and engage with them regularly in a variety of ways and that the voice of the workforce is heard and taken into account when making decisions.

The Board agreed a series of engagement initiatives to supplement the existing initiatives including:

- arranging an annual workforce Q&A with the Board
- the Senior Independent Director to continue to take the lead in engagement across the locations including attendance at the staff conference.

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COVID-19 response

This section provides a snapshot of how we have approached the COVID-19 crisis since mid-March 2020. It also directs you to sections of the Annual Report where you can find more detail on each of these matters.

Our governance structure (detailed on page 64) provided a stable foundation from which we could respond to the changing situation, led by our Executive Leadership Team. A summary of our COVID-19 response is set out opposite.

OUR PEOPLE

OUR AUDIENCE

OUR SUPPLIERS

OUR INVESTORS

OTHER

Corporate Responsibility

We are part of the audience and the community and we take this responsibility very seriously. This section highlights what we are doing to make a positive impact through our sustainability and stakeholder engagement strategies. Day-to-day engagement with our key stakeholders, and other local stakeholder groups, is conducted at the level and in a format best suited to the context.

Our people

We are a people business first and foremost. Our six company values underpin everything we do.

Our colleagues are key stakeholders in the success of our business and therefore their engagement has been a key priority in 2020. This year we have delivered a broad range of people initiatives, from ensuring that we are promoting a safe, healthy and inspiring workplace to raising our game in creating a truly diverse and inclusive culture for all our colleagues.

The measure of our success in this area is our colleague engagement. This year we have introduced a structured approach to gathering colleague feedback - our "What Matters" survey asks key questions to help us understand how our colleagues are feeling and put in place the relevant interventions. Engagement and trust will continue to be priorities for us and in 2021 we will be building more frequent opportunities to listen and respond to our colleague voice.

Wellbeing, health and safety

At Future, prioritising health and colleague wellbeing is a critical part of our company culture. By supporting our colleagues physically, mentally and emotionally they can be fulfilled in their career and give their best performance.

The health and safety of all employees is a key priority for the Group. Future is largely an office-based environment; all locations across the Group comply with relevant legislation and we communicate our health and safety policy to all employees. In the UK, during the year to 30 September 2020, there were no fatalities and one minor injury across all sites (2019: no fatalities and nine minor injuries). There were no fatalities or injuries in the US or Australia during the year (2019: nil). Our response to COVID-19 was swift and due to the strong technology infrastructures in place, Future was able to quickly pivot to enable all of our colleagues to work remotely. We provided all colleagues with a stipend to support home working set ups and have taken key steps to develop our office spaces to be COVID-secure.

Wellbeing at Future doesn't stop with physical safety. In 2020 we have taken a number of steps to ensure the mental and emotional wellbeing of our colleagues is supported.

This year we have recruited and trained over 50 Mental Health First Aiders across our UK sites to provide our colleagues with resources and confidential support focusing around mental health. They run weekly drop in sessions and are available at any time via a dedicated email account. We have a Colleague Assistance Programme in each of our geographies which provides colleagues with access to free and confidential support services such as a qualified counsellor. In the US, we arranged a wellbeing gift in partnership with our healthcare provider to be delivered to our colleagues' doors during lockdown.

Staying connected is also critical to ensuring our colleagues' wellbeing. We communicate regularly and leverage technology platforms such as instant messaging and chats, video calling and weekly newsletters to keep our colleagues in the know and to celebrate success. Our Executive Leadership Team hold quarterly town hall sessions for all employees and extended leadership team meetings where we discuss key strategic initiatives and the performance of the business. All of these communication channels have been particularly important during the lockdowns enforced by the COVID-19 pandemic.

2021 GOAL:
We will prioritize Colleague Voice and put in place robust feedback mechanisms and reporting to continue to drive a culture of colleague engagement.

Inclusion and diversity

Creating a truly inclusive workplace starts with respect. By appreciating and celebrating our differences we are creating a Future that is a more dynamic and inspiring place to be for our employees. We are working hard to ensure that our workforce reflects the diverse communities we serve, and that we create an inclusive culture where each employee can truly be themselves at work. Through 2020 we have really built momentum towards this goal of inclusion.

Throughout 2020 we have celebrated diversity in our organisation through internal events, communications and training. This has included monthly focuses on Women & Gender Equality, Pride and Social Mobility. We are committed to educating our colleagues and raising awareness of diversity challenges. During Inclusion Week in 2020 the theme was Each One, Reach One with a series of opportunities to learn about inclusion in many contexts and to share our own inclusion stories.

In June 2020, we launched the Inclusion and Diversity Forum, chaired by our Global CRO, Mike Peralta. We now have 30 ambassadors from across the global business involved in the forum, empowered to champion inclusion at Future and drive the agenda for change.

Embracing diversity underpins our commitment to providing equal opportunities to our current and potential employees and applying fair and equitable employment practices. We codify this through our Equality and Diversity Policy, our I&D Strategy and our values.

	Male		*Female*	
Board	5	63%	3	37%
Senior management	7	47%	8	53%
Direct reports	45	69%	20	31%
All Colleagues	1,032	50%	1,026	50%

2021 GOAL:
Gain accreditation as an Inclusive Employer through the ongoing development of our Inclusion & Diversity strategy.

Development

2020 has seen Future welcome over 1,000 new colleagues into the business through acquisition and hiring. We have developed our onboarding process which kicks in the moment someone says "yes" to working at Future, leveraging innovative technology, to ensure new colleagues settle in quickly and can navigate our business successfully from day one.

We have launched a new online learning portal called "Future University" which gives colleagues access to bitesize learning opportunities and have supported over 40 colleagues in the UK to begin work-based professional qualifications which will support their ongoing career at Future.

Development at Future is underpinned by a simple yet robust performance & potential model which ensures colleagues have regular 1-2-1 and development meetings with their managers to discuss their objectives, career aspirations and ongoing development requirements.

Our approach to development also extends to supporting outside of Future. In 2020 we launched the Future Foundation which intends, through investment of our time, expertise, resources and passion, to provide the opportunity for disadvantaged children to reach their full potential. This year we have launched two programmes under the Foundation umbrella to provide mentoring, coaching and internships to disadvantaged students, inspiring them with the confidence and skills to pursue a career in media.

2021 GOAL:
Launch a global internship programme for disadvantaged young people which brings a new generation of skills and talents into the Future business.

Policy on disability

The Group aims to ensure that when considering recruitment, training, career development, promotion or any other aspect of employment, no employee or job applicant is discriminated against, either directly or indirectly, on the grounds of disability.

If an employee became disabled while in employment and as a result was unable to perform their duties, we would make every effort to offer suitable alternative employment and assistance with retraining.

Our audience

Our strategy is to ensure we only ever have experts creating content for us, to ensure that we can meet our audiences' needs. You can read more on page 14 about how we approached this during the year.

We actively seek to understand our audiences better than anyone, leveraging this knowledge to help partners inform and optimise their campaigns. We have developed a detailed understanding of our readers using a wide range of tools including syndicated research, web analytics and "The Illuminate Panel", our proprietary reader survey utility. This Audience Insight enables our partners to access highly relevant and knowledgeable communities that will support the success of their campaigns.

It is mission critical to Future to represent our audiences fully and so our Inclusion & Diversity ethos reaches into our approach to our content. In 2020 we responded to the Black Lives Matters movement with 10 pledges to ensure we are equally representing BAME people within our organisation and our content. This includes diversity targets within our imagery and contributor population and donating advertising space on our digital platforms to support awareness campaigns. In August 2020 we donated $500k of digital advertising space to the Racial Injustice Campaign.

2021 GOAL:
Implement regular content audits to drive inclusive content.

Our commercial partners

We provide a premium, brand-safe environment for our partners to access and engage valuable consumers across multiple touchpoints including websites, social media, video, print and events. Through creative content-led campaigns and digital advertising solutions, we take our commercial partners closer to the audiences that matter.

Future is a member of the Responsible Media Forum, a partnership between 25 leading global media companies to identify and take action on the social and environmental challenges facing the sector. As part of the Forum we participate in identifying trends and areas for prioritisation based on sound research and robust discussions, engage with stakeholders, campaigners, policy makers, academics and peers; and run collaborative projects and events on key issues.

2021 GOAL:
Ensure thought leadership as the advertising industry wrestles with the issues of user privacy.

Our suppliers

We engage with our suppliers to address challenges and drive positive change through our supplier code of conduct and processes. We are committed to doing business ethically and have a zero-tolerance approach to modern slavery. Future's Modern Slavery Act statement for the current and previous years is published on our corporate website: **www.futureplc.com/modern-slavery-statement.** You can read more about how we work with our suppliers to ensure we operate in a way that is ethically responsible and environmentally sustainable on page 105.

2021 GOAL:
To ensure that legacy suppliers from acquisitions are fully compliant with our Supplier Code.

Our investors

We aim to have an open relationship with our shareholders, and shareholders can find up-to-date information on Group activities on the Company's website at www.futureplc.com. There is a specific Investor Relations section on that site which includes links to all of the Group's public announcements made via the Regulatory News Service of the London Stock Exchange, including the Company's latest annual and interim results.

All Directors are available to meet shareholders at the AGM or on request by contacting the Chairman or Company Secretary. The Executive Directors hold a series of meetings presenting the interim and annual results to those shareholders who request a meeting in order to update them on the progress of the business and gauge their views following the analyst presentations of the results, and host an annual capital markets day with various senior members of the Group management team which has proven to be popular. The Chairman offers to meet with key shareholders at least annually, and during 2020 he met or spoke individually with the Company's key shareholders. Hugo Drayton consulted with our largest shareholders as part of our process of finalising the Remuneration Policy which was approved by shareholders at the AGM in February 2020.

In order that all Directors are aware of the views of shareholders, each Board pack includes a note of views expressed by shareholders during meetings held with Directors or as reported to Directors through the Company's brokers, together with copies of analysts' notes, press articles and other relevant information.

2021 GOAL:
Ensure all investors are able to meet with management or the Board at least twice in the year if they wish to.

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Non-financial information statement

The Company is required to comply with the new non-financial reporting requirements set out in Sections 414CA and 414CB of the Companies Act 2006. The table below sets out where in the Annual Report the relevant information regarding the key non-financial matters can be found.

Reporting Requirement	Policies and standards which govern our approach	Information
Environmental matters	CSR Policy	Corporate Responsibility Report pages 50 to 52 Directors' Report, page 104
Employees	Future Playbook, Diversity Policy, Whistleblower Policy	Corporate Responsibility Report, page 51 Corporate Governance Report, page 71 and Directors' Report, page 104
Human Rights	Slavery and Human Trafficking Policy	Corporate Responsibility Report, page 52
Social Matters	CSR Policy	Corporate Responsibility Report, page 50
Anti-corruption and anti-bribery	Anti-bribery and corruption policy, Whistleblowing policy	Directors' Report, page 104
Description of Principal Risks and impact of business activity	Greenhouse Gas Emissions	Risk section, pages 38 to 42 and Directors' Report, page 106
Description of business model	Future strategy wheel	Strategic Report, page 21
Non-financial KPIs	Sources & Definitions	Strategic Report, pages 6 to 7, Sources page 33

Financial Review

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Financial Review

Rachel Addison
Chief Financial Officer

Financial summary

The financial review is based primarily on a comparison of results for the year ended 30 September 2020 with those for the year ended 30 September 2019. Unless otherwise stated, change percentages relate to a comparison of these two periods. Organic growth is defined as the portfolio at constant FX rates (i) excluding acquisitions and disposals made during FY 2019 and FY 2020 and (ii) including the impact of closures and new launches.

	FY2020 £m	FY2019 £m
Revenue	**339.6**	221.5
Adjusted operating profit[1]	**93.4**	52.2
Adjusted profit before tax[1]	**90.9**	50.3
Operating profit	**50.7**	26.7
Profit before tax	**52.0**	12.7
Basic earnings per share (p)	**46.4**	9.9
Diluted earnings per share (p)	**45.4**	9.3
Adjusted basic earnings per share (p)[1]	**76.3**	50.1
Adjusted diluted earnings per share (p)[1]	**74.7**	47.5

1 Adjusted items are a non-GAAP measure. For further details refer to the section on Alternative Performance Measures on page 59.

The Directors believe that adjusted results provide additional useful information on the core operational performance of the Group, and review the results of the Group on an adjusted basis internally. See page 59 for a reconciliation between adjusted and statutory results.

Group revenue increased 53% or £118.1m to £339.6m (2019: £221.5m), achieved organically (increase of 6% at constant currency and actual currency) and through acquisition, with FY2019 and FY2020 acquisitions net of disposals contributing £105.6m to revenue growth in the year.

UK revenue growth of 67% or £69.2m to £171.9m (2019: £102.7m) included £64.0m of revenue from the TI Media acquisition and £11.1m from the Barcroft acquisition. UK organic digital revenues (which include digital display advertising and eCommerce) grew strongly by 33%. UK events and magazine divisions were materially impacted by the pandemic and total UK organic revenues declined by 7%.

Performance has been strong in the US where growth of 41% or £48.9m to £167.7m (2019: £118.8m) was boosted by underlying organic growth of 19% and increased further by the inclusion of £23.2m incremental year-on-year revenue from the SmartBrief acquisition.

Media revenue increased by £82.4m or 53% and by 23% organically despite the cancellation of in-person events due to the COVID-19 pandemic. Organic digital advertising on platform revenue grew 16% and organic eCommerce revenue was 58% ahead of the prior year. Strong digital advertising and eCommerce revenue growth has been the product of the effective monetisation of Future's online audience. In the year, Future saw its online audience increase to 281.8m through the increased scale and diversification of the Group, with organic audience growth of 48%.

Magazine division revenue increased by 54% to £102.3m (2019:

Revenue

	Segment		FY2020 £m	Segment		FY2019 £m		
	UK £m	US £m	Total £m	UK £m	US £m	Total £m	YoY Var	Organic YoY Var
Digital display advertising on platform	**31.6**	**68.0**	**99.6**	22.7	57.8	80.5	24%	16%
Digital display advertising off platform	**11.2**	**29.4**	**40.6**	-	8.5	8.5	378%	(19)%
eCommerce	**24.5**	**54.8**	**79.3**	15.3	31.9	47.2	68%	58%
Events, digital licensing other online	**12.5**	**5.3**	**17.8**	12.4	6.3	18.7	(5)%	(26)%
Total Media	**79.8**	**157.5**	**237.3**	50.4	104.5	154.9	53%	23%
Print & digital content	**70.2**	**3.5**	**73.7**	38.7	4.1	42.8	72%	(30)%
Print advertising, licensing, publisher services and other print	**21.9**	**6.7**	**28.6**	13.6	10.2	23.8	20%	(27)%
Total Magazines	**92.1**	**10.2**	**102.3**	52.3	14.3	66.6	54%	(29)%
Total revenue	**171.9**	**167.7**	**339.6**	102.7	118.8	221.5	53%	6%

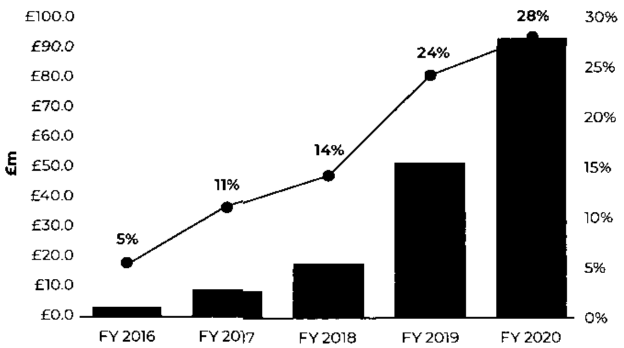
"The Group has demonstrated significant resilience by delivering an exceptional set of results in challenging circumstances with the backdrop of the COVID-19 pandemic"

£66.6m), following the acquisition of TI Media. Magazine organic revenue performance declined by 29%, with the decline materially impacted by store closures as a consequence of COVID-19.

Operating profit

Statutory operating profit increased by £24.0m to £50.7m (2019: £26.7m) and statutory operating margin increased to 15% (2019: 12%). Adjusted operating profit increased by £41.2m to £93.4m (2019: £52.2m) with adjusted operating margin increasing to 28% (2019: 24%), reflecting the strong growth of the Media division and the operating leverage provided by the increased scale of the Group.

Adjusted operating profit and margin



Adoption of IFRS 16 *Leases*

The Group has adopted IFRS 16 *Leases* from 1 October 2019, resulting in the recognition on the balance sheet of assets and liabilities relating to leases previously accounted for as operating leases. On transition the Group has applied the modified retrospective approach, with the right-of-use asset measured as if IFRS 16 had always applied and the difference between lease assets and lease liabilities recognised within retained earnings. Comparative periods have not been restated.

Adoption of the standard has resulted in an increase in reported assets of £16.0m, which includes a deferred tax asset of £0.7m, and an increase in reported liabilities of £16.8m, with the balance of £0.8m being recognised within retained earnings at 1 October 2019. On acquisition of TI Media, the Group recognised assets of £8.4m, which includes a deferred tax asset of £0.1m, and net liabilities of £8.4m on the acquisition balance sheet.

In the income statement the operating lease rent expense has been replaced by depreciation of right-of-use assets (£3.7m in the year) and net finance costs on lease liabilities (£0.7m). Operating profit has increased by £0.5m as a result of applying IFRS 16 *Leases* from 1 October 2019 compared to what would have been reported under IAS 17, due to the charge being split between depreciation and interest, with a decrease of £0.2m in total earnings. Prior periods have not been restated.

Earnings per share	FY 2020	FY 2019
Basic earnings per share (p)	**46.4**	9.9
Adjusted basic earnings per share (p)	**76.3**	50.1
Diluted earnings per share (p)	**45.4**	9.3
Adjusted diluted earnings per share (p)	**74.7**	47.5

Basic earnings per share are calculated using the weighted average number of ordinary shares in issue during the year of 95.6m (2019: 82.2m), the increase reflecting the weighted impact of the issue of 8.2m shares to fund the acquisition of TI Media, 1.8m to settle the Mobile Nations deferred consideration, and 0.7m to fund the acquisition of Barcroft Studios, as well as the issue of 3.8m shares to settle vested share options.

Adjusted earnings per share is based on profit after taxation which is then adjusted to exclude share-based payments (relating to equity-settled share awards with vesting periods longer than 12 months) and associated social security costs, fair value movements on contingent consideration (and unwinding of associated discount) and on the currency option, exceptional items, amortisation of intangible assets arising on acquisitions and any related tax effects. Adjusted profit after tax was £72.9m (2019: £41.2m).

Exceptional items

Exceptional costs amounted to £17.1m (2019: £3.4m) and relate largely to acquisition and restructuring related costs in respect of the TI Media acquisition (£3.8m and £9.1m respectively), SmartBrief integration costs of £0.1m, onerous property costs of £1.8m, impairment of the TI Media legacy finance system of £0.8m and £1.5m loss on disposals relating to the sale of Amateur Photographer, WorldSoccer and Trustedreviews.com, as required by the Competition and Markets Authority, as well as UK Cycling Events Limited and International Craft & Hobby Fair Limited, following the acquisition of TI Media.

TI Media restructuring costs charged in the year are associated with realised acquisition synergy savings. Onerous property costs relate to ongoing operating costs and the impairment of right-of-use assets in respect of the Bromsgrove and Bournemouth offices which were permanently closed following the onset of the COVID-19 pandemic.

Net finance costs and refinancing

The Group agreed a new £30m multi-currency Revolving Credit Facility ("RCF") in April 2020. The RCF, which stood alongside Future's existing debt facilities, was arranged in order to provide the Group with additional working capital headroom to maintain the underlying growth momentum of the combined business, whilst navigating the impact of COVID-19. This facility has not been required (and has not been drawn) as at 30 September 2020 and has been subsequently cancelled.

Net finance income of £2.8m was recognised in the year (2019: net expense of £14.2m) which includes a £7.6m reduction in the fair value of the contingent consideration payable for the SmartBrief acquisition offset by £1.1m arising on the unwinding of the associated discount on the contingent consideration and a £1.2m loss on the currency option obtained to hedge the Group's currency exposure to the Mobile Nations earnout (settled in February 2020).

Net adjusted finance costs increased to £2.5m (2019: £2.1m) which includes external interest payable of £1.8m reflecting the drawdown of the core RCF to fund the TI Media acquisition and £0.4m in respect of the amortisation of issue costs relating to both the Group's original £135m facility and the additional £30m facility that was agreed during the year. A further £0.8m of interest was recognised in relation to lease liabilities (offset by £0.1m of interest income on sublet properties) recognised following the adoption of IFRS 16. This is offset by £0.4m of finance income which was generated whilst the Group was in a net cash position, following the receipt of placing proceeds ahead of the completion of the TI Media acquisition in April 2020 and the Group's strong cash generation. Leverage at 30 September 2020 was 0.6x.

Taxation

The tax charge for the year amounted to £7.7m (2019: £4.6m), comprising a current tax charge of £9.8m (2019: £7.0m) and a deferred tax credit of £2.1m (2019: £2.4m). The current tax charge arises in the UK where the standard rate of corporation tax is 19% and in the US where the Group pays a blended Federal and State tax rate of 28%.

The Group's adjusted effective tax rate is 19.8% (2019: 18%), which includes a credit of £1.5m arising on the part release of a provision recognised for uncertain tax positions on the basis that certain tax risks are now considered less likely to crystallise. Further information is provided in the accounting policies and note 8.

The Group's statutory effective tax rate is 15% (2019: 36%), with the difference between the statutory rate and adjusted effective rate being the impact of certain exceptional items being deductible for tax purposes and the fair value gain on the SmartBrief contingent consideration being non-taxable. This is significantly lower than the FY2019 statutory effective rate, which was increased by the fair value loss on the contingent consideration recognised in respect of the Mobile Nations acquisition in the prior year.

Dividend

The Board is recommending a final dividend of 1.6p per share for the year ended 30 September 2020, payable on 16 February 2021 to all shareholders on the register at close of business on 15 January 2021.

Cash flow and net debt

Net debt at 30 September 2020 was £62.1m (2019: £40.3m) reflecting the additional drawdown of debt to fund the TI Media acquisition offset by strong cash generation.

During the year, there was a cash inflow from operations of £91.9m (2019: £53.7m) reflecting the Group's strong trading performance.

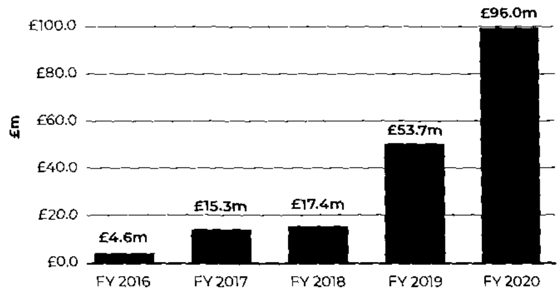
Excluding exceptional items, adjusted operating cash inflow was £100.0m (2019: £57.7m). A reconciliation of cash generated from operations to adjusted free cash flow is included below:

	FY2020 £m	FY2019 £m
Cash generated from operations	**91.9**	53.7
Cash flows related to exceptional items	**8.0**	4.0
Settlement of social security costs on share-based payments	**4.0**	-
Lease payments following adoption of IFRS 16 *Leases*	**(3.9)**	-
Adjusted operating cash inflow	**100.0**	57.7
Cash flows related to capital expenditure	**(4.0)**	(4.0)
Adjusted free cash flow	**96.0**	53.7

Other significant movements in cash flows include £4.0m (2019: £4.0m) of capital expenditure, repayment of bank loans and overdraft (net of drawdowns and arrangement fees) of £75.7m (2019: net drawdown of £19.3m), payments of £75.8m (2019: £65.8m) to fund acquisitions (including disposals), proceeds from the issue of shares (net of costs of share issue) of £101.0m (2019: £nil), and the acquisition of own shares of £8.5m (2019: £nil). The Group paid a dividend in the year of £1.0m (2019: £0.4m). Foreign exchange and other movements accounted for the balance of cash flows.

Adjusted free cash flow increased to £96.0m (2019: £53.7m), representing 103% of adjusted operating profit (2019: 103%), reflecting the ongoing efficient cash management by the Group and including a one-off operating cash benefit realised as a result of completing the TI Media acquisition mid-month.

Adjusted free cash flow



Going concern

As part of the year-end process and as required by IAS 1 *Presentation of Financial Statements*, the Directors have undertaken a going concern review. This included reviewing the Group's forecasts and projections, and assessing the headroom on the Group's combined existing multicurrency Revolving Credit Facility ("RCF") of £135 million (following the subsequent cancellation of the £30m COVID-19 facility), and banking covenants after applying several severe but plausible downside scenarios to those projections as part of the assessment made for the Viability Statement, provided on page 43. This assessment included various individual and combined scenarios both including the impact of the recommended offer for GoCo Group plc and in the unlikely event that this did not complete as planned. None of these scenarios individually threaten the viability of the Group.

Even in the most extreme downside scenario modelled the Group would be able to operate well within the level of its current available debt facilities and covenants.

The Directors also note that at the year end the Group had net current liabilities of £34.3m (2019: £65.6m). This was primarily driven by the deferred income balance of £12.9m relating to events and subscriptions, the FY2020 all staff profit pool which is accrued and not paid until December 2020 and the nature of the TI Media business acquired in the year where the profile of cash receipts from wholesalers is often ahead of payment of certain magazine related costs.

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. For this reason the Directors continue to adopt the going concern basis in preparing the consolidated financial statements for the year ended 30 September 2020.

Alternative performance measures

Alternative performance measures (APMs) are used by the Board to assess the Group's performance, providing additional useful information for shareholders on the underlying performance of the Group. These measures are not defined by IFRS and are not intended to be a substitute for IFRS measures.

The Group presents adjusted operating profit and EPS, which are calculated as the statutory reported measures stated before charges relating to share-based payments (relating to equity-settled share awards with vesting periods longer than 12 months), and associated social security costs, fair value movements on contingent consideration (and unwinding of associated discount) and on currency option, exceptional items, amortisation of intangible assets arising on acquisitions, and any related tax effects. EPS is used as a key performance indicator for the Performance Share Plan. The table below reconciles the APMs to the statutory reported measures.

Conclusion

The Group has had another transformational year following the completion of the Barcroft and TI Media acquisitions and has demonstrated significant resilience during the COVID-19 pandemic. The Group is well placed to achieve its ambitions for 2021 and beyond.

The Strategic Report and the Financial Review are approved by the Board of Directors and signed on its behalf by:

Rachel Addison
Chief Financial Officer
10 December 2020

FY2020

	Statutory	Share-based payments	Exceptional items	Amortisation of acquired intangibles	Decrease in fair value of contingent consideration	Unwinding of discount	Fair value loss on currency option	Tax impact	Adjusted
Revenue (£m)	**339.6**	-	-	-	-	-	-	-	**339.6**
Operating profit (£m)	**50.7**	**5.5**	**15.6**	**21.6**	-	-	-	-	**93.4**
Net finance (costs)/income (£m)	**2.8**	-	-	-	**(7.6)**	**1.1**	**1.2**	-	**(2.5)**
Other expense (£m)	**(1.5)**	-	**1.5**	-	-	-	-	-	-
Profit before tax (£m)	**52.0**	**5.5**	**17.1**	**21.6**	**(7.6)**	**1.1**	**1.2**	-	**90.9**
Tax (£m)	**(7.7)**	-	-	-	-	-	-	**(10.3)**	**(18.0)**
Profit after tax (£m)	**44.3**	**5.5**	**17.1**	**21.6**	**(7.6)**	**1.1**	**1.2**	**(10.3)**	**72.9**
Basic earnings per share (pence)	**46.4p**	**5.8p**	**17.9p**	**22.6p**	**(8.0)p**	**1.2p**	**1.3p**	**(10.9)p**	**76.3p**
Diluted earnings per share (pence)	**45.4p**	**5.6p**	**17.5p**	**22.1p**	**(7.8)p**	**1.1p**	**1.2p**	**(10.4)p**	**74.7p**

FY2019

	Statutory	Share-based payments	Exceptional items	Amortisation of acquired intangibles	Increase in fair value of contingent consideration	Unwinding of discount	Fair value gain on currency option	Tax impact	Adjusted
Revenue (£m)	221.5	-	-	-	-	-	-	-	221.5
Operating profit (£m)	26.7	9.0	3.4	13.1	-	-	-	-	52.2
Net finance (costs)/income (£m)	(14.2)	-	-	-	11.7	1.2	(0.8)	-	(2.1)
Other income (£m)	0.2	-	-	-	-	-	-	-	0.2
Profit before tax (£m)	12.7	9.0	3.4	13.1	11.7	1.2	(0.8)	-	50.3
Tax (£m)	(4.6)	-	-	-	-	-	-	(4.5)	(9.1)
Profit after tax (£m)	8.1	9.0	3.4	13.1	11.7	1.2	(0.8)	(4.5)	41.2
Basic earnings per share (pence)	9.9p	11.0p	4.1p	15.9p	14.2p	1.5p	(1.0)p	(5.5)p	50.1p
Diluted earnings per share (pence)	9.3p	10.4p	3.9p	15.1p	13.5p	1.4p	(0.9)p	(5.2)p	47.5p

Corporate Governance

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Chairman's Introduction

Richard Huntingford
Chairman

Dear fellow shareholder,

I am pleased to introduce our Corporate Governance Report for the year ended 30 September 2020. This report outlines how the Board has ensured that robust and appropriate governance procedures are in place to ensure effective, entrepreneurial and prudent management of the Company that will deliver the long-term sustainable success for the benefit of our shareholders and broader stakeholders. You can read more about our approach to this on pages 44 to 48.

In this report, we set out our approach to corporate governance and provide detail on the role of the Board of Directors, followed by a more detailed focus on the work of each of the three key Board committees: the Audit and Risk Committee, the Nomination Committee and the Remuneration Committee. Together, these give a clear insight into how we manage corporate governance principles and processes within the Group.

Our approach to corporate governance

Corporate governance does not mean ticking various legislative and regulatory boxes, but a thoughtful and considered approach from the Board down to the Company's operations to identify and apply the principles of correct corporate governance.

Corporate governance essentially involves balancing the interests of a company's many stakeholders, such as shareholders, senior management, staff, customers, suppliers, financiers, the Government, and the communities of which we are part.

Strong governance helps to cultivate a company culture of integrity and stakeholder alignment, alongside corporate structures that improve leadership, accountability and effectiveness. This brings a sharper focus to strategic objectives and translates into better decision-making which, in turn, drives competitive advantage and growth, resulting in stronger corporate performance and a sustainable business overall - something Future has fully embedded.

The Board has maintained a strong focus during the year on the Company's short, medium and long-term strategic goals, including the integration of recent acquisitions with the Board closely monitoring the performance of acquired businesses against the investment theses prepared at the time of their acquisition. This ensures that the Company has the right people in place to deliver on its strategy. During this period of continued growth, it is vital to ensure that the Company's governance processes are robust in order to ensure that the business is protected and that all stakeholders' interests are taken into account.

The emergence of the global COVID-19 pandemic provided an unprecedented challenge to all companies, as boards and senior management sought to understand the implications of the pandemic for their companies and the necessary steps to protect their businesses and their stakeholders. The strong governance environment that Future had in place as the COVID-19 crisis unfolded

"The strong governance environment that Future had in place as the COVID-19 crisis unfolded undoubtedly led to high-quality decision-making which ensured that we maintained the strong business momentum we had prior to the pandemic, whilst at the same time – and most importantly – looking after the interests of all our stakeholders, particularly our employees"

undoubtedly led to high-quality decision-making which ensured that we maintained the strong business momentum we had prior to the pandemic, whilst at the same time – and most importantly – looking after the interests of all our stakeholders, particularly our employees. Further detail of how the Company responded to these unprecedented times is set out throughout the report and is summarised on page 49.

Culture and values and people

Our effective governance has fostered a strong company culture which is underpinned by a set of values of how we behave that serve as guardrails to ensure that everyone stays focused on delivering our strategy, whilst staying true to who we are. The Board recognises the importance of the Company's culture in achieving its goals ("results matter, success feels good"), and has a key focus on setting this culture, and ensuring that the necessary resources are in place to allow our people to do the best jobs they can in delivering the Company's strategy.

The Board is kept up-to-date on key issues regarding employees by the inclusion in Board packs of an HR Dashboard, with the Chief Operating Officer or HR Director attending Board meetings to discuss matters relating to people and culture. The two main focuses of the people and culture team this year has been ensuring the overall welfare of our employees throughout the COVID-19 pandemic, as well as ensuring that those who have joined the Future family as a result of recent acquisitions are fully aligned with the culture of the Company. The Board is satisfied that the approach toward engagement with the workforce described in the Corporate Responsibility Report on pages 50 to 53 is robust. This will be kept under review. As described on page 102 in the Remuneration Report, the pension contribution rates for the Chief Executive are not, at the date of this report, fully aligned to that available to the workforce, although future reductions have been confirmed.

The Board has a number of opportunities to consider cultural metrics, particularly in relation to its business as usual reporting on people, our audience and during our reviews of our key risks. Our culture is embedded in everything we do at Future and when I visited sites (pre-pandemic) and engage with colleagues I am proud to see how colleagues embrace and understand this. You can read more about this on page 50 to 53.

Board changes during the year

Meredith Amdur was appointed as an independent Non-Executive Director on 6 February 2020 and has in-depth knowledge and understanding of the US media market and experience of digitally-led environments, along with a strong network in North America.

Penny Ladkin-Brand stepped down from the position of Chief Financial Officer, to assume the role of Chief Strategy Officer on 1 June 2020 following completion of the TI Media acquisition, at which time Rachel Addison joined the board as Chief Financial Officer.

Board changes since the year-end

Mark Brooker was appointed as an independent Non-Executive Director on 1 October 2020. Mark has Board level public listed company experience combined with platform-based expertise, and a successful track record across a variety of operational, strategic and financial roles.

Stakeholders

Consideration of the Group's full range of stakeholders, including our people, investors, our audience, strategic partners, and suppliers, continued to be an integral part of the Board's discussions and decision-making. An overview of the Board's engagement activities with each of our key stakeholder groups can be found on pages 44 to 48 of this report.

Richard Huntingford
Chairman of the Board

Compliance with the 2018 Code

The Company confirms that it has complied in full with the *provisions of the 2018 Code throughout the financial year.*

Governance Framework

Stakeholders

The owners of the Company and the other stakeholder groups to whom the Board is responsible.

Board

The Board is collectively responsible for the long-term success of the Group and for ensuring leadership within a framework of effective controls. The key roles of the Board are:

- setting the strategic direction of the Group;
- overseeing implementation of the strategy by ensuring that the Group is suitably resourced to achieve its strategic aspirations;
- providing entrepreneurial leadership within a framework of prudent and effective controls which enables risk to be assessed and managed;
- ensuring that the necessary financial and human resources are in place for the Group to meet its objectives;
- reviewing the Group's culture supported by its values; and
- other matters reserved for the Board can be found on the website at https://investor.futureplc.com/investors/schedule-of-matters/

Chairman

- Primarily responsible for overall operation, leadership and governance of the Board.
- Leads the Board, sets the agenda and promotes a culture of open debate between Executive and Non-Executive Directors. Ensures that there is a focus on Board succession plans to maintain continuity of skilled resource
- Provides advice and acts as a sounding board.
- Ensures effective communication with our shareholders.

Chief Executive

- Responsible for executive management of the Group as a whole.
- Delivers strategic and commercial objectives within the Board's stated risk appetite.
- Builds positive relationships with all the Group's stakeholders.

Senior Independent Director

- Provides a sounding board to the Chairman.
- Leads the appraisal of the Chairman's performance with the other Non-Executive Directors annually.
- Acts as intermediary for other Directors, if needed.
- Available to respond to shareholder concerns if contact through the normal channels is inappropriate.

Non-Executive Directors

- Contribute to developing our strategy.
- Scrutinise and constructively challenge the performance of management in the execution of our strategy.
- Bring their diverse expertise to the Board and Board Committees.

Board and Board Committees meeting and attendance

	Board[1]	Nomination Committee	Audit and Risk Committee	Remuneration Committee	General meetings[2]
Richard Huntingford	8 (8)	3 (3)	-	-	2 (2)
Zillah Byng-Thorne	8 (8)	-	-	-	2 (2)
Rachel Addison[3]	2 (2)	-	-	-	0 (0)
Meredith Amdur[4]	5 (5)	1 (1)	-	-	0 (0)
Hugo Drayton	8 (8)	3 (3)	3 (3)	6 (6)	1 (2)
Penny Ladkin-Brand[5]	6 (6)	-	-	-	1 (2)
Alan Newman	8 (8)	3 (3)	3 (3)	6 (6)	1 (2)
Rob Hattrell	8 (8)	3 (3)	3 (3)	6 (6)	2 (2)

1. In addition to the eight Board meetings, four Board calls were held to discuss business matters that the Chairman and Group Chief Executive decided should be considered by the Board.
2. All Directors received papers for all meetings. Where Directors were unable to attend a meeting they had the opportunity to comment in advance and received a briefing on any decisions taken. Hugo Drayton, Penny Ladkin-Brand and Alan Newman were unable to participate in the General Meeting held in November 2019 due to prior business commitments.
3. Rachel Addison was appointed to the Board on 1 June 2020.
4. Meredith Amdur was appointed to the Board on 6 February 2020.
5. Penny Ladkin-Brand resigned from the Board on 1 June 2020.
6. In addition to the scheduled meetings, the Senior Independent Director and the Non-Executive Directors meet once a year without the Chairman present in order to appraise his performance.

Principal Board Committees

Audit and Risk Committee

- Oversees and monitors the Company's financial statements, accounting processes and audits (internal and external).
- Ensures that risks are carefully identified and assessed, and that sound systems of risk management and internal control are in place.
- Reviews matters relating to fraud and whistleblowing reports received.

SEE PAGE 74 FOR MORE INFORMATION

Remuneration Committee

- Reviews and recommends the framework and policy for the remuneration of the Chairman, the Executive Directors, the Company Secretary and senior executives in alignment with the Group's reward principles.
- Considers the business strategy of the Group and how the remuneration policy reflects and supports that.
- Reviews workforce remuneration and related policies and alignment of incentives and rewards with culture, to help inform setting of Directors' remuneration policy.
- Consults with shareholders on the remuneration policy.

SEE PAGE 80 FOR MORE INFORMATION

Nomination Committee

- Reviews the structure, size and composition of the Board and its Committees.
- Identifies and nominates suitable executive candidates to be appointed to the Board and reviews the talent pool
- Considers wider elements of succession planning below Board level, including diversity.

SEE PAGE 70 FOR MORE INFORMATION

Executive Leadership Team

Considers Group-wide initiatives and priorities. Reviews the implementation of operational plans. Reviews changes to policies and procedures and facilitates the discussion of the development of new projects. Reviews and prioritises principal risks.

Board standing committee

Disclosure Committee which oversees the Company's compliance with its disclosure obligations.

Board of Directors

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Richard Huntingford

POSITION: **Independent Non-Executive Chairman**

NATIONALITY: **British**

APPOINTED: **December 2017 and as Chairman in February 2018**

Ⓐ

Key skills and experience:
- Provides strong leadership of the Board in fulfilling its role of overseeing the development and delivery of Company strategy
- Ensures healthy debate and appropriate support for, and challenge of, executive management in their delivery of strategy by Non-Executive Directors
- Provides leadership in stakeholder relations

External appointments:
Non-Executive Director and Chairman Designate of Unite Group plc, Non-Executive Director of JPMorgan Mid Cap Investment Trust plc and The Bankers Investment Trust plc. Richard had a 20-year career at Chrysalis plc and was CEO from 2000 to 2007, following which he was Chairman of Virgin Radio until its sale in 2008. More recently, he has been Non-Executive Chairman of Crown Place VCT plc from 2012 to 2020 and of Wireless Group plc (formerly UTV Media plc) from 2012 to 2016 and Non-Executive Director and Chairman of Creston plc from 2011 to 2016.

Education: Richard is a chartered accountant (FCA), having qualified with KPMG.

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Zillah Byng-Thorne

POSITION: **Chief Executive**

NATIONALITY: **British**

APPOINTED: **November 2013 and as Chief Executive in April 2014**

▲

Key skills and experience:
- Has a strong track record in developing and delivering against successful strategy
- Focus on driving operational excellence
- Is a proven people manager, identifying and developing talent at senior level

External appointments:
Non-Executive Director of GoCo Group plc, Flutter Entertainment plc and THG Holdings plc. She was Chief Financial Officer of Trader Media Group (owner of Auto Trader) from 2009 to 2012, and interim Chief Executive Officer from 2012 to 2013. Before this, Zillah was Commercial Director and Chief Financial Officer at Fitness First Limited and Chief Financial Officer of the Thresher Group.

Education:
Zillah is a chartered management accountant (CIMA) and qualified treasurer (ACT). She has an MA in Management from Glasgow University and an MSc in Behavioural Change from Henley Business School.

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Rachel Addison

POSITION: **Chief Financial Officer**

NATIONALITY: **British**

APPOINTED: **June 2020**

Key skills and experience:
- Strong financial and commercial expertise
- Wealth of finance experience in large listed multinationals

External appointments:
Rachel was previously TI Media's Chief Finance Officer. Before that she was managing director of Trinity Mirror's Regional Media division and CFO/COO and executive board member of Local World Limited.

Education:
Rachel is a chartered accountant and holds a BSc in Economics from Loughborough University.

Image removed

Meredith Amdur

POSITION: **Independent Non-Executive**

NATIONALITY: **American**

APPOINTED: **February 2020**

▲ ■

Key skills and experience:
- Editorial and publishing content
- Digital
- Technology platforms
- Advertising and brands

External appointments:
Meredith is currently Chief Executive Officer of Rhetorik, a leading data supplier to technology vendors. She was previously President and CEO of Wanted Technologies, a Canadian listed recruitment data analytics provider, and has held executive roles with Microsoft, Deloitte and DirecTV.

Education:
Meredith holds a BA from the University of North Carolina in International Studies, an MSc from the London School of Economics in Politics and an MBA in Business Administration and Management from Cornell University.

▲ Nomination Committee
● Remuneration Committee
■ Audit and Risk Committee
○ Committee chair

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Mark Brooker

POSITION: **Independent Non-Executive**

NATIONALITY: **British**

APPOINTED: **October 2020**

▲ ●

Key skills and experience:
- Board roles, Executive and Non-Executive, in public companies
- UK and International consumer and B2B businesses
- Digital platforms

External appointments:
Currently Non-Executive Director at AA plc, Equiniti Group plc and William Hill plc. Mark was previously Chief Operating Officer of Trainline (formerly thetrainline.com) where he had responsibility for the UK and International consumer and B2B businesses, including the Marketing and Product functions. Mark joined Trainline from Betfair where he also held the role of COO.

Prior to this, Mark spent 17 years in investment banking advising UK companies on equity capital raising and M&A, latterly as a Managing Director at Morgan Stanley.

Education:
Mark holds a Master's degree in Engineering, Economics and Management from Oxford University.

Image removed

Hugo Drayton

POSITION: **Senior Independent Non-Executive**

NATIONALITY: **British**

APPOINTED: **December 2014**

▲ ◉ ■

Key skills and experience:
- Advertising and marketing, technology, customer behaviour, media, executive leadership, business development.

External appointments:
Hugo is a trustee of the British Skin Foundation and is a regular contributor to trade press and publishing conferences. He served as CEO of the advertising technology business Inskin Media from 2009-19. Prior to Inskin, he spent two years as CEO of behavioural targeting specialist, Phorm, following two years as European Managing Director of Advertising.com. He spent 10 years at The Telegraph Group, as Group Managing Director, and previously as Marketing & New Media Director. He has also chaired the British Internet Publishers' Alliance.

Education:
Hugo holds a BA in Latin American Studies & French from University College of London.

Image removed

Alan Newman

POSITION: **Independent Non-Executive**

NATIONALITY: **British**

APPOINTED: **February 2018**

▲ ▣

Key skills and experience:
- Corporate finance, accounting and audit, executive leadership, investor relations, media, telecommunications and technology, public company leadership and governance, strategy and M&A.

External appointments:
Alan is Chief Financial and Chief Operating Officer of Ebiquity plc and Chairman of the Freud Museum London. He was Chief Financial Officer of YouGov plc from 2008 to 2017 and before that was a Partner at Ernst & Young Business Advisory Services and at KPMG Consulting, where he worked mainly with clients in the media, telecommunications and technology sectors. He previously held corporate management roles at Pearson plc and MAI plc (now United Business Media).

Education:
Alan is a chartered accountant and has an MA in Modern Languages (French and Spanish) from Cambridge University.

Image removed

Rob Hattrell

POSITION: **Independent Non-Executive**

NATIONALITY: **British**

APPOINTED: **October 2018**

▲ ●

Key skills and experience:
- Digital platforms, eCommerce and online sales, retail and customer behaviour, technology, business development, executive leadership.

External appointments:
Vice President, eBay UK, where he leads one of eBay's strongest markets worldwide. Previously at Tesco, Rob was most recently responsible for the supermarket's General Merchandise business across the UK and Central Europe. He has also held the position of Partner in the global retail practice at Accenture.

Education:
Rob graduated from Oxford University with a degree in Geography.

Board activities

Focus area	Key stakeholders	Activities	Link to strategic priorities
Strategy and operations (see Strategic Report starting on page 4)	Our people Our audience Our commercial partners Our suppliers Our investors	• Applying the Board's strategic understanding of geopolitical and economic risks in international markets to the Company's challenges and opportunities. • Considering acquisitions and divestments as identified and determine appropriate course. • Monitoring the performance of the Company against agreed strategic objectives, including progress against acquisition theses.	• Diversifying our audience • Scalable platform • Continued diversification of content monetisation • Ongoing investment
Leadership, people and culture (see page 50)	Our people Our investors	• Receiving an update on employee views and engagement. • Ensuring the Company remains at the forefront of developing and embedding best practice in responsible business behaviour. • Maintaining and enhancing Future's culture and values and key policies and procedures and ensure these are rolled out to existing and acquired businesses. • Reviewing whistleblowing statistics, details of cases raised through the Speak Up provision and related independent investigations. • Continuing to monitor senior executive talent management and development plans to provide succession for all key positions.	• Ongoing investment
Finance (see Strategic Report on page 4 and Financial Review on page 54)	Our audience Our commercial partners Our suppliers Our investors	• Reviewing and approving the Group budget. • Reviewing financial Key Performance Indicators (KPIs). • Approving full year results, half year results, trading update and the Annual Report. • Reviewing the Group's dividend policy. • Reviewing the key risks to the Group and the controls in place for their mitigation. • Considering and monitoring the Group's risk appetite and principal risks and uncertainties. • Approving the viability and going concern statements. • Reviewing and approving the tax strategy.	• Scalable platform • Continued diversification of content monetisation • Ongoing investment
Governance (see page 60 of the Governance Report)	Our people Our suppliers Our investors	• Monitoring and reviewing the Company's approach to corporate governance, its key practices and its ongoing compliance with the 2018 Code. • Reviewing the results from the internal Board effectiveness evaluation. • Approving updated Committees' terms of reference. • Continuing to keep key policies updated and monitor ongoing compliance. • Receiving and considering feedback from shareholder engagement. • Reviewing and approving the Modern Slavery statement.	• Ongoing investment

Board evaluation

The Directors completed a detailed Board performance evaluation questionnaire as part of the annual performance evaluation process. Given the recent appointment of two additional Non-Executive Directors and a new Chief Financial Officer, the Board considered that an external evaluation would be more beneficial in 2021 once the newly appointed Directors are more firmly established, and that the 2020 evaluation should therefore be carried out internally.

Each questionnaire was analysed and a summary of the results and the Board's performance was presented to the Board for discussion. The Board considers this exercise to be of significant value, and focus is placed on reviewing the quality of information provided to the Board at the Board's discussions, the effectiveness of the Board, the composition of the Board, including the skillset of the various Directors, highlighting whether there are any gaps in the breadth and depth of the Board that should be addressed by the Nomination Committee as part of its succession planning, and to ensure that the Board is best placed to deliver on its strategic goals and ensure the long term sustainable success of the Company.

The Board determined that, going forwards, a performance evaluation should be carried out by an external facilitator once every three years, as required by the 2018 Code, with the first performance evaluation to be conducted by an external facilitator no later than 2021.

2019 evaluation

Objectives for 2020	Steps taken during 2020
Further diversity on Board would be welcome (especially US media and UK PLC experience).	• Appointment of Meredith Amdur and Mark Brooker.
Board to take more proactive role in succession planning and talent development at ELT level, and formalise approach to workforce engagement.	• The approach to succession planning was reviewed during the year. • The Board asked the Nomination Committee to review the talent development plans for the ELT. • The Board agreed its approach to workforce engagement (see page 45 for more information).
Review the schedule of Board and Committee meetings to allow for fuller discussions.	• The meeting schedule was reviewed and revised.
Promote opportunities for formal/technical training and ensure that regular updates are provided on technological and business developments.	• When a specific training need is identified, where appropriate, such training is delivered by the topic being included at a Board meeting so that all Directors can benefit. Alternatively, training is delivered by way of formal presentations, individual meetings and site visits in order to learn more about a particular initiative or project. • Routine paper on horizon scanning.

Summary of performance evaluation

Following an internal performance evaluation carried out in 2019, the following main objectives were identified for 2020, together with steps taken to address them.

In 2020, an internal performance evaluation was again carried out, by way of questionnaire, identifying areas of strength and weakness. The questionnaire was structured to provide direct comparison with the previous year, allowing the Board to identify improving or declining trends and monitor the effectiveness of the steps taken to address the previous year's findings. The 2020 performance evaluation, which was discussed at the September 2020 Board meeting, concluded that the Board is highly engaged with strong shareholder focus and clear alignment to vision and strategy, making for constructive and challenging debate. There is a culture of open communication, mutual trust and respect for each other's opinions and industry knowledge. The Board also agreed on the following actions for the forthcoming year:

2020 evaluation

Objectives for 2021	Steps to be taken during 2021
Utilising our skills matrix as part of our Board succession planning.	• The Board's contribution is dependent on its ability to add strategic relevance, diversity of perspective and governance expertise. The Board will continue to evolve its skills and diversity mix.
Reorganisation of our Board Committees and their remits.	• To make certain changes to membership of our Board Committees. The aim of these changes is to make the best use of Board talent.
Reviewing our stakeholder engagement mechanisms in relation to the 2018 Code.	• The interests of our stakeholders are central to the way we operate as a company. The Board will review the ways in which we engage with them to ensure that they facilitate dialogue and that the interests of our stakeholders are always considered in our decision making.
Continuing to set and monitor our corporate culture.	• The Board will continue to ensure that the policy, practices and behaviours throughout the business are aligned with the purpose, values and strategy of Future.

Nomination Committee

Members	Since
Richard Huntingford (Chair)	2017
Meredith Amdur	2020
Mark Brooker	2020 (From October 2020)
Zillah Byng-Thorne	2014
Hugo Drayton	2015
Rob Hattrell	2018
Alan Newman	2018

The Company Secretary, or nominee, acts as secretary to the Committee.

Details of individual Directors' attendance can be found on page 65.

Key objective of the Nomination Committee

The Nomination Committee supports the Board in Executive and Non-Executive succession planning. Our key objectives as a Nomination Committee are:

- To make sure the Board has individuals with the necessary range of skills and knowledge and diversity of experiences to lead the Company.
- To ensure that it is effective in discharging its responsibilities and overseeing appropriately all matters relating to corporate governance.

Key responsibilities

- Ensure succession plans are reviewed.
- Improve diversity on the Board and in the pipeline for senior management roles.
- Further strengthen the senior management team.

Key actions from 2019/20

- Board and Committee composition
- Board succession planning

Priorities for 2020/21

- Monitor Board composition for alignment of relevant skills, experience and diversity to Company strategy.
- Approve the Board Diversity Policy.
- Oversight of the ELT's development and succession planning.

Image removed

Introduction from Nomination Committee Chairman:

During the year, the Nomination Committee has continued its focus on the skillset of, and succession planning for, the Board. The Committee's first task was to complete its search for an additional Non Executive Director with relevant US media experience which led to the appointment of Meredith Amdur on 6 February 2020.

Skills matrix

During the year, the Nomination Committee again reviewed and analysed the composition of the Board and the specific skills and attributes that each Director brings to the Board. A skills matrix, aligned to the Company's strategy for long term sustainable success has been developed, and each Director assessed against it. Following this review, the Committee identified the need for an additional Non-Executive Director with public company board experience and knowledge and understanding of digital platform-based businesses. Following a search process, this led to Mark Brooker being appointed to the Board on 1 October 2020.

Succession planning

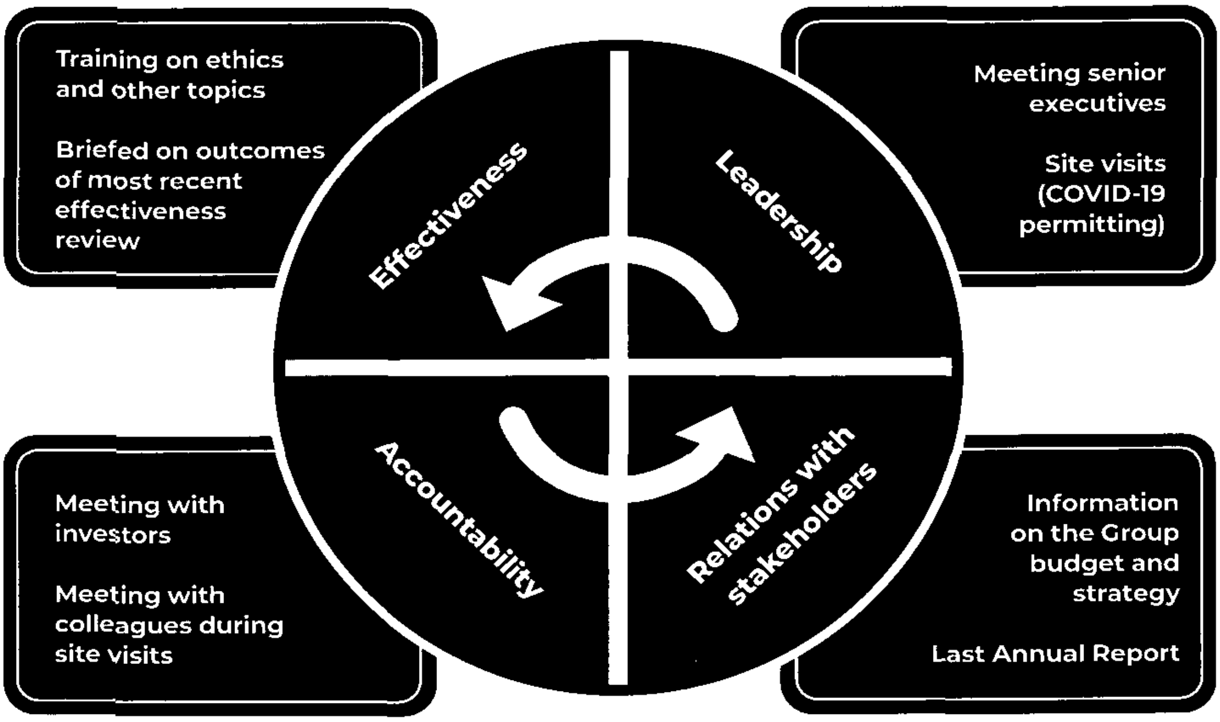
The Committee, on behalf of the Board, regularly assesses the balance of Executive and Non-Executive Directors, and the composition of the Board in terms of skills, experience, diversity and capacity.

For the appointments of Meredith Amdur and Mark Brooker, Heidrick & Struggles were appointed to lead the search for the new Non-Executive Director. Heidrick & Struggles do not have any other connection with any of the Directors, or the Company. Working with the Committee, Heidrick & Struggles developed a candidate specification and a drew up a shortlist of suitable candidates for the additional Non-Executive Director role, each of which was subject to a three stage process including interviews with all the Board members.

The Chief Executive and Executive Leadership Team (ELT) succession planning is a particular focus of the Committee. Whilst the Committee and Board hope very much that the current Chief Executive, Zillah Byng-Thorne, will continue to lead the Company for the foreseeable future, the Committee felt it would be prudent to engage an executive search firm, Russell Reynolds, to perform a desk-top review of the external Chief Executive talent pool. In addition, the Committee has continued to monitor the ELT and senior management talent pool to ensure that succession planning for business-critical roles is proactively reviewed. The Board considered the implications of the new requirements relating to the development of a diverse pipeline for succession for the Board and the ELT contained within the 2018 Code.

Director induction programme example

We have a detailed Director induction programme which all new Board members participate in.



Board diversity policy

Our objective of driving the benefits of a diverse Board, senior management team and wider workforce is underpinned by our strong culture of diversity and inclusion. The Board is developing a Diversity Policy, which is intended to be approved during 2020/21 and will be available on our website. The Policy will ensure that it remains an effective driver of diversity in its broadest sense, having due regard to gender, ethnicity, social background, skillset and breadth of experience.

Diversity and inclusion have continued to be promoted across the business with a number of initiatives, including education and capacity building, resource groups, talent acceleration and development and leveraging data and analytics to help achieve our ambitions. You can read more about the work that has been done in this area and the benefits they bring to the Group on page 51.

The Committee has focused on these areas for a number of years and will continue to consider the various diversity factors set out in the 2018 UK Corporate Governance Code (the 2018 Code) and the Hampton-Alexander and Parker Reports appropriately. We have 37% female representation on the Board. You can see more information on the gender split across the Board, senior management team and the Group as a whole on page 51.

Committee performance and effectiveness

The Committee's performance was evaluated as part of the internal effectiveness survey, as described on page 69. The review was completed by all Committee members and no issues arose.

Independence

During 2019/20, the Committee reviewed the balance of skills, experience and independence of the Board. For Non-Executive Directors independence in thought and judgement is vital to facilitating constructive and challenging debate in the boardroom and is essential to the operational effectiveness of the Future Board and its committees.

The Committee is satisfied that the external commitments of the Board's Chairman and members do not conflict with their duties as Directors of the Company.

After the year-end, the Committee also considered the Directors proposed for re-election by shareholders at the AGM. Following discussion of the skills and contribution of each Director, and in conjunction with the Board performance evaluation conducted in September 2020, the Committee supports the proposed re-election of all Directors standing for re-election (or election) at the AGM in 2021. In line with best practice, each Committee member was excluded from approving the proposal for their re-election (or election).

Richard Huntingford
Chairman

Q&A with Meredith Amdur

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What attracted you to Future?

Great executive leadership, its ambition and its fundamental platform and content assets. Future is the media company I'd always hoped would emerge - being truly technology and data driven, without de-valuing editorial and economically shrewd by building strong, non-commoditized vertical specialised niches.

What skills do you bring to the Board and why do you think they are important?

A breadth of international, industry and functional experience relevant to the unique mix of technology and editorial content for both B2B and B2C audiences. My background gives me a uniquely multi-disciplinary exposure to the growth opportunities and challenges Future faces as it continues to evolve.

What surprised you from the induction?

The unusually strong alignment among both internal and external stakeholders, whom I met as I got to know the Company. Often when you peer under the hood of a firm, you find very different perceptions of what needs to happen and by whom. The induction revealed a very coherent and consistent set of values and aspirations.

What do you think is the biggest challenge?

Sustained success creates its own risk of expectation - continuing to meet and exceed the market's ever higher bar - but also of unanticipated external market risks of what you don't see coming if you're only focused on near term operations. That's why working well ahead to manage and in fact exploit changes like the end of cookies or the importance of video is so critical. There is risk in getting too comfortable and missing the next opportunity to create entirely new solutions and lead the market. Innovation is an over-used word, but I'm a believer in remaining paranoid about being blind-sided by the next big thing.

How did COVID-19 impact your induction programme?

My onboarding had just started as the COVID-19 alarm bells started to ring so I was quickly thrust into the real time decisions required to be made by the Board and executive in how to manage the health and viability of the business, supporting management as it navigated very unsettled waters, whilst also clearing the acquisition of TI Media. I picked up my induction after the dust settled and several major earnings and integration hurdles already had been cleared. This staggering of the onboarding/induction experience provided a much more "real-time" pragmatic approach to the nature of the questions I posed and turned onboarding into more practical support.

What do you think is the biggest opportunity?

I see massive opportunities in the B2B media and data services space where content and intent data are so critical to the direct marketing formula. Future can continue to diversify and build powerful two-sided networks across the data-driven information and advertising marketspaces. With a management rigour unique among publishing companies, Future is poised to be a major information and economic media hub in North America and globally, thanks to the power of its two greatest and eminently scalable strengths: tremendous first party editorial content across a range of professional and consumer interest areas, combined with a "digital and platform first" organizing principle.

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Audit and Risk Committee

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Dear Shareholder,

On behalf of the Audit and Risk Committee, I am pleased to present its report for the year ended 30 September 2020. This report sets out how the Committee has discharged its duties in accordance with the UK Corporate Governance Code 2018 (the 2018 Code) and its key activities and findings during the year.

We have continued to discuss and challenge the assumptions and judgements made by management in the preparation of published financial information and to oversee the internal controls, including oversight of the external and internal audit processes.

The Committee has an annual work plan linked to the Group's financial reporting cycle, which ensures that it considers all matters delegated to it by the Board. In addition to its annual work plan, it reviewed the risk associated with the TI Media acquisition and considered the approach to how the internal audit should be resourced.

This year the Board undertook an internally-facilitated review of the effectiveness of the Board and Board Committees, including this Committee, in accordance with the requirements under the 2018 Code and you can read more about this on page 69.

Alan Newman
Chairman of the Audit and Risk Committee
10 December 2020

"The Audit and Risk Committee's primary objective is to provide effective financial governance"

Members	Since
Alan Newman (Chair)	2018
Meredith Amdur	2020 (From October 2020)
Hugo Drayton	2015
Rob Hattrell	2018
(retired from the Committee in September 2020)	

Key objective of the Audit and Risk Committee

- To monitor the integrity of the Group's financial reporting processes.
- To ensure that risks are carefully identified and assessed, and that sound systems of risk management and internal control are in place.

Key responsibilities

- Overseeing the accounting principles, policies and practices adopted by the Group.
- Overseeing the external financial reporting and associated announcements.
- Overseeing the appointment, independence, effectiveness and remuneration of the Group's external auditor, including the policy on the supply of non-audit services.
- Conducting a competitive tender process for the external audit when required.
- Reviewing the resourcing, plans and effectiveness of internal audit, which is independent from the Group's external auditor.
- Ensuring the adequacy and effectiveness of the internal control environment.
- Monitoring the Group's risk management processes and performance.
- Ensuring the establishment and oversight of fraud prevention arrangements and reports under the whistleblowing policy.
- Ensuring the Group's compliance with the 2018 UK Corporate Governance Code.
- Providing advice to the Board on whether the Annual Report and Accounts, when taken as a whole, is fair, balanced and understandable and provides all the necessary information for shareholders to assess the Company's performance, business model and strategy.

Key actions from 2019/20

- Reviewed and challenged the application of accounting principles, policies and practices to the annual and half year results announcements and the Annual Report.
- Worked with PwC and Deloitte to plan the transition of external auditor.
- Reviewed the effectiveness of internal audit and the Group's underlying control environment.
- Terms of reference of Committee revised to ensure compliance with the 2018 Code.

Priorities for 2020/21

- Continue to monitor legislative and regulatory changes that may impact the work of the Committee.
- Consider the impact of proposed audit industry changes.
- Consider a wider range of topics for Committee training.

Membership and meetings

During the year, the Committee met three times and met privately with the external auditor once. Details of individual Directors' attendance can be found on page 65. In addition to the Committee members, the Chief Financial Officer, the Group Finance Director, Group Financial Controller, and the external auditor attended parts of these meetings by invitation. The Chairman of the Board and Chief Executive may also attend meetings. The Company Secretary acts as Secretary to the Committee. The Chairman of the Committee holds regular meetings with the external auditors who have an opportunity to discuss matters with the Committee without management being present and also with the Chief Financial Officer (who has responsibility and custody of the internal audit function).

Meetings of the Committee are scheduled close to the end of the half and full year, as well as before the publication of the associated half and full year financial reports, so as to ensure the Committee is informed fully, and on a timely basis, on areas of significant risks and judgement.

The Committee received sufficient, reliable and timely information from management to enable it to fulfil its responsibilities.

The Board has confirmed that it is satisfied that Committee members possess an appropriate level of independence and depth of financial and commercial, including sectoral, expertise. For the financial year ended 30 September 2020, Alan Newman was the member of the Committee determined by the Board as having recent and relevant financial experience.

Going concern and viability statements

The Committee reviewed the updated wording of the Group's longer-term viability statement, set out on page 43. To do this, the Committee ensured that the model used was consistent with the approved three-year plan and that scenario and sensitivity testing aligned clearly with the principal risks of the Group. Committee members challenged the underlying assumptions used and reviewed the results of the detailed work performed. The Committee was satisfied that the analysis supporting the viability statement had been prepared on an appropriate basis. The Committee also reviewed the going concern statement, set out on page 59 and confirmed its satisfaction with the methodology, including appropriateness of sensitivity testing.

Fair, balanced and understandable

The Committee considered whether the Annual Report is 'fair, balanced and understandable', in line with the requirements of the 2018 Code. The Committee members were consulted at various stages during the drafting process and gave input to the planning process, as well as having the opportunity to review the Annual Report as a whole and discuss, prior to the November 2020 Committee meeting, any areas requiring additional clarity or better balance in the messaging.

In this respect the Committee focused on:

- a qualitative review of disclosures and a review of internal consistency throughout the Annual Report and Accounts;
- a review by the Committee of all material matters, as reported elsewhere in this Annual Report and Accounts;
- a risk-comparison review, which assesses the consistency of the presentation of risks, and significant judgements throughout the main areas of risk disclosure in this Annual Report and Accounts;
- a review of the balance of good and bad news; and
- ensuring it correctly reflects:
  - the Group's position and performance as described on pages 54 to 59;
  - the Group's business model, as described on page 21;
  - the Group's strategy, as described on pages 4 to 37.

On the basis of this work together with the views expressed by the external auditor, the Committee recommended, and in turn the Board confirmed, that it could make the required statement that the Annual Report is 'fair, balanced and understandable'.

The Committee also received regular updates from the Chief Financial Officer on provisions made for litigation and the Committee considered the appropriateness of the methodology applied.

Risk management

The Board has overall responsibility for determining the nature and extent of its principal and emerging risks and the extent of the Group's risk appetite, and for monitoring and reviewing the effectiveness of the Group's systems of risk management and internal control. Further details of the risk management objectives and process are on pages 38 to 39.

The principal risks and uncertainties facing the Company are addressed in the Strategic Report and in the table on pages 40 to 42. The Board has delegated to the Committee the responsibility for monitoring the effectiveness of the systems of risk management.

Internal control

The Board determines the objectives and broad policies of the Group and meets regularly, when a set schedule of matters which are required to be brought to it for decision is discussed. Overall management of the Group's risk appetite, its tolerance to risk and discussion of key aspects of execution of the Group's strategy remain the responsibility of the Board. The Board has delegated to the Audit and Risk Committee the responsibility for establishing a system of internal controls appropriate to the business environments in which the Group operates.

Key elements of this system include:

- A clearly defined organisation structure for monitoring the conduct and operations of the business.
- Clear delegation of authority throughout the Group, starting with the matters reserved for the Board.
- A formal process for ensuring that key risks affecting operations across the Group are identified and assessed on a regular basis, together with the controls in place to mitigate those risks. Risk consideration is embedded in decision-making processes at all levels and the most significant risks are periodically reviewed by the Board. The risk process is reviewed by the Audit and Risk Committee.
- The preparation and review of comprehensive annual budgets.
- The monthly reporting of actual results and their review against budget, forecasts and the previous year, with explanations obtained for all significant variances.
- The Finance Manual which outlines key control procedures and policies to apply throughout the Group. This includes clearly defined policies and escalating authorisation levels for all procurement activity including capital expenditure and investment.

Significant financial reporting judgements

The Committee considered the following issues relating to the financial statements during the year. These include the matters relating to risks disclosed in the external auditor's report:

Area of focus	Reporting issue	Role of the Committee
Acquisition accounting	*As outlined on page 9 in the Strategic Report, the Group has completed* a number of significant acquisitions during the year.	*At the request of the Committee the Group engaged third party valuations* experts to assist *in the preparation of the purchase price allocation exercises* for the most significant acquisitions. The Committee has reviewed detailed papers setting out the acquisition accounting undertaken, including purchase price allocations and opening balance sheet fair value assessments, (including valuation of contingent consideration where relevant) performed for the Barcroft and TI Media acquisitions, as well as the finalisation of the fair values assigned to the SmartBrief acquisition.
Carrying value of goodwill and long lived assets	The Group has goodwill and other intangibles totalling £493.6m on the balance sheet at 30 September 2020. The level of intangibles has increased significantly from the prior year due to the TI Media acquisition. IAS 36 requires an impairment test to be performed for goodwill on an annual basis or where there is an indication of impairment.	Management prepared a detailed impairment assessment, which set out the justification of continuing with the existing cash generating units ('CGUs) of UK and US in light of the TI Media acquisition and the significant expansion of the Group (for further details in respect of this judgement see page 133) This assessment concluded that no impairment was required for both the identified CGUs of the UK and US businesses at 30 September 2020. *The Committee challenged the CGUs identified* and the detailed assessment *and the assumptions made, which included:* - *Long-term growth rate to perpetuity UK: 3%, US: 3%* - EBITDA margins assumed UK: 31.0% to 40.0%, US: 26% - Discount rate (post-tax) 7.8% (both UK and US) Refer to note 12 on page 144 for further information in respect of the carrying value of goodwill and long lived assets.
The classification of exceptional items	Due to the significant acquisition-related activity a number of items (such as acquisition or related integration and restructuring costs) totalling £17.1m are considered exceptional in nature.	The Committee reviewed and challenged information provided by management explaining the nature and rationale for the inclusion of these items as exceptional and discussed them with the auditors. Refer to note 5 on page 137 for further information in respect of exceptional items.
Tax	A provision for uncertain tax positions totalling £5.6m was recognised in 2019. In the year £1.5m has been released to the income statement as particular areas of uncertainty have been resolved or reduced. An additional £0.4m has been recognised in respect of acquired uncertain tax positions. The provision recognised on the balance sheet is now £4.5m. The main risks that continue to be provided for are transfer pricing in both the US and the UK. The transfer pricing risk arises because the group has material intra-group transactions relating to the cross border licensing of platform technology and brands. This risk represents £4.1m (FY 2019: £4.3m) of the Group's total provision of £4.5m (FY 2019: £5.6m). *In the year an additional deferred tax asset of £14.2m has been* recognised as part of the TI Media acquisition accounting in respect of historic UK tax losses and unused capital allowances. As this was part of the opening balance sheet taken on from TI Media there was no impact on the income statement of the initial recognition of this asset. The Group utilised £3.6m in the year of previously recognised US tax losses for which there is a remaining deferred tax asset of £3.1m on the balance sheet as we believe that it is highly probable that these will be utilised in the foreseeable future	The Committee discussed the net release of aspects of the provision for uncertain tax positions, noting developments in the Group's transfer pricing policies and tax authority engagement in FY 2020 and the reduction in the perceived level of risk associated with aspects of the provision that had been recognised previously The Committee therefore agreed with the recommendation to reduce the level of provision after applying the measurement principles of IFRIC 23 The Committee also discussed *the recognition of a deferred tax asset in* respect of TI Media and reviewed detailed *papers prepared by management* as part of the work undertaken on acquisition accounting. These papers set out relevant technical references and included forecasts reflecting the profitability of TI Media as a standalone business. *The analysis concluded that despite a forecast continued decline in magazine revenues the TI Media business was still expected to generate significant taxable profits (before any upside synergies arising as a result of the combined business are considered) and therefore it was highly probable that the TI Media 'streamed' profits will be sufficient to utilise the level of asset* recognised in the foreseeable future. Therefore the requirements set out in IAS 12 *Income Taxes* for the recognition of losses as an asset were satisfied.
Provision for magazine returns	The Marketforce business acquired with TI Media is a print distribution business. Contracts with the newsstand wholesalers and international distributors are on a sale or return basis. The claims window for which returns are permitted can extend to as long as 12 months in respect of the export market and therefore a provision is made for estimated unsold copies where the date for submitting returns claims has not yet passed. At 30 September 2020 the Group's total provision for returns was £37.1m The provision is calculated based on the latest sales data and, where not yet available, on latest sales forecasts and market experience. The returns provision is allocated against the receivable ledger balance for each wholesaler / distributor, which is then accounted for as appropriate in the balance sheet as either a net debtor or a net creditor.	The Committee challenged the provision calculations prepared by management based on the review of relevant historic and recent returns experience and data. This demonstrated that the level of provision recognised was appropriate. *Refer to note (d) of the section Critical judgements in applying the Group's accounting policies on 133.*

Conclusion / Action taken
The Committee agreed with the judgements made by management in respect of the acquisition accounting undertaken during the year and the presentation in the Group's results for the year ended 30 September 2020. Refer to note 28 on page 159 for further information in respect of the acquisition accounting undertaken in the year.
The Committee agreed that the CGUs used in the assessment (being UK and US) continue to be appropriate, particularly in light of the level and swiftness of integration of TI Media (and historic acquisitions) onto Future's systems and platform and the interdependency of revenues across the Group, both between its brands and the Media and Magazine divisions. The Committee also agreed with management's conclusion that no impairment is required on the basis that there is significant headroom on both the UK and US goodwill and intangibles, even when reasonably possible changes are made to the underlying assumptions and inputs. The Committee and management will continue to closely monitor both the level of headroom on goodwill and other indefinite lived intangibles and whether the CGUs identified remain appropriate as the Group continues to evolve.
The Committee agreed with the conclusion that these items should be separately presented within exceptional items, given their nature and magnitude, and excluding them assists the users of the financial statements to better understand the results of the core operations of the Group.
The Committee agreed with the approach taken to release elements of the provision for uncertain tax positions that was recognised in 2019 on the basis that the risks associated with these elements of the provision are now considered to be less likely than not to crystallise. The Committee agreed with the recognition of a deferred tax asset as part of the TI Media acquisition accounting relating to losses and unused capital allowances. The Committee and management will continue to monitor the appropriateness of these judgements in FY2021 and beyond, considering the Group's activities and the effect on its tax liabilities, and developments in applicable tax legislation, accounting standards and relevant guidance, including the newly adopted IFRIC 23. See page 127 for more information in respect of the impact of IFRIC 23.
The Committee agreed with the level of returns provision recognised by management, noting that a balanced and prudent approach had been taken in respect of the level of provision recognised.

with larger capital projects, acquisitions and disposals requiring Board approval. This framework is kept under periodic review.

- A formal controls framework that defines the key controls and the specific risk that each of these key controls is designed to mitigate.
- Appropriately qualified staff in our finance, legal and human resource functions with business continuity plans to ensure that all key roles have adequate cover.
- A regular timetable of internal controls reviews that include the testing of key controls and walk-throughs of processes, reported to the Audit and Risk Committee.
- Regular formal meetings between the Chief Executive, the Chief Financial Officer and senior management to discuss strategic, operational and financial issues.

The framework of internal control has continued to operate throughout the COVID-19 pandemic.

Internal audit

Internal control reviews are conducted by the Group's central finance function which are presented to the Committee. The annual internal control review plan is approved by the Committee at the beginning of the financial year and any significant issues identified within internal control review reports are considered in detail by the Committee along with the remediation plans to resolve those issues. Progress against the plan and actions from previous internal control review papers are monitored by the Committee throughout the year. The effectiveness of the internal audit function is assessed annually by the Audit and Risk Committee.

There are a number of key financial processes that are reviewed every year covering the controls over our bank accounts, payroll and the debtors ledger. In addition to these standing reviews there were specific reviews conducted at the request of the Committee in FY 2020 relating to the revenue recognition for online advertising income and to the usage across the business of corporate credit/debit cards.

Each of the internal control review reports presented to the Committee in FY 2020 were assessed to have a moderate assurance level indicating that there were no significant weaknesses or failings in the control environment but that some improvements were required to enhance the effectiveness of the existing controls. The Committee and the Board are satisfied that these systems operate effectively in all material respects and with material weaknesses remediated in a timely fashion.

The Committee regularly considers the level of internal audit resources to ensure it is appropriate to provide the right level of assurance over the principal risks and controls throughout the Group. Following the acquisitions in FY 2020, which have further diversified revenue streams and added considerable complexity and scale to the business, the Committee has decided that the Group has reached a scale where a dedicated internal audit function is appropriate and will trial an outsourced provider to conduct internal controls reviews in FY 2021. The basic framework of conducting standing controls reviews over key financial process and specific reviews at the request of the Committee will remain in place and the outsourced internal audit provider will conduct these reviews following their appointment and report directly to the Chair of the Audit and Risk Committee.

External audit independence

The Committee is responsible for reviewing the independence of the Company's external auditor, PricewaterhouseCoopers LLP (PwC), agreeing the terms of engagement with them and the scope of their audit. PwC has a policy of partner rotation, which complies with regulatory standards, and, in addition, PwC has a structure of peer reviews for its engagements, which are aimed at ensuring that its independence is maintained.

Maintaining an independent relationship with the Company's external auditor is a critical part of assessing the effectiveness of the audit process. European Union legislation on permitted non-audit services came into effect from 17 June 2016 which introduced a permitted non-audit services fee cap for certain services of 70% of the average audit fee over a consecutive three-year period. This cap came into effect for the Group in the financial year ended 30 September 2020. The Committee has agreed the Group's policy on non-audit fees, and this was reviewed by the Committee during the year ended 30 September 2020. The Committee also regularly reviews the level of audit and non-audit fees paid to PwC. The key principles of the policy on non-audit services are:

- The Committee has approved a list of all permitted non-audit services which are allowed under UK statutory legislation and complies with the European Union Directive on audit and non-audit services. Permitted services include audit-related services such as reviews of interim financial information or any other review of financial statements required by law to be audited.
- The Audit and Risk Committee updated its policy to ensure that non-audit services listed in appendix B of the FRC's revised Ethical Standard 2019 are not offered to the external auditor.
- Any service that is on the list, if in excess of £100,000, requires the approval of the Committee.

During 2019/20, the external auditor provided services in relation to the Group's interim and year end results and Reporting Accountant services in respect of the prospectus that was prepared for the TI Media acquisition. The external auditor has also confirmed to the Committee that they did not provide any other non-audit and additional services and that they have not undertaken any work that could lead to their objectivity and independence being compromised.

The non-audit services supplied by the external auditor can be found in note 4 of the financial statements and the total fees incurred for services which must be provided within the 70% fee cap totalled £146,000. This was below the permitted fees of £150,000 (being 70% of the average audit fee for the previous three financial years), and so in compliance with the FRC's Revised Ethical Standard 2019. The non-audit services primarily relate to Reporting Accountant procedures in respect of acquisitions where a prospectus was required and in each instance the Committee considered and approved the use of the external auditor for these services. In the case of each engagement, it was considered appropriate to engage PwC for the work because of their existing knowledge and experience from prior Group engagements. The Committee discussed with, and received confirmation from, the external auditor that the audit team have not relied on any of the work performed in the Reporting Accountant roles undertaken as part of the audit and their objectivity and independence has been safeguarded.

The lead partner is rotated every five years. Katharine Finn was appointed as the lead audit engagement partner in 2018.

Assessment of audit process

The scope of the external audit is formally documented by the auditor. They discuss the draft proposal with management before it is referred to the Committee who reviews its adequacy and holds further discussions with management and the auditor before final approval.

In respect of the financial year ended 30 September 2020, the Committee assessed the performance and effectiveness of the external auditor, as well as their independence and objectivity, on the basis of meetings and a questionnaire-based internal review which was completed by the Committee members and regular attendees to the Committee. The summary of the results of the questionnaire has been reviewed by the Committee.

Audit tender and appointment

As announced last year, following a tender process, the Audit and Risk Committee recommended, and the Board agreed to recommend to shareholders, that Deloitte LLP be appointed to succeed PwC (who had held office since 1999) as the Company's auditors. However, given the high level of acquisition integration activities and the impending change in Chief Financial Officer in 2019/20, the proposed change of auditor was deferred until the year ending 30 September 2021. A resolution to appoint Deloitte LLP as auditors for the year ending 30 September 2021 is being proposed to shareholders at the Company's AGM to be held on Wednesday 10 February 2021. You can read more about this in the Notice of AGM on page 164. The Company has complied with the provisions of the Competition and Markets Authority's Order for FY 2020 in respect to audit tendering and the provision of non-audit services.

Assessment of the effectiveness of the Committee

The Committee effectiveness in respect of the year ended 30 September 2020 was evaluated as part of the internal review described on page 69. The key issues that were identified in the previous year's assessment were discussed by the Committee to ensure these were adequately addressed and the Chairman provided an update where appropriate.

Looking forward

As well as the regular cycle of matters that the Committee schedules for consideration each year, we are planning over the next 12 months to:

- Continue to monitor legislative and regulatory changes that may impact the work of the Committee.
- Consider the impact of proposed audit industry changes.
- Consider a wider range of topics for Committee training.

The Committee's report was approved by a Committee of the Board of Directors on 10 December 2020 and signed on its behalf by:

Alan Newman
Chairman of the Audit Committee
10 December 2020

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Image removed

Directors' Remuneration Report

Hugo Drayton
Chair of the Remuneration Committee

Members	**Since**
Hugo Drayton (Chair)	2015
Mark Brooker	2020 (from October 2020)
Alan Newman	2018 (retired from the Committee in September 2020)
Rob Hattrell	2018

Other Directors and executives, including Richard Huntingford (Board Chairman), Meredith Amdur (Non-Executive Director), Zillah Byng-Thorne (Chief Executive) and Claire MacLellan (Chief Operating Officer) have been, from time to time, invited to attend meetings of the Committee. The Company Secretary, or nominee, acts as secretary to the Committee. No individuals are involved in decisions relating to their own remuneration.

Details of individual Directors' attendance can be found on page 65.

Key objective of the Remuneration Committee
Our objective is to have a fair, equitable and competitive total reward package that supports our vision; and to ensure rewards are performance-based and reinforce long-term shareholder value creation.

Key responsibilities
- Designing the remuneration policy.
- Implementing the remuneration policy.
- Ensuring the competitiveness of reward.
- Designing the incentive plans.
- Setting remuneration for the Executive Directors and Board Chairman.
- Overseeing all share awards across the Group.

Key actions from 2019/20
- Engaged with shareholders around proposed Remuneration policy changes
- Terms of reference of Committee revised to ensure compliance with the 2018 Code

Key actions from 2020/21
- Ensure the Remuneration Policy is implemented to align with business strategy and culture
- Continue to monitor remuneration practice across the Company as a whole, keeping abreast of market practice

Dear Shareholder,
On behalf of the Board, I am delighted to present the Directors' Remuneration Report for the financial year ended 30 September 2020.

As in previous years, this report is split into three sections: (a) this Annual Statement; (b) the Policy Report, setting out the Group's Remuneration Policy ("Policy") for Executive and Non-Executive Directors; and (c) the Implementation Report, setting out details of Directors' remuneration for the financial years ended 30 September 2020 and ending 30 September 2021.

Performance and Reward in 2020

The COVID-19 pandemic has disrupted many people, businesses and communities in recent months, and looks set to remain a very real challenge into 2021 and beyond. Faced with such uncertainty, I would like to start this letter by recognising our brilliant employees across the globe, who have shown great agility in adapting to new ways of working, while ensuring that Future has continued to provide new routes to connect with our communities, and to reach new audiences in innovative ways. This resilience and hard work has ultimately delivered another year of stellar financial and operational performance, of which we should all be proud.

At the onset of the pandemic, Future took decisive action to ensure the business was sustainable, including the creation of virtual events and modifying the subscription distribution model to allow audiences to access content on all digital platforms. To safeguard the health and safety of our colleagues, all staff moved to work-from-home in mid-March, with increased communication and touchpoints established – including weekly CEO letters and virtual town halls, which included an increased focus on mental wellbeing – to ensure a continued strong team ethos. In response to feedback around the increased costs of home-working, the Group established a work-from-home stipend for all employees, while a hardship fund was put in place for any employees facing financial difficulty due to the pandemic.

As part of the initial cost saving measures, the Senior Management team and Board volunteered 20% reductions to their salaries and fees over the period March to May. The reduction in pay was returned to the Senior Management Team in H2 2020 while the Board agreed to forgo their loss of earnings. All TI Media employees also took tiered salary reductions based on reduced hours for a limited period. These reductions were paid back to all employees. A number of employees were furloughed across Future and TI and have since been offered the opportunity to return to work, and all temporary reductions in pay have been topped up. A small amount of Government support was received from the UK Coronavirus Job Retention Scheme and from the equivalent US Government fund by Future (and by TI Media pre-transfer), and this has been fully repaid.

Highlights from our full-year results include strong adjusted diluted EPS growth of 57% to 74.7 pence per share and an increase in adjusted operating profit of 79%, to £93.4m. This performance continues to be underpinned both by investment in our core businesses and our strategic acquisitions, to drive further growth. Following CMA approval, in April Future completed its largest acquisition to date – TI Media – with strong progress made over the remainder of the year in welcoming new colleagues, following the TUPE transfer in June, and leveraging their strong portfolio of brands. The Board is excited by the long-term prospects of the acquisition, and in particular by the potential for introducing new revenue models and further expanding the Group's reach outside the UK.

Reflecting this continued strong financial and operational performance, the Committee approved maximum bonus payments for Zillah Byng-Thorne, Penny Ladkin-Brand and Rachel Addison, with the bonuses for Penny and Rachel pro-rated to reflect their respective 8 months and 4 months on the Board in the role of Chief Financial Officer. 50% of the bonuses earned for FY 2020 will be paid in cash, and 50% will be deferred in Future plc shares for 2 years. Further details are included on page 96. A similar, full payout of the Group-wide profit pool is planned in December 2020, reflecting our strong belief that all employees should share in the outstanding performance to which they have contributed.

Performance conditions attached to PSP awards, made to Executive Directors in November 2017, were tested to 30 September 2020. Over the performance period, the Company's share price and EPS (each representing 50% of the award) significantly exceeded the targets set at grant. Accordingly, these shares vested in full in November 2020. Further details, including the value of these awards, are included on page 97.

As outlined in last year's report, Executive Directors were granted awards under the PSP on 25 November 2019 (for Rachel Addison 1 June 2020), representing 200% of salary for the CEO and 167% of salary for the CFO. These awards will vest, subject to the achievement of stretching absolute TSR and EPS growth targets (each weighted 50%), and are subject to a two-year holding period that follows the three-year vesting period. Further details are included on page 88.

The Committee is satisfied that overall pay outcomes in respect of the year ended 30 September 2020 are appropriate and reflect Future's continued exceptional financial and operational performance. The annual bonus outcome for the year reflects another strong year of profit growth, while vesting of awards granted under the PSP in November 2017 reflects strong longer-term financial, value creation for shareholders over the performance period. More broadly, the Committee is satisfied with the Group's decisive response to the COVID-19 pandemic and the impact this had on the experience of all key Future stakeholders during the year – including shareholders, employees and customers. The Committee has therefore not exercised any discretion in relation to the outcome of the variable pay schemes, or to overall remuneration levels.

AGM outcome and actions arising

You will recall that following a detailed consultation with major shareholders, we submitted our Policy to shareholders at our last AGM, receiving 83.20% of votes in favour. We were pleased that a significant majority of shareholders supported the revised arrangements, which aimed to reflect Future's extraordinary growth and our admission to a Premium Listing and the FTSE250. The current remuneration structure remains clear, simple, and appropriately aligned with the Company's strategy, risk appetite and culture. This direction and clarity will be further enhanced by a new, all-company Value Creation Plan, which is fully aligned with shareholders' interests, and benefits every employee in the business.

The Committee is pleased to report that a majority of shareholders voted in favour of the Implementation Report. Noting that overall shareholder support was below 80%, the Committee looked into the votes received and, as noted in a 19 June 2020 update, understands that the main reasons for dissent were related to actual CEO remuneration and the proposed increase in CFO remuneration for FY 2020. In respect of actual CEO remuneration, the Committee notes that these outcomes were delivered as a result of Company performance over the preceding three years, and in accordance with

CONTEXT OF THE COMMITTEE'S DECISIONS

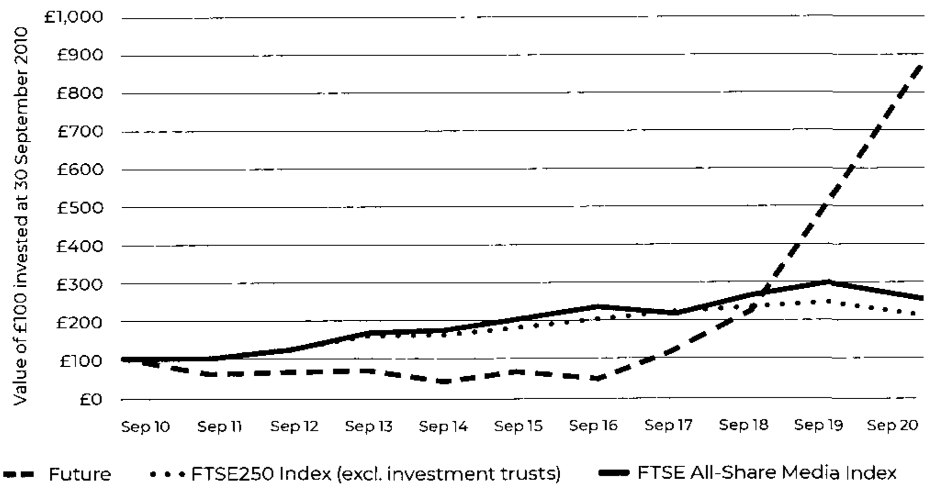
Group adjusted operating profit £93.4 million
2019 £52.2 million

Adjusted free cash flow £96.0 million
2019 £53.7 million

Adjusted diluted EPS 74.7 pence
2019 47.5 pence

Global audience 393.6 million
2019 269.2 million

Historical TSR performance
Growth in the value of a hypothetical £100 holding over the 10 years to 30 September 2020



the prevailing remuneration policy, as approved by shareholders. In respect of the CFO's remuneration, these changes are consistent with the approved Policy and reflect the need to focus and reward our critical senior talent over the next phase of the Company's development. In conclusion, the Committee considers that the main reasons for the dissenting vote against the Implementation Report are addressed by the Remuneration Policy, and that no further actions are required at this time. We continue to welcome feedback from our shareholders and, in accordance with our Terms of Reference, will continue to keep all elements of Executive Director remuneration under periodic review. Recognising the fast pace of change and continued success that Future continues to deliver and strive for, we will submit a revised Remuneration Policy for shareholder approval at the forthcoming February 2021 AGM (the rationale and details are explained below).

Board changes

As announced in October 2019, Penny Ladkin-Brand served as Chief Financial Officer through the completion of the acquisition of TI Media after which, on 1 June 2020, she stepped down from the Board and assumed the role of Chief Strategy Officer. As a continuing employee, Penny retained all interests in outstanding share incentives, which will remain subject to the original performance conditions and vesting timeframes. These awards were pro-rated to reflect her new responsibilities. Details of the adjustment are shown in the table on page 101.

Rachel Addison took on the role of Chief Financial Officer on 1 June 2020, with her remuneration arrangements in line with the prevailing Remuneration Policy and consistent with those of her predecessor, namely: a salary of £350,000; a pension contribution aligned with the majority of UK employees at 6% of salary; a maximum annual bonus opportunity of 150% of salary, which is pro-rated for time served in her first year; and eligibility for an annual award under the PSP. Rachel was granted a pro-rated award of 17,222 shares under the PSP on 1 June 2020, which will vest based on the same three-year EPS and absolute TSR targets set out in last year's report.

Finally, during the year we were also pleased to welcome two new Non-Executive Directors to the Future plc Board: Meredith Amdur, with effect from 6 February 2020; and Mark Brooker, with effect from 1 October 2020. Mark joined the Remuneration Committee from the date of his appointment. Fees paid to Meredith and Mark are in line with the fees paid to the other Non-Executive Directors, as disclosed on page 103, and in accordance with our Policy.

Looking ahead: remuneration in 2021

Future's strategy is to deliver exceptional results: on-going investment in organic growth, to cement our market leadership positions and develop lead generation revenues, has been successfully paired with targeted, value-generating acquisitions, to diversify our content offering, revenue streams and geographic reach. While the COVID-19 pandemic continues to disrupt, the Board remains confident in Future's ability to deliver further growth, through effective execution and agility in our response to the evolving media landscape.

Future's senior management and staff drive the delivery of our ambitious strategy, and therefore the Committee has considered, at length, how best to incentivise, motivate and retain Future's workforce, for the benefit of all of our stakeholders. Our aim is for colleagues to remain focused on the execution of the Group's ambitious long-term goals, and to be aligned to, and rewarded for, delivering further market leading results for our investors, while retaining expertise within the Group in the years ahead.

Reflecting the entrepreneurial and ambitious culture on which Future's recent success is based, our proposed solution is the implementation of a new Value Creation Plan (VCP), in which Future's employees – including Executive Directors - will participate and share in the value created for shareholders (above a hurdle rate of return) over the next three to five years. The value and focus of the proposed VCP is instrumental in harnessing the very best talent, in order to achieve Future's collective long-term goals.

The Committee engaged with Future's 15 largest shareholders as part of its consultation on the proposed VCP arrangements; I would like to thank those who made time to provide the valuable input which helped to shape the final design of the plan. We are confident that the plan represents the best interests of all stakeholders and further enhances our pay-performance linkage. In addition to the VCP, and building on feedback received as part of the consultation, we are proposing a number of further best practice changes to the Policy. These include: a material increase to in-post shareholding guidelines; the introduction of post-employment shareholding guidelines aligned with the Investment Association's Principles on Remuneration; and an accelerated timeframe for aligning the Chief Executive's pension contribution with the wider workforce. Full details of the proposed VCP are set out on page 103, with other changes to the Policy set out in the Policy Table on pages 86 to 87.

Other decisions in relation to 2021 remuneration

Effective 1 October 2020, the Chief Executive's salary will be increased by 21% to £575,000, the first review of her salary since 2018. This increase reflects the Committee's assessment of Zillah's individual performance in role, her leadership in delivering exceptional results for our shareholders, and more generally the increase in size, complexity and geographical spread of the Group in recent years. Further details on the background to this change are included on page 102 of this Report. The Committee observes first-hand the dedication and time that Zillah gives to her role, and strongly believes that the increase positions the resulting salary level appropriately against the market. Reflecting the level of increase, the Committee has agreed that this salary level will remain fixed for at least the next two years.

In line with our commitment in the Remuneration Policy approved by shareholders in 2020, the Chief Executive's pension benefit will be reduced to match the benefit of the wider workforce in two stages from 15% to 6% by 2022 (to 10.5% of salary in January 2021 and to 6% of salary in January 2022). The Chief Financial Officer will receive an inflationary pay rise of 1.5% in January 2021, in line with the wider workforce, whilst her pension contribution will remain at 6% of salary, in line with that available to other Future employees.

The annual bonus will operate on the same basis as last year, with maximum opportunities of 200% and 150% of salary for the CEO and CFO respectively, and performance assessed against adjusted operating profit. Subject to shareholder approval, the VCP will replace participation in the PSP for the next three years, adding new clarity and simplicity to the long-term incentives for the Executive Directors (and, indeed, our other employees).

Full details of our approach to executive remuneration in FY 2021 are included on pages 94 to 103.

Workforce pay considerations

The Committee takes an active role in monitoring pay and practices across the wider workforce, and considers this information when determining the remuneration of Executive Directors. This included the US Employee Share Plan programme which is being launched in 2021. You will see more information about this in the AGM notice on page 164, as the rules are being put to shareholders for approval. Reflecting her role in the Group's People and Culture agenda, the Chief Operating Officer, Claire MacLellan, is invited to attend Committee meetings on a regular basis to provide updates on workforce initiatives and to offer an employee perspective on the Committee's decision-making process.

This year, for the first time under the revised reporting regulations, we have disclosed ratios of CEO pay to the wider population, shown on page 99. We will monitor the headline ratios – as well as ratios of salary and pay, excluding long-term incentives – as part of our overall deliberations on future executive remuneration, and provide further commentary on this area in subsequent reports.

Finally, the Committee continues to consider and embrace equality and diversity in the workforce. Details of our gender diversity across the Group are provided on page 51, with the Committee noting a headline reduction in the median gender pay gap for 2019/20. We remain confident in the Group's long-term commitment to building a diverse, inclusive and gender-balanced workforce, through on-going initiatives such as the formation of a colleague Inclusion & Diversity forum, development of internship programmes for under-represented groups, and a partnership with Inclusive Employers, to support the delivery of a programme of training and education across the Group. We are pleased with the continued progress made in this area during the year and look forward to further development over the coming years.

Conclusion

It is a huge privilege to collaborate with the talented Executive and Non-Executive team at Future. Future's restless ambition for responsible growth continues to create an exciting corporate environment. This year's acquisition of TI Media delivers further opportunities for diversification and new success, on behalf of Future's shareholders, and all its stakeholders.

I would like to thank Future's shareholders, many of whom I have engaged with this year; above all I would like to pay tribute to the whole Future workforce, for the positive, caring and creative way they have faced the multiple challenges of this unprecedented year. The scene is set for further growth and success.

Hugo Drayton
Chair of the Remuneration Committee
10 December 2020

Remuneration at a glance

This table sets out a summary of how the remuneration policy will apply during FY 2021:

Remuneration element	Application of the remuneration policy
Base salary See page 102 for more details	The Chief Executive's salary will increase by 21% on 1 October 2020, fixed for a period of two years. The Chief Financial Officer will receive an inflationary pay rise of 1.5%, in line with the wider workforce, in January 2021. • Chief Executive £575,000 • Chief Financial Officer £355,250 Future annual inflationary pay rises for Executive Directors are in line with the wider workforce.
Pensions and benefits See page 102 for more details	In line with our commitment in the Remuneration Policy approved by shareholders at the AGM in 2020, the Chief Executive's pension benefit will be reduced to match the benefit of the wider workforce. The current (15% of salary) benefit will reduce to 6% in two stages by January 2022. There is no change to the Chief Financial Officer's pension or benefits. • Chief Executive 15% of salary, reducing to 10.5% in January 2021 • Chief Financial Officer 6% of salary (in line with the wider workforce)
Annual bonus See page 103 for more details	No changes to maximum award levels of: • Chief Executive - 200% of salary • Chief Financial Officer - 150% of salary Bonus to be paid: 50% in cash in November 2021; and 50% in Future shares, deferred for two years. The performance measures for FY 2021 are based solely on adjusted operating profit, adjusting for any material acquisitions, as required.
Value Creation Plan See page 103 for more details	New Plan, replacing the PSP, subject to shareholder approval: One-off award of units rewarding employees with a percentage of any shareholder value created over the next three to five years, above a hurdle rate of return of 10% per annum. Units vest based on value created in terms of £ Total Shareholder Return (TSR) and are converted to Future shares. For Executive Directors, vested shares shall be required to be held until the fifth anniversary of the date of grant.
Performance Share Plan See page 103 for more details	Subject to approval of the VCP, no further awards will be made to existing Executive Directors under the PSP over the life of this Policy.

2020 outcomes

Performance Measure	Threshold[3] £m	Target[3] £m	Maximum[3] £m	Actual	% weighting	% of maximum achieved
Annual Bonus						
EBITDA	65.9	67.6	76.0	101.9	100%	100%
Overall						**100%**
PSP[1]						
Adjusted EPS	23.0p	-	26.0p	74.7p	50%	100%
Share price	400p	-	450p	1,505p[2]	50%	100%
Overall						**100%**

1 Representing 100% of LTIP awards granted in November 2017, vesting of which was dependent on adjusted EPS and share price performance to 30 September 2020. See page 97 for further details.
2 Based on the average share price for any 90 day period from the date of the grant of the award up to and including the last day of FY 2020.
3 Awards vest on a straight-line basis between threshold, target and maximum performance. For threshold performance, 25% of the maximum award vests for the annual bonus and PSP respectively. Adjustments are made to targets for material acquisitions, being those that contribute EBITDA of more than 15% of the total Group's EBITDA for the relevant financial year. Acquisitions in the year did not meet this threshold, therefore no adjustment to targets was made (however, if an adjustment had been made then the bonus would still have paid out in full, due to the level of performance in the year).

This report has been prepared in accordance with the provisions of the Companies Act 2006, and Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended). It also meets the requirements of the UK Listing Authority's Listing Rules and the Disclosure and Transparency Rules.

In accordance with the Regulations, the following sections of the Remuneration Report are subject to audit: the single total figure of remuneration for Directors and accompanying notes (page 95); Scheme interests awarded during the financial year (page 97); Payments to past directors (page 100); Payments for loss of office (page 100); and the statement of directors' shareholdings and share interests (page 100). The remaining sections of the report are not subject to audit.

The Committee is seeking shareholder approval for a new remuneration policy at the 2021 AGM. The principal changes compared to the previously approved policy are identified in the relevant sections below and relate primarily to the introduction of a new Value Creation Plan (VCP) as well as a number of best practice features.

Directors' Remuneration Policy

The Group aims to balance the need to attract, retain and motivate Executive Directors and other senior executives of an appropriate calibre, with the need to be cost effective, while at the same time rewarding exceptional performance. The Committee has designed a remuneration policy that balances those factors, taking account of prevailing best practice, investor expectations and the level of remuneration and pay awards made generally to employees of the Group.

In determining the level and make-up of Executive Directors' remuneration, the Committee carefully considers the following principles:

- Remuneration packages offered to Executive Directors should be competitive with those available for comparable roles in high-growth companies and companies operating in similar markets, on a similar scale and with a similar culture to Future. They should be sufficiently competitive to attract, retain and motivate high calibre Directors to perform at the highest levels, while at the same time ensuring that recruitment and remuneration expenditure is not excessive and that remuneration does not encourage excessive risk-taking.
- The interests of Executive Directors should be aligned with those of shareholders by ensuring that a significant proportion of remuneration is linked to Group performance.
- Remuneration packages and employment conditions of Executive Directors should be considered in conjunction with both those of key senior managers (keeping succession planning in mind) and all employees in the Group, in order to achieve a consistent remuneration policy across the Group.
- The Committee should retain overarching discretion to adjust performance-related elements of remuneration, to ensure alignment of pay with performance, and that there is no reward for failure – whether financial or operational.
- Executive Director remuneration should support the strategy, values and culture of the Group. Pay should be simple and easy to understand, with all aspects clear and openly communicated to stakeholders and in alignment with pay philosophies across the Group.

The 2018 UK Corporate Governance Code sets out principles against which the Committee should determine the Policy for executives. A summary of the principles and how the revised Remuneration Policy reflects these is set out below.

Principle	Approach
Clarity Remuneration arrangements should be transparent and promote effective engagement with shareholders and the workforce.	The Committee operates a consistent remuneration approach that is well-understood internally and externally. Major shareholders were consulted on proposed revisions to the Policy.
Simplicity Remuneration structures should avoid complexity, and their rationale and operation should be easy to understand.	Although the VCP is not common market practice, the Committee believes that the structure of the scheme is simple, providing participants with a share of value created above an absolute TSR hurdle. Other elements of remuneration are market-standard.
Risk Remuneration arrangements should ensure reputational and other risks from excessive rewards, and behavioural risks that can arise from target-based incentive plans, are identified and mitigated.	Each year, incentive targets will be set which the Committee believes are stretching and achievable within the risk-appetite set by the Board. The Committee retains discretion to override formulaic incentive outcomes in the event that this would produce a result inconsistent with the Company's remuneration principles. All variable incentives incorporate malus and clawback. These provisions allow the Committee to reduce the outcomes, potentially down to zero, in cases of material financial misstatement, calculation error, fraud or gross misconduct. The Committee believes that these triggers are appropriately wide-ranging and has worked to ensure they are enforceable.
Predictability The range of possible values of rewards to individual Directors and any other limits or discretions should be identified and explained at the time of approving the policy.	The Committee maintains clear caps on incentive opportunities and will use its available discretion if necessary. The proposed VCP includes an aggregate cap for all participants for each tranche.
Proportionality The link between individual awards, the delivery of strategy and the long-term performance of the Company should be clear. Outcomes should not reward poor performance.	The Committee ensures performance metrics are clearly aligned with the Group's strategy each year, maintaining an appropriate balance between base pay, short and long-term incentive opportunities. Targets are set to be stretching but achievable, within the Board's risk appetite.
Alignment to culture Incentive schemes should drive behaviours consistent with Company purpose, values and strategy.	Incentive schemes are periodically reviewed by the Committee to ensure they remain consistent with the Group's purpose, values and strategy. The proposed VCP is an all-employee scheme, which reflects the entrepreneurial and ambitious culture of the Group, and provides Future's employees with the opportunity to share in the value created for shareholders over the next three to five years.

This section of the report sets out the policy for Executive Directors, which the Company is asking shareholders to approve at the February 2021 AGM. It is intended that the revised policy will come into effect from that date, for a period of no more than three years.

Notes to the Policy table
For the avoidance of doubt, in approving this Directors' Remuneration Policy, authority is given to the Company to honour any commitments entered into with current or former Directors under a previous Policy (such as the vesting or exercise of past share awards).

Element	Operation	Objective & link to strategy
Basic annual salary	Basic annual salary is paid in 12 equal monthly instalments during the year and is reviewed annually. When assessing the level of basic annual salary, the Committee takes into account performance, market conditions, remuneration of equivalent roles within comparable companies, the size and scale of the business and pay in the Group as a whole.	To recruit, retain and motivate individuals of high calibre, and reflect the skills, experience and contribution of the relevant Director.
Benefits	Current benefits available to Executive Directors are car allowance, permanent health insurance, healthcare and life assurance. Additional benefits may be offered if deemed appropriate.	To ensure broad competitiveness with market practice.
Pension	The Company shall make a contribution up to a maximum percentage of basic annual salary.	To ensure alignment with the wider workforce and broad competitiveness with market practice.
All-employee share plans	The Company operates a Share Incentive Plan ("SIP") in the UK which qualifies for tax benefits. The Committee retains discretion to allow Executive Directors to participate in the SIP on the same terms as other employees.	To encourage share ownership by employees and align their interests with those of the shareholders.
Performance-related bonus	Targets are set annually by the Committee, based on: (i) financial performance against budget and, at the Committee's discretion, (ii) individual subjective performance targets which are determined for each Executive Director. The Committee retains discretion to set the financial targets based on the performance during the previous financial year and the budget for the forthcoming year, and performance of the individual against their specific subjective performance targets. *50% of any performance-related bonus earned will be delivered by way of a deferred share award, which will vest two years after the award date.* *A payment equal to the value of dividends, which would have accrued on deferred awards, may be made following the release of awards to participants, either in the form of cash or as additional shares. Payments and awards in relation to the performance-related bonus are subject to malus and clawback provisions, further details of which are included as a note to the policy table.*	Designed to reward delivery of shareholder value and implementation of the Group's strategy.
Value Creation Plan (VCP)	One-off award of units rewarding Future employees (including Executive Directors) with a percentage of additional shareholder value created over the next three to five years, above a hurdle. Units vest based on value created in terms of £ Total Shareholder Return (TSR) and are converted to Future shares. The VCP comprises three equal tranches, based on performance measured over three periods, from 1 October 2020 to: 30 September 2023; 30 September 2024; and 30 September 2025. For Executive Directors, any shares that vest will be required to be held until the fifth anniversary of grant at the earliest. Awards under the VCP are subject to malus and clawback provisions, further details of which are included as a note to the policy table. **Subject to shareholder approval of the VCP, no further awards will be granted under the long-term share-based incentive (PSP) to current Executive Directors during the life of this Policy. Details of the PSP, under which there are a number of awards outstanding, are included below, for the purpose of transparency. In the event that a new Executive Director is appointed joins when the performance period(s) of the VCP is materially completed, the Committee reserves the right to make an award under the PSP on the terms set out in the Policy table, instead of under the VCP – see approach to recruitment remuneration section on page 91.**	Designed to align the interests of Future employees and shareholders, by incentivising the delivery of exceptional shareholder returns over the long-term.
Long-term share-based incentive (PSP)	Annual awards of conditional shares or nil-cost options to Executive Directors. *The scheme rules allow the Committee discretion to change the performance targets and the Committee shall be entitled to exercise its discretion to change performance criteria to the extent that it reflects market practice and/or the Committee considers alternative performance targets to be more appropriate to the business.* A payment equal to the value of dividends, which would have accrued on vested awards, may be made following the release of awards to participants, either in the form of cash or as additional shares. Awards under the PSP are subject to malus and clawback provisions, further details of which are included as a note to the policy table.	*Designed to reward delivery of shareholder value in the medium-to-long term.*

Max. potential value	Performance measures	Policy changes for FY 2021
Salary increases shall generally reflect market conditions, performance of the individual, new challenges or a new strategic direction for the business. There may be occasions when the Committee needs to recognise circumstances including, but not limited to: an individual's development in the role, a change in the responsibility and/or complexity of the role. In these circumstances, the Committee may award a higher annual increase than the average for the workforce, the rationale for which will be explained to shareholders in the Annual Report on Remuneration.	Not applicable.	None
The Company shall continue to provide benefits to Executive Directors at similar levels; where insurance cover is provided by the Company, that cover shall be maintained at a similar level and the Company shall pay the prevailing market rates for such cover.	Not applicable.	None
Total cost annually shall not exceed 15% of basic annual salary. Pension contributions for the Chief Executive will be aligned with the broader workforce rate by 1 January 2022. For Directors appointed from 1 October 2019, the maximum contribution will be aligned to that offered to the majority of employees in the relevant jurisdiction at the time of appointment (currently 6% in the UK).	Not applicable.	None
The maximum participation levels for all-employee share plans will be the limits set out in UK tax legislation.	Not applicable.	None
For both the Chief Executive and Chief Financial Officer the Committee retains discretion to vary the potential total maximum bonus, the weighting of the variable elements and the stretch of the targets in order to incentivise or recruit Executive Directors, provided that the total maximum potential bonus for any one year shall not exceed 200% of basic annual salary and that the maximum bonus shall only be payable for outperformance of stretching targets. Target performance will typically deliver up to 50% of maximum bonus, with threshold performance typically paying up to 25% of maximum bonus.	The performance measures' relative weightings and targets are set annually by the Committee. Details of the measures and their relative weightings are disclosed annually in the Directors' remuneration report with the targets disclosed, provided they are not deemed to be commercially sensitive. The Committee retains discretion to adjust the targets if events occur which lead it to conclude that they are no longer appropriate. The Committee also retains discretion to adjust the outcome of the performance-related bonus for any performance measure if it considers that to be appropriate.	None
To the extent that performance exceeds the hurdle on a measurement date, participants share 3.33% of the shareholder value created above the hurdle, subject to an overall cap of £95m per tranche. Total units awarded will be 980,000 per tranche of which the CEO's allocation is 140,000 per tranche and the CFO's allocation is 63,000 per tranche. The remaining units will be allocated to Future's employees, with a small pool reserved for future hires and promotions.	Units vest based on value created in terms of £ TSR, being the growth in Future's market capitalisation plus net equity cashflows to shareholders (i.e. dividends plus share buybacks, less share issues), over and above a hurdle rate of return of 10% per annum. Future's starting market capitalisation is based on the spot closing price of a share on 30 September 2020. Value created at each measurement date will be calculated with reference to the average closing return index over the three months ending on that date. To the extent that performance does not exceed the hurdle on a measurement date, the relevant tranche will lapse in full, immediately. There will be no re-testing allowed. The ultimate release of any shares will be subject to the Committee satisfying itself that the recorded outcome is a fair reflection of the underlying business performance over the period.	New Plan and policy element which will replace the PSP for current Executive Directors, subject to shareholder approval.
Awards expressed as a fixed number of shares, worth up to 200% of salary (or such lower level as determined by the Committee) for the first cycle, and fixed at that number for the following two cycles. Whilst the intention is to review the number of shares awarded only every three years, the Committee would nevertheless reduce the number of shares granted if the implied % of salary due to be awarded would exceed 2x the initial grant values. The overall cap is therefore 400% of salary.	Performance targets are set annually by the Committee and disclosed annually in the Directors' remuneration report, provided they are not deemed to be commercially sensitive. At the end of the three-year performance period, the Committee will assess performance against the targets set and determine, in its absolute discretion, the overall level of vesting of the award. Under each measure, threshold performance will generally result in up to 25% of maximum vesting for that element. Awards are subject to a mandatory two-year holding period following the end of a three-year vesting period.	No change. However, subject to shareholder approval for the VCP, no further awards will be granted under the PSP to current Executive Directors during the life of this Policy.

Performance measure selection and approach to target setting

Measures used under the performance-related bonus are selected annually to reflect the Group's main short-term objectives and can reflect both financial and non-financial priorities, as appropriate.

The Committee considers that adjusted operating profit (previously EBITDA) is an important and recognised measure of the Company's performance that reinforces the strategic objective of profitable growth. The use of £ TSR in the new VCP is directly aligned with the interests of shareholders, and ensures that Executive Directors are rewarded only if they deliver material shareholder returns over the longer-term. More generally, the focus on absolute performance measures reflects the Company's unique business structure and lack of direct competitors, which would make comparisons (and therefore target setting) difficult.

Targets applying to the performance-related bonus are reviewed annually, based on a number of internal and external reference points. Performance targets are set to be stretching but achievable, with regard to the particular strategic priorities and the economic environment in a given year. Targets are typically not disclosed in advance due to commercial sensitivity but will typically be retrospectively disclosed in full, following the year-end, to the extent that such commercial sensitivity concerns no longer apply.

Targets applying to the VCP are disclosed prospectively in the table above. The hurdle rate of 10% per annum is considered to be between median and upper quartile, compared to the historical returns of FTSE250 constituents, with capping of the scheme requiring performance significantly above upper decile performance.

Remuneration for other employees

All employees of the Group receive a basic annual salary, benefits, pension and annual bonus (subject to financial performance). The maximum value of remuneration packages is based on the seniority and responsibilities of the relevant role. A key feature of the new VCP is that a much broader group of employees (in comparison to the PSP) will be awarded units under the plan to enable them to share in the value created for shareholders above a stretching hurdle, supporting alignment not only with the interests of shareholders, but also alignment of interests across the employee population.

Shareholding guidelines

The Committee strongly believes in aligning the interests of Executive Directors and shareholders. Shareholding guidelines were formalised in 2018, which require Executive Directors to acquire and maintain a holding of Future shares (excluding shares that remain subject to performance conditions), within five years of appointment. Reflecting feedback received from shareholders as part of the most recent consultation, the shareholding guideline will be increased with effect from 2021 to 400% of salary in respect of the Chief Executive and to 300% of salary in respect of the Chief Financial Officer (previously 200% of salary for both Executive Directors). Details of the Executive Directors' current shareholdings are provided in the Implementation Report on page 100.

Also building on feedback received as part of our shareholder consultation programme, the Committee has reconsidered the introduction of post-employment guidelines. It is our intention that from 2021, Executive Directors will normally be expected to maintain a holding of Future shares for a period after their employment with the Company. This shareholding guideline will be equal to the lower of an Executive Directors' actual shareholding at the time of their departure and the shareholding requirement in effect at the date of their departure, with such shares to be held for a period of at least two years from the date of ceasing to be an Executive Director. The specific application of this shareholding guideline will be at the Committee's discretion.

Malus and clawback

Payments and awards under the performance-related bonus, PSP and VCP are subject to malus and clawback provisions, which can be applied to both vested and unvested awards. Malus and clawback provisions will apply for a period of at least two years after payment or vesting. Circumstances in which malus and clawback may be applied include a material misstatement of the Company's financial accounts, fraud or gross misconduct on the part of the award-holder or an error in calculating the award vesting outcome.

Participants in the performance-related bonus, PSP and VCP are required to acknowledge their understanding and acceptance of the malus and clawback provisions as a pre-condition to participating in these plans. The Committee is satisfied that the malus and clawback provisions are appropriate and enforceable.

Pay for performance scenarios

The charts below provide an illustration of the potential future reward opportunities for the Chief Executive and Chief Financial Officer, and the potential split between the different elements of remuneration under three different performance scenarios: 'Minimum', 'Target', 'Maximum.

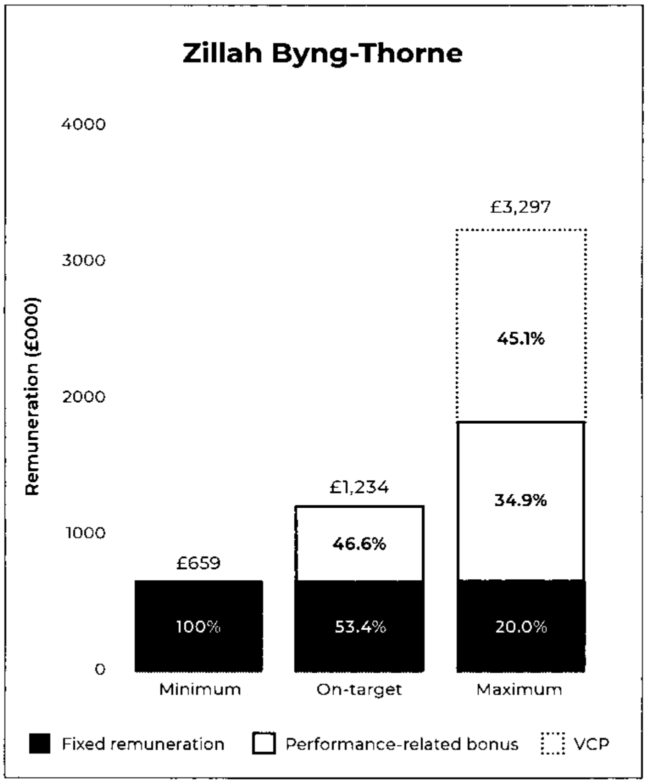
Potential reward opportunities are based on Future's remuneration policy, applied to the base salary effective 1 October 2020. The performance-related bonus is based on the maximum opportunities set out under the remuneration policy for normal circumstances. Note that VCP awards will vest in tranches after three, four and five years (and are thereafter subject to a holding period, bringing the total time to release to five years from grant). As the VCP is intended to replace the PSP for at least the next three years, the values shown reflect the aggregate value of the VCP amortised over three years.

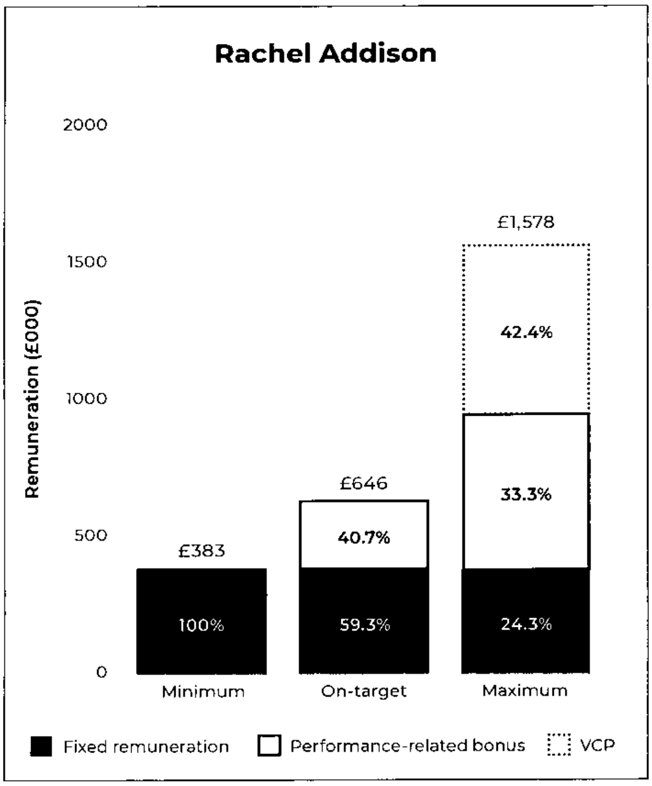
The 'Minimum' scenario reflects base salary, pension and benefits (i.e. fixed remuneration) which are the only elements of the Executive's remuneration packages not linked to performance.

The 'Target' scenario reflects fixed remuneration as above, plus performance-related bonus payout of 50% of maximum. No VCP value is shown for this scenario, reflecting the stretching £ TSR hurdle rate of 10% per annum - which is higher than the threshold absolute TSR target applying to previous PSP awards (and achievement of which would result in £nil payout under the VCP).

The 'Maximum' scenario includes fixed remuneration and full payout of the performance-related bonus. The value of the VCP shown is based on an accounting fair value assessment as at 1 October 2020, with the resulting value amortised over three years.

The Companies (Miscellaneous Reporting) Regulations 2018 require a fourth scenario, showing the value at maximum assuming share price growth of 50% for the purpose of long-term incentive awards. We have chosen not to illustrate this scenario above since the value of the VCP is dependent on share price growth above a hurdle of 10% per annum. 50% share price growth over the maximum five-year performance period equates to c.8.4% per annum growth and would generate no value to participants under this scheme.





FY 2021 remuneration assumptions

Executive Director	Salary	Pension	Benefits	Maximum performance-related bonus	Amortised fair value VCP valuation
Zillah Byng-Thorne	£575,000	11.6%[1]	£17,000	200%	£1,487,971
Rachel Addison	£350,000	6.0%	£12,000	150%	£669,587

[1] Zillah Byng-Thorne's pension is based on 15% of salary for 3 months and 10.5% of salary for 9 months of the financial year.

Policy table for Non-Executive Directors

Non-Executive Directors are not eligible to participate in any performance-related bonus, share incentive schemes or pension arrangements. Details of the policy on fees paid to Non-Executive Directors are set out in the table below:

Element	Operation	Objective & link to strategy	Max. potential value	Performance measures	Policy changes for FY21
Fees	Non-Executive Directors' fees are reviewed annually and paid in 12 monthly instalments. In addition to the base fee, additional fees are payable for acting as Senior Independent Director and as Chair of any of the Board's Committees. In the event that the Board requires the formation of an additional Board Committee, fees for the Chair (and where relevant, membership) of such Committee will be determined by the Board at the time. The fees paid to the Chairman are determined by the Committee, whilst the fees of the Non-Executive Directors are determined by the Board. Expenses incurred by the Chairman and the Non-Executive Directors in the performance of their duties (including taxable travel and accommodation benefits) may be reimbursed or paid for directly by the Company, as appropriate.	To attract and retain high calibre Non-Executive Directors with broad commercial and other experience relevant to the Company, and reflect the time commitment and responsibilities of these roles.	Non-Executive Director fee increases are applied in line with the outcome of the annual fee review and would normally be aligned with the increase awarded to the workforce. Fees for the year under review and for the following year are set out in the Implementation Report on page 103. Aggregate fees paid to Non-Executive Directors are subject to the limits set out in the Articles of Association.	Not applicable.	None.

Approach to recruitment remuneration

External Executive Director appointment

In line with our principles on remuneration, the Committee's objective at the time of an appointment to a new role is to weight Executive Directors' remuneration packages towards performance-related pay that is linked to targets set for the financial performance of the Group against budget, and the Group's performance against its business objectives and stated strategy.

Any new Executive Director's remuneration package would include the same elements as those of the existing Executive Directors, as shown below:

Element of remuneration	Approach	Maximum % of salary
Salary	The base salaries of new appointees will be determined by reference to relevant market data, experience and skills of the individual, internal relativities and their current basic salary. The Committee may approve a higher basic annual salary for a newly appointed Director than the outgoing Director received where it considers it necessary in order to recruit an individual of sufficient calibre for the role. Alternatively, where new appointees have initial basic salaries set below market-level, any shortfall may be managed with phased increases over a period of up to three years subject to the individual's development in the role.	n/a
Benefits	New appointees will be eligible to receive benefits which may include (but are not limited to) the provision of a car allowance, permanent health insurance, healthcare and life assurance. If the Director is required to relocate then the policy is to provide reasonable, time-limited relocation, travel and subsistence payments at the discretion of the Committee. New appointees will also be eligible to participate in all-employee share schemes, where relevant.	n/a
Pension	New appointees will receive company pension contributions or an equivalent cash supplement aligned to that offered to the majority of employees in the relevant jurisdiction at the time of appointment.	n/a
Performance-related bonus	The structure described in the Policy table will apply to new appointees with the relevant maximum being pro-rated to reflect the proportion of employment over the year. If used, individual targets will be tailored to the executive.	200%
Share incentive schemes	The VCP is intended to be the primary long-term incentive arrangement under the new Policy. New appointees will typically receive awards on the same terms as other executives, as described in the Policy table, taking into account the proportion of the performance period remaining and the level of shareholder value already created under the scheme. In the event that a new appointee joins when the performance period(s) of the VCP is materially completed, the Committee reserves the right instead to make an award under the PSP on the terms set out in the Policy table.	VCP: Individual limit of 140,000 units per tranche, subject to aggregate plan limit of 980,000 units per tranche PSP: Fixed number of shares, with a face value of up to 400% of salary (where used)

In determining an appropriate remuneration package, the Remuneration Committee will take into consideration all relevant factors (including quantum, nature of remuneration and the jurisdiction from which the candidate was recruited) to ensure that arrangements are in the best interests of both the Company and its shareholders.

The Committee may make an award in respect of a new appointment to buy out incentive arrangements forfeited on leaving a previous employer on a like-for-like basis, which may be awarded in addition to the remuneration structure outlined in the table above. In doing so, the Committee will consider relevant factors including time remaining until vesting, any performance conditions attached to these awards and the likelihood of such conditions being met. Any such buy-out awards would typically be made under the existing performance-related bonus and PSP schemes, although in exceptional circumstances the Committee may use the exemption permitted within the Listing Rules. Any buy-out awards would have a fair value no higher than that of the awards forfeited.

Internal Executive Director appointment

In cases of appointing a new Executive Director by way of internal promotion, the Remuneration Committee and Board will be consistent with the policy for external appointees detailed above. Where an individual has contractual commitments made prior to their promotion to Executive Director level, the Company will continue to honour these arrangements.

Non-Executive Directors

In recruiting a new Non-Executive Director, the Remuneration Committee will use the policy as set out in the table on page 90.

Service contracts and loss of office payments

Copies of Directors' service agreements and letters of appointment are available for inspection on request at the Company's registered office.

Executive Directors

In summary, the contractual provisions for current Executive Directors are as follows:

Contract provision	Policy	Details
Notice periods	Director or Company shall be entitled to serve 6 months' notice (in Rachel Addison's case) or 12 months' notice (in Zillah Byng-Thorne's case).	A Director may be required to work during their notice period or be put on garden leave.
Compensation for loss of office	Director shall be entitled to receive up to 6 months' salary (in Rachel Addison's case) or 12 months' salary (in Zillah Byng-Thorne's case) and benefits during any unexpired notice period.	While service agreements allow for monthly payments during the notice period which are subject to mitigation, the Committee retains discretion to make payments in such manner as is deemed appropriate, particularly by reference to the circumstances of the loss of office.
Change of control	In the event of a change of control, a Director's appointment may be terminated within three months of the change of control by the Company, or on one month's notice by the Director (to expire no later than three months from the date of the change of control).	In the event of termination by either the Director or the Company, the Director will be entitled to receive 6 months' salary.

In a leaver event, the following payments may also be made to departing Executive Directors:

1. Any share-based entitlements granted to an Executive Director under Company share plans will be determined based on the relevant plan rules. In certain prescribed circumstances, such as death, ill-health, injury, disability, redundancy, retirement or other circumstances at the discretion of the Committee, 'good leaver' status may be applied. Under the PSP and VCP, for good leavers, awards will normally be reduced pro-rata to reflect the proportion of the vesting period actually served and tested for performance at the end of the original performance period. Vested PSP and VCP awards which are subject to an additional holding period will typically be retained and released at the end of the holding period, with Committee discretion to accelerate the release of such awards in certain good leaver or change of control circumstances. Deferred bonus shares will normally be retained by the Executive Director and released in full following completion of the applicable deferral period, with Committee discretion to accelerate the vesting of awards in certain good leaver or change of control circumstances;

2. A bonus may be payable for the period of active service in certain prescribed good leaver circumstances and in other circumstances at the discretion of the Committee and subject to the achievement of the relevant performance targets;

3. At the discretion of the Remuneration Committee, a contribution to reasonable outplacement costs in the event of termination of employment due to redundancy. The Committee also retains the ability to reimburse reasonable legal costs incurred in connection with a termination of employment; and

4. Any payment for statutory entitlements or to settle or compromise claims in connection with a termination of any existing or future Executive Director as necessary.

Non-Executive Directors

Contract provision	Policy	Details
Notice periods	Three months' notice from either Company or Director.	Appointed for a three-year term, subject to annual re-election by shareholders at the Company's AGM.

External appointments

Executive Directors are encouraged to hold a Non-Executive role in addition to their full-time position in order to broaden their experience, and may retain any fees received in respect of such roles. All appointments must first be agreed by the Committee and must not represent a conflict to their current role. In the case of Zillah Byng-Thorne, it was agreed at the time of her appointment that she could hold three Non-Executive roles in addition to her position as Chief Executive. Zillah Byng-Thorne has agreed not to replace any of her Non-Executive positions as they time mature. In the case of Rachel Addison, the Committee has agreed that she may hold up to two Non-Executive roles in order to gain further experience to support her first PLC Board role.

In respect of positions at listed companies, during the financial year ended 30 September 2020, Zillah Byng-Thorne served as a Non-Executive Director at Flutter Entertainment plc, GoCo Group plc and THG Holdings plc for which she retained total fees of £206,830 (compared to £177,000 in 2019). Penny Ladkin-Brand is a non-executive director of Next 15 Communications Group plc for which, during the period from 1 October 2019 to 1 June 2020, she retained fees of £29,800. Rachel Addison does not currently hold any outside directorships.

Consideration of conditions elsewhere in the Company

The Committee takes into consideration the pay and conditions of employees across the Group when determining remuneration for Executive Directors, although currently does not formally consult with employees on the executive remuneration policy and framework. The Committee and the full Board is made aware of, and consulted on, the Company's Human Resources strategy and takes seriously its obligation to have a greater degree of oversight on the operation of fair pay policies elsewhere in the Group.

All employees receive a basic annual salary, benefits and an entitlement to receive a bonus, subject to financial performance, under the Group's profit pool bonus scheme. Discretionary share incentive awards are granted to certain key employees and 'rising stars' under the PSP and DABS schemes, and the Group operates a Share Incentive Plan in order to encourage active employee share ownership.

Subject to shareholder approval, the Value Creation Plan will offer employees of the Group the opportunity to benefit from the value created by their efforts in delivering Future's ambitious strategy over the next three to five years. Under the scheme, employees will receive a number of units based on seniority, with a small pool reserved for future joiners, and for significant promotions during the performance period.

Consideration of shareholder views

The Remuneration Committee considers shareholder feedback received as part of any discussions with shareholders and consults with shareholders on specific matters as and when appropriate.

As part of its work during 2020, the Remuneration Committee consulted with Future's 15 largest shareholders to seek their views on the proposed changes to the Remuneration Policy, as well as remuneration at Future more broadly. The Committee is grateful for those investors who actively participated in the consultation and we welcome the feedback received, which has been used to finalise the VCP proposals and to inform other best-practice changes to the Policy. We are confident that the Policy continues to reflect good practice while also supporting Future in attracting, retaining and motivating the Executive Directors and dedicated employees who are integral to the delivery of our long-term strategy. The Committee will continue to monitor trends and developments in corporate governance and market practice to ensure the structure of the executive remuneration remains appropriate.

Annual Report On Remuneration

The following report provides details of how the Directors' Remuneration Policy was applied for the year ended 30 September 2020 and how the Committee intends to apply the Policy in the year ending 30 September 2021.

Governance

The Committee is responsible for determining the overall remuneration policy of the Group, and in particular for:

- Determining the appropriate basic annual salaries, incentive arrangements and terms of employment of Executive Directors.
- Monitoring and reviewing the level and make-up of the remuneration packages of senior managers, including bonus schemes and share-based incentives, and ensuring that remuneration policies and practices do not encourage excessive risk-taking.
- Setting the Chairman's remuneration.
- Approving the terms of any new share-based incentive scheme for any employees of the Group, subject, where appropriate, to shareholder approval.

The terms of reference of the Remuneration Committee, reviewed annually, are available on the Company's website (www.futureplc.com).

Advisers

The Committee is informed of key developments and best practice in the field of remuneration and obtains advice from independent external consultants, when required, on individual remuneration packages and executive remuneration practices in general. The Committee retained Mercer as its independent consultants during the year. Fees paid to Mercer for services provided to the Committee during the financial year were £27,900 (2019: £45,890) on the basis of time and materials. Following their appointment as remuneration consultants during 2019, services provided to the Committee by Mercer have included supporting the review of the Remuneration Policy, regulatory guidance, advice on shareholder trends and consultation support.

Mercer does not provide any other services to the Group or any of the Directors and the Committee is satisfied that Mercer remains independent. Mercer is a signatory to, and founding member of, the Remuneration Consultants' Code of Conduct (www.remunerationconsultantsgroup.com) which requires that its advice be objective and impartial.

Shareholder voting

The following table shows the results of the binding vote on the FY 2019 Policy Report and the advisory vote on the FY 2019 Implementation Report at the 2020 Annual General Meeting:

	Remuneration Report FY 2019	Remuneration Policy FY 2019
For (including discretionary)	58,254,355 75.09%	64,571,026 83.20%
Against	19,324,119 24.91%	13,039,300 16.80%
Total votes cast (excluding withheld votes)	77,578,474	77,610,326
Votes withheld	5,149,500	5,117,648

The Company published a statement on its website on 19 June 2020 noting its understanding that the main reasons for the voting outcome in relation to the FY 2019 Remuneration Report were related to the CEO's remuneration, and the percentage increase in CFO remuneration. The Board acknowledges these views, noting that these outcomes were delivered as a result of Company performance over the preceding three years, and in accordance with the prevailing Remuneration Policy, as approved by shareholders.

The Committee continues to monitor evolving best practice on remuneration matters, and welcomes dialogue with shareholders on an ongoing basis.

Context to remuneration decisions

The Committee's decision-making this year has taken into account a range of internal and external factors, including the Group's response to COVID-19 and the experience of our stakeholders during this period.

As outlined in the Annual Statement, Future took decisive action early on during the pandemic to ensure the business was sustainable and set up for success. The business has acted in line with the s172 governance guidelines while continuing to deliver exceptional results for shareholders. In particular, the Committee has also been mindful that:

- Although a small amount of Government support was received from the Coronavirus Job Retention Scheme by Future (and by

TI Media before it was acquired by Future) and from the equivalent US Government fund this has been repaid in full.

- No staff had pay cuts (they were all refunded) with only the Chief Executive & Non-Executive Directors having a year-on-year pay reduction in the reporting period.
- Shareholder guidance was maintained throughout the period, and two upgrades provided.
- Dividends were maintained.
- Leverage decreased during the period.
- Staff will be paid full profit pool bonus for the year, and annual pay rises for all employees are being budgeted as normal.
- We provided extended credit to suppliers when requested.
- While we removed c.200 roles as a result of the TI Media integration, this was not COVID-19 related but as a direct result of the acquisition. Around 50 roles were removed due to the impact of the change to our business model because of COVID-19, however we expect to have net increased headcount due to online editorial investments.

Single figure of remuneration for Directors (audited)

The table below sets out a single figure for the total remuneration received for the last two financial years by each Executive and Non-Executive Director who served in the year ended 30 September 2020:

£'000	Year ended 30 September	(A) Basic salary or fees[8]	(B) Taxable benefits[1]	(C) Annual bonus[3]	(D) PSP[4]	(E) Pension benefit[2]	Total single figure	(A+B+E) Total fixed	(C+D) Total variable
Executive Directors									
Zillah Byng-Thorne	**2020**	**455**	**17**	**950**	**2,195**	**68**	**3,685**	**540**	**3,145**
	2019	475	17	713	4,402	71	5,678	563	5,115
Penny Ladkin-Brand[5]	**2020**	**249**	**10**	**350**	**1,509**	**33**	**2,151**	**292**	**1,859**
	2019	325	15	344	3,144	41	3,869	381	3,488
Rachel Addison[6]	**2020**	**117**	**4**	**175**	-	**9**	**305**	**130**	**175**
	2019	-	-	-	-	-	-	-	-
Non-Executive Directors									
Richard Huntingford	**2020**	**142**	-	-	-	-	**142**	**142**	-
	2019	120	-	-	-	-	120	120	-
Meredith Amdur[7]	**2020**	**36**	-	-	-	-	**36**	**36**	-
	2019	-	-	-	-	-	-	-	-
Hugo Drayton	**2020**	**63**	-	-	-	-	**63**	**63**	-
	2019	53	-	-	-	-	53	53	-
Rob Hattrell	**2020**	**46**	-	-	-	-	**46**	**46**	-
	2019	45	-	-	-	-	45	45	-
Alan Newman	**2020**	**53**	-	-	-	-	**53**	**53**	-
	2019	50	-	-	-	-	50	50	-
Total	**2020**	**1,161**	**31**	**1,475**	**3,704**	**110**	**6,481**	**1,302**	**5,179**
	2019	1,068	32	1,057	7,546	112	9,815	1,212	8,603

Notes.

1. Benefits for Executive Directors comprise principally car allowance, private health insurance and life assurance. There were no taxable expenses paid to any Director in the year.
2. Zillah Byng-Thorne, Penny Ladkin-Brand and Rachel Addison received cash supplements in lieu of pension contributions. These additional cash payments are not included in determining their entitlement to any bonus, share-based incentive or pension entitlement.
3. Relates to payment for performance during the year and includes the grant date value of any amount paid in shares under the Deferred Annual Bonus Scheme. Details relating to the Annual Bonus are set out on page 96.
4. The PSP figures are consistent with the approach taken in previous reports, i e awards are captured in the year that performance periods have ended (see page 97 for further details). 2020 figure: relates to 100% of the PSP awards granted on 25 November 2017 which vested on 25 November 2020 following the achievement of the share price target and adjusted EPS target for the three-year period ended 30 September 2020 The value of these awards has been calculated using the spot closing price on vest date of 1,634p. Further details relating to the PSP are set out on page 97. 2019 figure: relates to 25% of the PSP awards granted on 23 November 2016 and 2 February 2017 which vested on 23 November 2019, following the achievement of the share price target for the period ended 30 September 2019. The value of these awards has been calculated using the share price at date of vest on 23 November 2019 of 1,414p.
5. Penny Ladkin-Brand stepped down from the Board on 1 June 2020. Penny's remuneration for 2019 and 2020 was higher than her annualised package. In 2019 Penny was on maternity leave for two and a half months of the year, and the 2019 figure above includes accrued holiday pay (paid to her on her return in 2019) as well as a maternity leave/return to work payment in 2019 and 2020 in line with the Group's maternity policy
6. Rachel Addison was appointed to the Board as Chief Financial Officer on 1 June 2020. Her remuneration arrangements are in line with the prevailing Remuneration Policy and consistent with those of her predecessor, namely: a salary of £350,000; a pension contribution aligned with the majority of UK employees at 6% of salary; a maximum annual bonus opportunity of 150% of salary, which is pro-rated for time served on the Board in her first year, and eligibility for an annual award under the PSP. Rachel was granted a pro-rated award of 17,222 shares under the PSP on 1 June 2020.
7. Meredith Amdur was appointed to the Board on 6 February 2020 and is US-based. During FY 2020 Meredith received US$48,000 as remuneration (Sterling equivalent shown in the table above).
8. The CEO, CFO and Non-Executive Director salaries and fees were reduced by 20% in March (half of month), April and May 2020 due to the COVID-19 pandemic. The amounts waived were as follows: Zillah Byng-Thorne £20,218; Penny Ladkin-Brand £14,897, Richard Huntingford £5,108; Meredith Amdur $2,000; Hugo Drayton £1,915; Rob Hattrell £1,915, and Alan Newman £1,915.

Incentive outcomes for the year ended 30 September 2020

Performance-related bonus (Annual Bonus Scheme)

During 2020, the Company operated a profit pool bonus for all employees across the Group, including the Executive Directors. This profit pool comprised 100% of the Executive Director bonus opportunity for FY 2020, and was subject to outperformance of the EBITDA budget set. EBITDA refers to adjusted earnings before interest, tax, depreciation and amortisation.

Maximum opportunities were 200% of salary for the Chief Executive and 150% of salary for the Chief Financial Officer. The profit pool pays out a fixed amount of cash for the majority of employees based on delivering EBITDA performance above Budget. In addition to the profit pool component, which accounts for 25% of the Chief Executive's bonus opportunity (worth 50% of salary), a further opportunity to earn an additional 150% of salary as a bonus is possible. The same profit pool scheme applies to the Chief Financial Officer, with an additional 100% of salary payable as a bonus for outperformance above this level.

Actual adjusted EBITDA performance for the year of £101.9m significantly exceeded the stretch target of £76.0m (which was 39% growth on the prior year), resulting in a formulaic outcome of 134% of maximum for this element. Adjustments can be made to targets for material acquisitions, defined as those that contribute EBITDA of more than 15% of the total Group's EBITDA for the relevant financial year. Acquisitions in the year did not meet this threshold, therefore no adjustment to targets was made. The Committee would note, however, that if an adjustment had been made then the bonus would still have paid out in full due to the level of over-performance in the year.

Performance measure	Threshold £m	Target £m	Maximum £m	Actual £m	% weighting	% of maximum achieved
Annual bonus						
EBITDA	65.9	67.6	76.0	101.9	100%	100%
Overall						**100%**

Accordingly, all Executive Directors earned 100% of their respective opportunities under the annual bonus for the year. The annual bonus payments for Penny Ladkin-Brand as outgoing Chief Financial Officer, and for Rachel Addison as incoming Chief Financial Officer, were pro-rated to reflect their respective periods in role (8 months and 4 months). In confirming this outcome, the Committee took into account the broader financial and operational performance of the Group during the year, the exceptional shareholder returns generated, and the strong and effective leadership demonstrated by the Executive Directors.

In accordance with the Remuneration Policy, 50% of these bonus amounts have been paid in cash, with the remaining 50% to be converted to Future shares and deferred for 2 years.

Executive	Base Salary	Maximum opportunity (% salary)	Performance outcome (% of maximum)	Pro-rating (% of year served)	Bonus outcome £	...of which cash £	...of which shares
Zillah Byng-Thorne	£475,000	200%	100%	100%	£950,000	£475,000	£475,000
Penny Ladkin-Brand	£350,000	150%	100%	66.7%	£350,000	£175,000	£175,000
Rachel Addison	£350,000	150%	100%	33.3%	£175,000	£87,500	£87,500

Performance Share Plan (PSP)

Awards vesting on performance to 30 September 2020

Vesting of awards made on 24 November 2017 was dependent on two equally-weighted performance conditions – adjusted diluted EPS and share price – assessed over the performance period, as follows:

Measure	Targets	Outcome	Vesting
EPS for year ended 30 September 2020	0% vesting below 23p 25% vesting for 23p 100% vesting for 26p Straight-line vesting between these points	74.7p	100%
Share Price (average share price performance for any 90-day period from the date of grant to 30 September 2020)	0% vesting below 400p 25% vesting for 400p 100% vesting for 450p Straight-line vesting between these points	1,505p	100%

As with the annual bonus, in confirming this outcome the Committee took into account the broader financial and operational performance of the Group over the three-year performance period, the exceptional returns generated for shareholders and the strong and effective leadership demonstrated by the Executive Directors. Notwithstanding that Future's actual performance significantly exceeded the level required for maximum vesting, the Committee is satisfied that the targets originally set were appropriately stretching, with 450p representing c.170% growth on the trailing 30-day average share price to 1 October 2017, and adjusted EPS maximum target of 26.0p representing a 12% increase on 30 September 2017 EPS of 23.2p.

Executive	Shares subject to award	Performance outcome (% of maximum)	Share price on vesting (spot closing price on vest date)	PSP outcome
Zillah Byng-Thorne	134,345	100%	1,634p	£2,195,197
Penny Ladkin-Brand	92,363	100%	1,634p	£1,509,211

The value attributable to share price appreciation above the share price at the date of grant (325p) was c.£1.8m and c.£1.2m for Zillah Byng-Thorne and Penny Ladkin-Brand respectively (c.80% of the total value reported). The Committee has not exercised any discretion in respect of this share price appreciation.

Awards granted during the year to 30 September 2020

During FY 2020, the following awards under the PSP were granted to the Executive Directors:

Executive Director	Date of award	Face value (% of salary)	Number of shares[1]	Vesting date
Zillah Byng-Thorne	25 Nov 2019	200% of salary	67,185	25 Nov 2022
Penny Ladkin-Brand	25 Nov 2019	167% of salary	41,337[2]	25 Nov 2022
Rachel Addison	1 Jun 2020	167% of salary	17,222	31 May 2023

1 Awards converted into shares using the share price preceding the relevant grant date (£14.14 for awards made to Zillah Byng-Thorne, Penny Ladkin-Brand and Rachel Addison with Rachel's award pro-rated for her time as CFO).
2 The award made to Penny Ladkin-Brand was subsequently pro-rated for her time as CFO and reduced to 27,654 shares.

The three-year period over which performance will be measured began on 1 October 2019 and will end on 30 September 2022. Any awards vesting for performance will be subject to an additional two-year holding period, during which malus and clawback provisions will apply.

Vesting of these awards is dependent on two equally-weighted measures over the three-year performance period: adjusted diluted earnings per share (EPS) and absolute TSR. There is no retest provision. Details of the vesting schedules are provided below:

Measure	Weighting %	Targets
EPS for year ending 30 September 2022	50%	0% vesting below 56p 25% vesting for 56p (7% CAGR) 50% vesting for 62p (10% CAGR) 100% vesting for 71p or above (16% CAGR) Straight-line vesting between these points
Absolute TSR (% growth between the average of the three months to 30 September 2019 and average of the three months to 30 September 2022)	50%	0% vesting below 6% per annum 25% vesting for 6% per annum 100% vesting for 15% per annum Straight-line vesting between these points

The performance targets were set reflecting the increase in maximum opportunity under the PSP to 200% and 167% of salary for the Chief Executive and Chief Financial Officer respectively, and consistent with our commitment that full vesting will require continued exceptional performance over the next three years.

Awards granted under the DABS during the year were disclosed in last year's report.

Pension entitlements (audited)

The only element of remuneration that is pensionable is basic annual salary. During the year ended 30 September 2020, employer's pension contributions were payable to the Executive Directors as a salary supplement, at a rate of 15% of salary for the Chief Executive and Penny Ladkin-Brand and 6% of salary for Rachel Addison (aligned with the majority of UK employees, as set out in the FY 2020 Remuneration Policy). This additional cash payment is not included in determining their entitlement to any performance-related bonus, share-based incentive or pension. The Company had no liability in respect of the Executive Directors' pensions as at 30 September 2020. Normal retirement age under the scheme rules is 75.

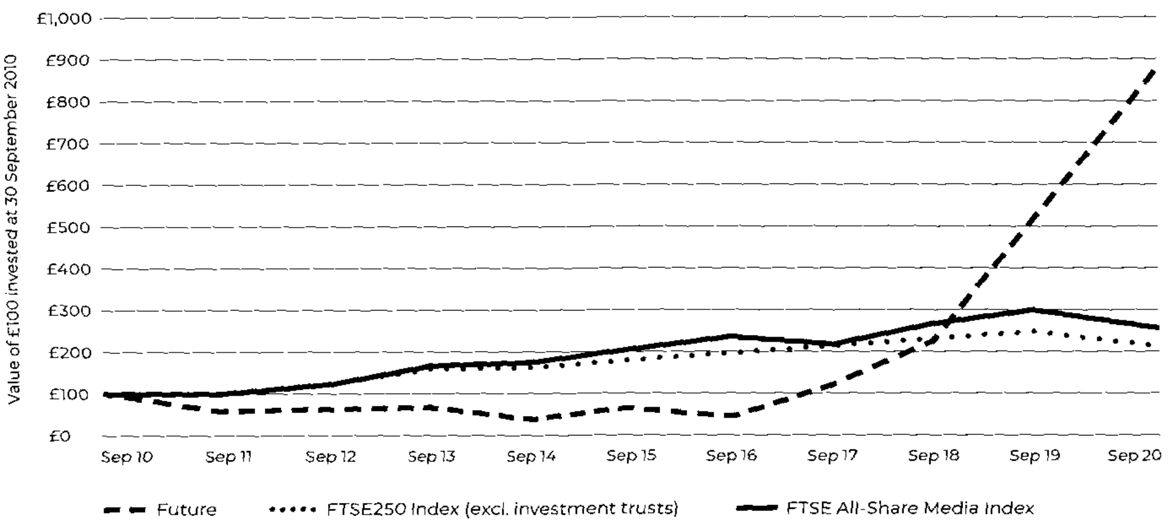
Review of past performance

Alignment of reward and Total Shareholder Return: Rebased to Future plc as of 1 October 2010

This graph shows a comparison of Future's total shareholder return (share price growth plus dividends) with that of the FTSE All-Share Media Index and the FTSE250 Index (excluding investment trusts). The FTSE All-Share Media Index was selected as it provides a comparison of Future's performance relative to the other companies in its sector, whilst the FTSE250 Index is shown to reflect the Group having moved up to a Premium Listing and its inclusion in the FTSE250 index during 2019.

Historical TSR performance

Growth in the value of a hypothetical £100 holding over the 10 years to 30 September 2020



The table below shows the Chief Executive's single figure of remuneration and variable pay outcomes over the same period as the graph above.

	Stevie Spring	Mark Wood		Zillah Byng-Thorne						
Year	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**
CEO single figure of remuneration £'000	£546	£430	£331	£306[4]	£471	£347	£5,425[7]	£10,881[7]	£5,678	£3,685
Annual Bonus as % of Maximum	0%	50%	0%	20%	36%	0%[5]	88%[6]	100%	100%	100%
PSP Vesting (% of maximum)	100%[1]	0%[2]	0%[2]	0%[3]	0%[3]	0%[3]	100%	100%	100%	100%

Notes:

1. This represents the second tranche of a deferred bonus share award, which was not subject to performance criteria. The PSP award granted in December 2007 lapsed in December 2010.
2. The first awards granted to Mark Wood under the PSP were granted in January 2012 and lapsed on 18 January 2015, since the relevant performance criteria were not met.
3. The first awards granted to Zillah Byng-Thorne under the PSP were granted in December 2013 and lapsed on 16 December 2016, as the relevant performance criteria were not met.
4. The single figure for Zillah Byng-Thorne for 2014 includes five months of her Chief Financial Officer salary and six months of her salary as Chief Executive.
5. Zillah Byng-Thorne waived her performance-related bonus for 2016.
6. *Zillah Byng-Thorne received a transaction bonus of £350,000 following the successful completion of the Imagine acquisition in October 2016. The right to a performance-related* bonus was waived in 2016 as a result of this transaction bonus being paid. The 88% in the table reflects the combination of this transaction bonus, the profit pool bonus which was awarded as a result of EBITDA performance achieved for 2017 and the further bonus of 50% of current salary (to be satisfied in shares that must be held for at least one year) for the achievement of 2017 target EBITDA.
7. Figures restated to reflect the share price at date of vest for PSP awards granted in November 2016 and February 2017.

Director[1]	Basic salary/fee[2]	Taxable benefits	Bonus[3]
Executive Directors			
Zillah Byng-Thorne	(4)%	0%	33%
Rachel Addison	n/a	n/a	n/a
Non-Executive Directors			
Richard Huntingford	18%	n/a	n/a
Meredith Amdur	n/a	n/a	n/a
Hugo Drayton	21%[4]	n/a	n/a
Rob Hattrell	3%	n/a	n/a
Alan Newman	6%	n/a	n/a
Former Directors			
Penny Ladkin-Brand (annualised)[5]	17%	0%	53%
All employees[6]	(1)%	3%	0%

Notes:
1 Changes in Directors and roles during the 2019/20 financial year were as follows:
- Penny Ladkin-Brand stepped down from the Board on 1 June 2020
- Rachel Addison was appointed to the Board as Chief Financial Officer on 1 June 2020.
- Meredith Amdur was appointed to the Board on 6 February 2020

2 Salary/fees for FY 2020 reflect the voluntary temporary reductions of 20% in March (half of month), April and May 2020
3 The figures shown are reflective of any bonus earned during the respective financial year. Non-Executive Directors are not eligible to participate in the bonus scheme.
4 The increase for Hugo Drayton reflects the increased base fee (from £45,000 to £55,000, the increased fee for serving as the Senior Independent Director (from £7,500 to £10,000) and the increased fee for serving as the Chair of the Remuneration Committee (from £5,000 to £10,000) as disclosed in the Directors' Report on Remuneration for the year ended 30 September 2019.
5 Penny Ladkin-Brand's salary, taxable benefits and bonus have been annualised, to reflect the remuneration she would have received if she had remained as Chief Financial Officer until 30 September 2020, to aid comparability with prior year.
6 The decrease in all-employee remuneration is due to a change in geographic mix of the employee population along with differing contractual terms within TI Media, along with a higher proportion of employees now being based in the UK rather than the US.

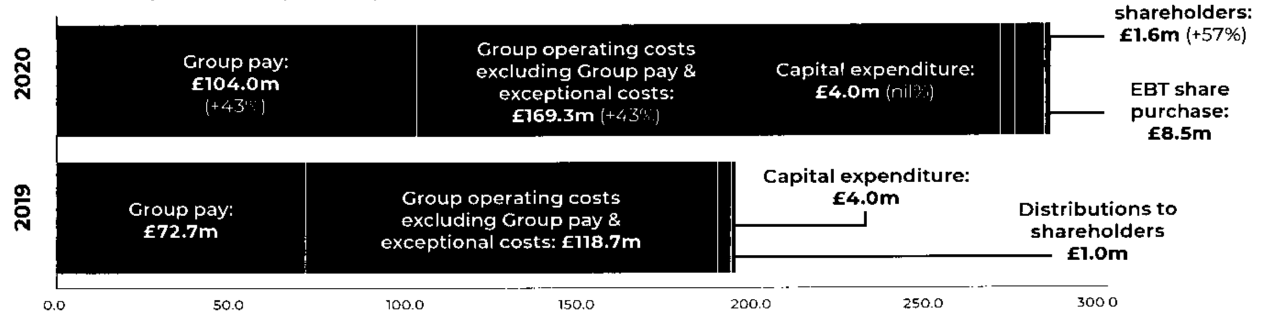
Percentage change in remuneration of Directors and employees

The Committee has previously monitored year-on-year changes between the movement in salary, benefits and annual bonus for the CEO between the current and previous financial year compared with that of employees. As required under the revised reporting regulations, this analysis has now been expanded to cover each Executive Director and Non-Executive Director and will be built up over time to display a five-year history.

The analysis is based on the average earnings per employee in order to avoid distortions to the Group's total wage bill because of the movements in the number of employees. The comparator group used is all Future employees.

Relative importance of spend on pay

The relative importance of spend on pay for the business is shown in the table below.



The table above shows the actual expenditure of the Group, and change between the current and previous years, on remuneration paid to all employees compared to the total operating costs for the Group excluding exceptional costs and remuneration, investment in capital expenditure, EBT share purchase, and distributions to shareholders. These are considered to be the areas of material outgoings for the Group relating to core performance. Note that the Group expects cost synergies on the acquisition of TI Media of £20m per annum (see page 10 for further details).

Figures are derived from the Group's consolidated financial statements. Distribution to shareholders figures in the table relate to the dividends paid (or payable) for the FY 2019 and FY 2020 financial years being, respectively, (i) the 1.0p final dividend for the FY 2019 financial year paid in February 2020; and (ii) the 1.6p final dividend proposed for the FY 2020 financial year, payable in February 2021. The dividend figure of £1.6m in the chart above is based on the issued share capital of 98.0m at 30 September 2020.

CEO pay ratio

UK reporting regulations require companies with 250 employees or more to publish information on the pay ratio of the Group CEO to UK employees. In line with this requirement, the table below shows the ratio of CEO total pay to that of three employees indicative of lower quartile (P25), median (P50) and upper quartile (P75) pay received during the financial year ended 30 September 2020 and includes basic salary, benefits, pension contributions (for CEO figure), and the value received from incentive plans. On average the Future plc Group employed 1,196 UK employees during the financial year ended 30 September 2020.

Financial year	Calculation methodology	Lower quartile (P25)	Median (P50)	Upper quartile (P75)
2020	Option B	107:1	84:1	66:1

The Committee has opted to use data already available from the gender pay reporting as the basis for identifying employees at P25, P50 and P75 ('Option B'). This excludes pension. We believe this provides a reasonable estimate for employees' pay at these levels within the organisation.

Individuals positioned at each quartile were identified using the most recent gender pay gap data from 5 April 2020. Total full-time equivalent remuneration for each of these individuals was then calculated on the same basis as used in the single figure table for the Chief Executive. All figures are total amounts paid to full-time employees covering the whole

2020 financial year. Total compensation figures have been checked to ensure the employees identified are representative of pay at these levels in the organisation. The data points are reflective of our Company structure and types of roles across the organisation and accordingly the Committee believes the median pay ratio for 2020 is consistent with the pay, reward and progression policies for the Company's UK employees taken as a whole.

A summary of the salaries and total single figures of remuneration for the relevant individuals is included in the table below:

Pay level	Chief Executive	Lower quartile (P25)	Median (P50)	Upper quartile (P75)
Salary	£455,032	£25,000	£31,919	£40,765
Single figure of remuneration	£3,685,445	£34,457	£43,992	£56,165

Payments to past Directors (audited)

Former Chief Financial Officer - Penny Ladkin-Brand

Penny stepped down as CFO and from the Board of Directors on 1 June 2020. Penny remains an employee of Future, in her new role as Chief Strategy Officer (CSO). As Group CSO, Penny's remuneration is determined in line with the policy that applies to other Executive Committee members. Penny retains an interest in the PSP awards granted to her in connection with her former role as CFO (albeit the award levels were reduced with her agreement to reflect her new role). See pages 102 for details of the DABS award in the year and page 97 for details of the PSP awarded and pro-rated during the year.

Payments for loss of office (audited)

During the financial year to 30 September 2020 no payments were made to Directors in respect of loss of office.

Statement of Directors' shareholding and share interests (audited)

The Company has a policy on share ownership by Executive Directors which requires that any such Director should accumulate a holding in shares over a five-year period from appointment where the value of those shares represents at least two times salary. Zillah Byng-Thorne currently meets this requirement, as did Penny Ladkin-Brand prior to stepping down from the Board on 1 June 2020. Rachel Addison, who was appointed to the Board on 1 June 2020, does not yet meet this requirement. Subject to the approval of the new Remuneration Policy, this shareholding requirement will increase from 200% to 400% of salary in respect of the Chief Executive and from 200% to 300% of salary in respect of the Chief Financial Officer with effect from the 2021 AGM.

In respect of Zillah Byng-Thorne, the relevant five-year period commenced on 1 November 2013 and ended on 31 October 2018. As at 30 September 2020, Zillah Byng-Thorne had a holding of 269,569 shares which, at the share price on the same date, were worth £5,235,030 (1,102% of salary).

In respect of Penny Ladkin-Brand, the period commenced on 3 August 2015 and would have ended on 2 August 2020. As at 1 June 2020, the date upon which she stepped down from the Board, Penny Ladkin-Brand had a holding of 188,262 shares which, at the share price on the same date, were worth £2,454,936 (701% of salary).

In respect of Rachel Addison, the period commenced on 1 June 2020, the date upon which she joined the Board. As at 30 September 2020, Rachel Addison held no shares in the Company. Following the year end Rachel Addison purchased 2,798 shares on 2 December 2020 at a share price of £17.74.

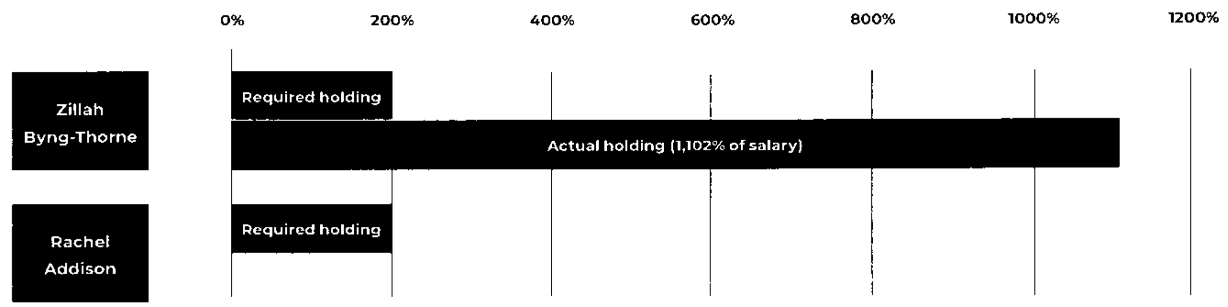
Directors' shareholdings (audited)

Directors in office at 30 September 2020	Balance as at 30 September 2019[1]	Purchases during the year	Share scheme exercises during the year	Sales during the year	Balance as at 30 September 2020[1]
Executive[2]					
Zillah Byng-Thorne[3]	247,205	22,364	1,045,344	(1,045,344)	269,569
Rachel Addison[4]	-	-	-	-	-
Non-Executive					
Richard Huntingford	24,500	-	-	-	24,500
Alan Newman	8,750	-	-	-	8,750
Hugo Drayton[6]	-	-	-	-	-
Rob Hattrell	-	-	-	-	-
Meredith Amdur[5]	-	-	-	-	-
Total	**280,455**	**22,364**	**1,045,344**	**(1,045,344)**	**302,819**

Notes:

1. All holdings are beneficial.
2. *Details of the share options and awards for Executive Directors are set out on page 101. No such options or awards are granted to Non-Executive Directors.*
3. On 26 November 2019, following the full vesting of the PSP award granted on 23 November 2016 and 2 February 2017, Zillah Byng-Thorne received 1,045,344 Ordinary shares. Zillah Byng-Thorne sold 1,045,344 Ordinary shares on 26 November 2019 at a price of £14.00 per Ordinary share, and purchased 11,962 Ordinary shares at a price of £12.54 per share on 3 December 2019 and a further 8,387 Ordinary shares at a price of £11.84 per Ordinary share on 7 February 2020. Max Thorne (husband of Zillah Byng-Thorne) purchased 1,250 Ordinary shares at a price of £15.1895 per Ordinary share on 26 November 2019, and a further 765 Ordinary shares at a price of £11.73 per Ordinary share on 7 February 2020.
   Following the year end Zillah Byng-Thorne purchased 4,835 shares on 30 November 2020 at a share price of £16.80, and Max Thorne purchased 1,180 shares on the same date at a share price of £16.84.
4. Rachel Addison was appointed to the Board on 1 June 2020. Following the year end Rachel Addison purchased 2,798 shares on 2 December 2020 at a price of £17.74.
5. *Meredith Amdur was appointed to the Board on 6 February 2020. Following the year end* Meredith Amdur purchased 385 shares on 2 December 2020 at a price of £18.07.
6. Following the year end Hugo Drayton purchased 2,376 shares on 30 November 2020 at a share price of £16.75.
7. Mark Brooker, who was appointed to the Board after the year end, purchased 1,500 shares on 1 December 2020 at a share price of £17.46.

Executive Director shareholdings



Directors' interests in share schemes (audited)

Details of options and other share incentives held by Executive Directors and movements during the year are set out in the tables below.

PSP

Director	Date of grant	Earliest exercise date	Expiry date	Exercise price per share (p)	Balance at 1 Oct 2019[1]	Granted during the year[3]	Lapsed during the year	Vested and exercised during the year[4]	Balance at 30 Sept 2020
Zillah Byng-Thorne	23 Nov 16	23 Nov 19	23 Nov 26	Nil	622,672	-	-	(622,672)[5]	-
	02 Feb 17	23 Nov 19	02 Feb 27	Nil	622,672	-	-	(422,672)[5]	200,000
	24 Nov 17	24 Nov 20[7]	24 Nov 27	Nil	134,345	-	-	-	134,345
	23 Nov 18	22 Nov 21[2]	23 Nov 28	Nil	196,687	-	-	-	196,687
	25 Nov 19	24 Nov 22[2]	25 Nov 29	Nil	-	67,185	-	-	67,185
Total					**1,576,376**	**67,185**	**-**	**(1,045,344)**	**598,217**
Penny Ladkin-Brand	23 Nov 16	23 Nov 19	23 Nov 26	Nil	444,765	-	-	(444,765)[5]	-
	02 Feb 17	23 Nov 19	02 Feb 27	Nil	444,765	-	-	(380,235)[5]	64,530
	24 Nov 17	24 Nov 20[7]	24 Nov 27	Nil	92,363	-	-	-	92,363
	23 Nov 18	22 Nov 21[2]	23 Nov 28	Nil	95,083	-	(18,739)[6]	-	76,344
	25 Nov 19	24 Nov 22[2]	25 Nov 29	Nil	-	41,337	(13,683)[6]	-	27,654
Total					**1,076,976**	**41,337**	**(32,422)**	**(825,000)**	**260,891**
Rachel Addison	01 Jun 20	31 May 23[2]	01 Jun 30	Nil	-	17,222	-	-	17,222
Total					**-**	**17,222**	**-**	**-**	**17,222**

Notes:

1. Following the completion of the rights issue on 21 August 2018 the Committee elected to 'make good' all share award holders by increasing their number of options. All share incentives awarded to Zillah Byng-Thorne and Penny Ladkin-Brand prior to that date were therefore increased accordingly, as detailed in the Company's 2018 Annual Report.
2. Awards granted since November 2018 are subject to a mandatory 2-year holding period following vesting.
3. Details of awards granted in the year are set out on page 97.
4. Details of awards vesting during the year were set out in last year's report.
5. Awards were converted to nil-cost options as at 3 July 2019. Awards vested in full following the FY 2019 year end on 23 November 2019. On 26 November 2019 Zillah Byng-Thorne exercised a total of 1,045,344 and Penny Ladkin-Brand exercised a total of 550,000. On 31 July 2020 Penny Ladkin-Brand exercised an additional 275,000. The award granted on 23 November 2016 is fully exercised for both Zillah and Penny. For the award granted on 2 February 2017, Zillah Byng-Thorne has an unexercised amount of 200,000 shares and Penny Ladkin-Brand has an unexercised amount of 64,530 shares. The award granted on 2 February 2017 is fully vested for both Zillah and Penny.
6. Penny's November 2018 and November 2019 awards were pro-rated to 1 June 2020 to reflect her time as Chief Financial Officer.
7. There have been no changes in these interests since the year-end. During the year the Committee extended the vesting period of certain awards from 24 November 2020 to 25 November 2020 to ensure that they did not vest during a closed period. All outstanding awards were converted to nil-cost options as at 20 November 2020.

DABS

Director	Date of grant	End of deferral period	Balance at 1 Oct 2019	Granted during the year	Released during the year	Balance at 30 Sept 2020
Zillah Byng-Thorne	25 Nov 2019	24 Nov 2021	-	25,194	-	25,194
Total			-	**25,194**	-	**25,194**
Penny Ladkin-Brand	25 Nov 2019	24 Nov 2021	-	12,155	-	12,155
Total			-	**12,155**	-	**12,155**

Dilution

Awards under Future plc incentive plans may be satisfied by treasury shares or the issue of new shares or the purchase of shares in the market.

Under Investment Association guidelines, the issue of new shares or reissue of treasury shares under a plan, when aggregated with awards under all of a company's other schemes, must not exceed 10% of the issued ordinary share capital (adjusted for share issuance and cancellation) in any rolling ten-year period. As at 30 September 2020 this limit had not been exceeded (6.7%).

Implementation of remuneration policy in the year to 30 September 2021

As outlined earlier in this report, the Remuneration Committee is proposing changes to the Remuneration Policy principally related to the introduction of a new Value Creation Plan for Future employees Subject to shareholder approval at the Company's AGM on 10 February 2021, the Committee intends to implement the policy as follows during the year to 30 September 2021.

Basic salary

When reviewing salary levels, the Committee takes into account a number of internal and external factors, including the performance of Future during the year, external market data, historic increases made to the individual and, to ensure a consistent approach, the salary review principles applied to the rest of the organisation.

The Chief Executive's salary was last reviewed in 2018. We committed to a pay freeze in 2019, and announced that we would review the salary in 2020, as part of our published Remuneration Policy. As part of this review, we took independent advice, and studied equivalent market roles. Zillah Byng-Thorne was awarded an increase of 21% with effect from 1 October 2020. This increase reflects the Committee's assessment of Zillah's individual performance in role, her leadership in delivering exceptional results for our shareholders, and the significant increases in size, complexity and geographical spread of the Group in recent years. Since the previous review: adjusted operating profit has grown from £19m to £93m; Future's global audience has doubled, from 193m to almost 400m; and total Group employees have also doubled, from 1,000 to over 2,000 staff. Furthermore, during the interim, Future plc has entered the FTSE250, and is now a premium listed company. In recognition of the increase, the Committee has agreed that this salary level will remain fixed for the next two years, and will be reviewed again no earlier than 2022.

There will be an annual inflationary pay rise in line with the wider workforce of 1.5%, awarded to Rachel Addison with effect from 1 January 2021.

Pension and benefits

Zillah Byng-Thorne's pension benefit will be reduced to match the benefit of the wider workforce over the next two years. The current 15% of salary rate will be reduced to 6% of salary, in two stages (to 10.5% of salary in January 2021, and to 6% of salary in January 2022). Rachel Addison will continue to receive a pension contribution of up to 6% of salary (in line with that available to the wider workforce) or an equivalent cash allowance. No changes are proposed to the benefits provided.

Director	Base salary from 1 October 2019	Base salary from 1 October 2020	Base salary from 1 January 2021	Percentage increase
Zillah Byng-Thorne	£475,000	£575,000	-	21.0%
Rachel Addison[1]	£350,000	-	£355,250	1.5%

1. from appointment as Chief Financial Officer on 1 June 2020

Annual bonus

For FY 2021, the Company will continue to operate a profit pool bonus for all employees across the Group, including the Executive Directors on a similar basis to that operated for FY 2020. The maximum opportunity will remain at 200% of salary for the Chief Executive and 150% of salary for the Chief Financial Officer, with payouts linked to delivering adjusted operating profit performance above Budget. Specific performance targets for the Annual Bonus are not disclosed due to their commercial sensitivity, however it is the Committee's intention that these will be disclosed retrospectively in next year's report. In accordance with the Policy, 50% of any bonus earned will be deferred in Future shares for 2 years under the DABS.

Long-term incentive

Subject to shareholder approval of the new Remuneration Policy, Executive Directors and other employees will be granted units under the new Value Creation Plan, replacing participation in the PSP until 2023. Operation of the VCP is outlined in the Policy Table on page 86, with the key features as follows:

- One-off award of units providing Future's employees with a percentage of additional shareholder value created (denominated in Future plc shares) over the next 3-5 years, above a hurdle
- Units will vest based on value created in terms of £ Total Shareholder Return (TSR), being the growth in Future's market capitalisation plus net equity cashflows to shareholders (i.e. dividends plus share buybacks, less share issues), over and above a hurdle rate of return of 10% per annum
- Future's starting market capitalisation (£1,903m) is based on the spot closing price of a share on 30 September 2020 (£19.42)
- The VCP comprises three equal tranches, based on performance measured over three periods, from 1 October 2020 to: 30 September 2023; 30 September 2024; and 30 September 2025
- Value created at each measurement date will be calculated with reference to the average closing return index over the three months ending on that date
- To the extent that performance exceeds the hurdle on a measurement date, participants will share 3.33% of the additional shareholder value created above the hurdle
- Participants will be allocated an individual share of this amount, reflecting the number of units they hold. These amounts will be converted into a number of Future plc shares, based on the share price at the relevant vesting date
- The aggregate additional shareholder value created and allocated to participants is capped at £95m per tranche
- To the extent that performance does not exceed the hurdle on a measurement date, the relevant tranche will lapse in full, immediately. There will be no re-testing allowed

Additionally, for Executive Directors:

- Any shares awarded in respect of the first tranche (measurement date 30 September 2023) will be subject to a mandatory two-year holding period
- Any shares awarded in respect of the second tranche (measurement date 30 September 2024) will be subject to a mandatory one-year holding period
- Any shares awarded in respect of the final tranche (measurement date 30 September 2025) will vest on the fifth anniversary of grant
- The ultimate release of any shares will be subject to the Committee satisfying itself that the recorded outcome is a fair reflection of the underlying business performance over the period

Under the proposed scheme, a total of 980,000 units will be allocated to employees or reserved in case of future hires and/or significant promotions. Subject to shareholder approval of the VCP, Zillah Byng-Thorne will receive an award of 140,000 units in each tranche and Rachel Addison will receive an award of 63,000 units in each tranche.

Fees for Non-Executive Directors and the Chairman

Non-Executive Directors do not participate in any of the Company's share incentive arrangements, nor do they receive any benefits. Fees are reviewed annually, with the Board Chair's fees set by the Committee, and those for the Non-Executive Directors set by the Board as a whole.

The rates for the Chairman's and Non-Executive Directors' fees, which are unchanged at 1 October 2020 are:

	Fees effective from 1 October 2019	Fees effective from 1 October 2020
Base fees		
Board Chair	£200,000	£200,000
Non-Executive Director[1]	£55,000	£55,000
Additional fees		
Senior Independent Director	£10,000	£10,000
Audit and Risk Committee Chair	£10,000	£10,000
Remuneration Committee Chair	£10,000	£10,000

1. Meredith Amdur is paid in US$ and for FY 2021 this will be subject to a fixed exchange rate of £1 = US$1.30.

Approved by the Board and signed on its behalf by

Hugo Drayton
Chair of the Remuneration Committee
10 December 2020

Directors' Report

Future plc is the holding company of the Future group of companies (the Group).

Annual General Meeting

The Company's twenty second Annual General Meeting will be held at 10:30am on Wednesday 10 February 2021 at Future's London office at 1-10 Praed Mews, London, W2 1QY. The resolutions and explanatory notes are set out in the Notice of Annual General Meeting on pages 164-171.

Corporate Governance statement

The Corporate Governance statement, prepared in accordance with rule 7.2 of the Financial Conduct Authority's Disclosure Guidance and Transparency Rules, comprises of the following sections of the Annual Report: the Strategic Report; the Corporate Governance Report; the Audit and Risk Committee Report; the Nomination Committee Report; the Remuneration Committee Report; together with this Directors' Report. As permitted by legislation, some of the matters required to be included in the Directors' Report have been included in the Strategic Report by cross reference including details of the Group's financial risk management objectives and policies, business review, future prospects and environmental policy.

Directors

The names and biographical details of the current Directors are shown on pages 66 to 67 of this Annual Report. Particulars of their emoluments and beneficial and non-beneficial interests in shares are given in the Directors' Remuneration Report on page 94 and 102.

The appointment and removal of Directors is governed by the Company's Articles of Association, the 2018 Code and the Companies Act 2006. The Directors may, from time to time, appoint one or more Directors. In the interests of good governance and in accordance with the provisions of the 2018 Code, all Directors will retire and submit themselves for election or re-election at the forthcoming AGM.

Directors Powers

The Board manages the business of the Company under the powers set out in the Company's Articles of Association. The Company's Articles of Association can only be amended, or new Articles adopted, by a resolution passed by shareholders in a general meeting by at least three quarters of the votes cast.

Further discussion of the Board's activities, powers and responsibilities appears within the Corporate Governance Report on page 68 of this Annual Report. Information on compensation for loss of office is contained in the Directors' Remuneration Report on page 92 of this Annual Report.

Directors' conflicts of interests

The Company has procedures in place for managing conflicts of interest. Should a Director become aware that they, or any of their connected parties, have an interest in an existing or proposed transaction with the Company, they should notify the Board in writing or at the next Board meeting. Internal controls are in place to ensure that any related party transactions involving Directors, or their connected parties, are conducted on an arm's length basis. Directors have a continuing duty to update any changes to these conflicts.

Directors' indemnities

The Company had Directors' and Officers' liability insurance cover in place throughout the year.

Share capital

Details of the Company's issued share capital, together with details of the movements in the Company's issued share capital during the year, are shown in note 22 to the financial statements. The Company has one class of ordinary shares with a nominal value of 15 pence each (Ordinary Shares), which does not carry the right to receive a fixed income. Each share carries the right to one vote at general meetings of the Company. There are no restrictions or agreements known to the Company that may result in restrictions on share transfers or voting rights in the Company. There are no specific restrictions on the size of a holding, on the transfer of shares, or on voting rights, all of which are governed by the provisions of the Articles of Association and prevailing legislation.

Shareholder authority for the Company to allot Ordinary Shares up to an aggregate nominal amount of £735,107 was granted at the 2019 AGM. The issued share capital of the Company at 30 September 2020 was *approximately £14,702,243.25 divided into 98,014,955 Ordinary Shares.*

Since 30 September 2020, 145 new shares have been issued as a result of the exercise of share options by the Company's share option scheme participants and the total issued share capital at 10 December 2020 is 98,015,100 Ordinary Shares. The Company's Ordinary Shares are listed on the London Stock Exchange. The register of shareholders is held in the UK.

Political donations

No contributions were made to political parties during the year (2019: £Nil).

Whistleblowing procedure

Whistleblowing and anti-bribery policies

It is Future's policy to conduct all of our business in an honest and ethical manner, and we take a zero-tolerance approach to bribery and corruption. We are committed to acting professionally, fairly and with

Substantial interests

Information provided to the Company pursuant to the Financial Conduct Authority's Disclosure Guidance and Transparency Rules (DTRs) is published on a Regulatory Information Service and on the Company's website. The following information has been received, in accordance with DTR 5, from holders of notifiable interests in the Company's issued share capital.

Shareholder	As at 30 September 2020	As at 10 December 2020	Nature of holding
Aberforth Partners LLP	10.88%	10.88%	Indirect
Standard Life Aberdeen plc	10.77%	Below 10%	Indirect
BlackRock Inc	6.56%	Below 5%	Indirect
JPMorgan Asset Management Holdings Inc.	6.11%	6.11%	Indirect
Old Mutual Global Investors (UK) Ltd	5.68%	5.68%	Indirect
Jupiter Fund Management Plc	5.55%	5.55%	Indirect
Ameriprise Financial, Inc. and its group	5.007%	5.007%	Direct and indirect
Invesco Ltd	4.87%	4.87%	Indirect
AXA Investment Managers	3.81%	3.81%	Indirect
Oberweis Asset Management, Inc.	3.71%	3.71%	Indirect

* % holding based on total number of shares in issue at the time of respective notification.

The Company has not been notified of any other substantial interests in its securities. The Company's substantial shareholders do not have different voting rights. The Group, so far as is known by the Company, is not directly or indirectly owned or controlled by another corporation or by any government.

integrity in all our business dealings and relationships wherever we operate, and we are implementing and enforcing effective systems to counter bribery and corruption.

We have whistleblowing, anti-bribery and corruption policies which are updated regularly and published on our intranet. The whistleblowing policy is designed to encourage employees to report, in good faith, any genuine suspicions of fraud, bribery, malpractice, modern slavery and human trafficking. Concerns may be raised according to a stated escalation process from an individual's line manager, via their head of department, Head of People Operations, to the Head of Legal and then to the Board of Directors, including the Senior Independent Director. Concerns may also be raised completely anonymously by post. The whistle-blowing policy is also designed to ensure that any employee who raises a genuine concern is protected. During the year, no issues of concern were raised via any of the whistleblowing channels.

In addition, to ensure Future is adopting best practice with anti-corruption legislation, and to promote transparency, a Review Kit, Trips and Gifts Log is in place to track the whereabouts of products sent to us for review and the acceptance of gifts and trips by our employees. We also have in place an Editorial Ethics Committee which monitors the approach to gifts and reviews trips to ensure not only are we legally compliant, but that we also comply with our own ethical and editorial standards.

Reducing waste

Sourcing paper

Paper is the largest raw material we use as a Group. We work hard to make sure that whatever we consume, we do it in a way that is ethically responsible and environmentally sustainable. Our paper is sourced and produced from sustainable, managed forests, conforming to strict environmental and socio-economic standards. Our paper mills and paper merchants all hold full FSC (Forest Stewardship Council) certification and accreditation, showing our commitment to sourcing paper supplies from sustainable sources.

Recycling of unsold magazines and gifts

The Group is strongly incentivised to minimise the number of unsold magazines and we employ sophisticated techniques to help achieve this. In the UK, Future's unsold magazines are either used in recycled paper manufacture or in other recycling operations, or they are handed to local schools and hospitals. We also support the Professional Publishers Association's initiative encouraging readers to recycle their magazines after use, and are now full members of the OPRL (On-Pack-Recycling-Label) Scheme which provides full access to and use of correct recycling labelling, instructing consumers how to responsibly recycle or dispose of our magazines and packaging. Gifts on our unsold copies are incinerated to create further energy, and any magazine gifts containing electronic components are removed and responsibly disposed of in accordance with WEEE (Waste Electrical and Electronic Equipment Directive) regulations.

Packaging

We comply with our obligations under the Producer Responsibility Obligations (Packaging Waste) Regulations, and carry out an annual packaging waste audit where we declare our packaging waste volumes to the Environment Agency and offset our waste by purchase of Packaging Waste Recovery Notes.

We use LDPE4 (number 4-coded low-density polyethylene) to wrap our subscriptions and newstrade copies, which is fully recyclable. Recycling logos were updated in late October 2019 to show the latest information available on recyclability of the wrappers, directing customers to recycle the bags at local supermarkets. In addition, the UK subscription mailing copies of our Home Interest titles were wrapped in paper rather than plastic from January 2020 onwards.

Recycling and waste management in the office

We play an active part in recycling across all of our locations. We have clearly defined communal waste and recycling areas in all offices across the UK and US. Last year we introduced a new food waste recycling facility in our Bath office in the UK and had planned to roll it out to other offices. We worked with our waste provider to complete quarterly reporting to trace waste usage more efficiently and monitor progress on reducing our waste that is sent to landfill. Before the offices were closed we were recycling 50% of waste.

Streamlined Energy & Carbon Report (SECR) Summary

In accordance with the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 ('the 2013 Regulations') and the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 ('the 2018 Regulations') we have reported our Streamlined Energy

Global tonnes CO_2e emissions from		**2018**	**2019**	**2020**
The combustion of fuel: gas for heating and fuel for vehicles (Scope 1)	UK	97	96	106
	US	-	-	2
	Australia	-	-	1
	TOTAL	**97**	**96**	**109**
The purchase of electricity: heat, steam or cooling by the Group for its own use (Scope 2)	UK	331	298	235
	US	3	205	34
	Australia	-	-	-
Location Based	**TOTAL**	**334**	**503**	**269**
The purchase of electricity: heat, steam or cooling by the Group for its own use (Scope 2)	UK	-	-	337
	US	-	-	34
	Australia	-	-	-
Market Based	**TOTAL**	-	-	**371**
Total Emissions (tCO_2e) - Location Based		**431**	**599**	**378**
Total Emissions (tCO_2e) - Market Based		-	-	**480**
Total Revenue (£m)		**£130.1m**	**£221.5m**	**£339.6m**
Intensity Ratio (tCO_2e per £1m) – Location Based		**3.3**	**2.7**	**1.1**

Underlying global kWh energy use from		**2020**
		Total (kWh)
The combustion of fuel: gas for heating and fuel for vehicles (Scope 1)	UK	549,946
	US	8,854
	Australia	5,144
	TOTAL	**563,944**
The purchase of electricity: heat, steam or cooling by the Group for its own use (Scope 2)	UK	1,008,372
	US	83,247
	Australia	-
	TOTAL	**1,091,619**
Total Energy (kWh)		**1,655,563**
Total Revenue (£m)		**£339.6m**
Intensity Ratio (kWh per £1m)		**4,875.04**

Notes:
[1] *https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/850130/Env-reporting-guidance_inc_SECR_31March.pdf*
[2] https://ghgprotocol.org/
[3] https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2020
[4] *Source: IEA (2019) Emission Factors (https://www.iea.org/t_c/termsandconditions/)*

and Carbon Report disclosure for 2020, covering the period 1 October 2019 to 30 September 2020.

Methodology

We have used the Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance and Greenhouse Gas Protocol methodology for compiling this GHG data and have included all required emissions sources. GHG emissions factors have been sourced and applied from BEIS conversion factors for Greenhouse Gas emissions, the equivalent reports on non-UK properties used the CO_2e factors provided by the International Energy Agency ("IEA") for emissions associated with electricity consumption. As a Group with only office-based activities and no manufacturing activities, under the GHG Protocol Corporate Standard, emissions fall under Scope 1 (combustion of fuel) and Scope 2 (purchase of electricity).

Energy Efficiency Action Taken

In the period covered by the report the Company has completed installation of LED lighting in its Bath & London offices and it is anticipated this will reduce energy usage by approximately 20%. The company has also made alterations to optimise BMS settings to reduce energy usage across sites. During the next financial year the company will be completing TM44 surveys at all sites and will act on the results accordingly.

Intensity Ratio

We are using 'Tonnes per £1 million revenue'. Our GHG emissions CO_2e intensity has decreased from 2.7 tonnes CO_2e per £m in 2019 to 1.1 tonnes CO_2e per £m 2020, which is a decrease of 59%.

Office closures due to COVID-19

COVID-19 has had a large impact on our kWh usage as offices have been shut for periods of time due to government lockdowns.

Results and dividends

The results of the Group are shown on page 120 and movements in reserves are set out in note 24 to the financial statements.

The Board's policy is that dividends should be covered at least four times by adjusted earnings per share and free cashflow. The Company's Employee Benefit Trust (EBT) waives its entitlement to any dividends. The Board is recommending a final dividend for the year of 1.6p per share (2019: 1.0p per share) to shareholders recorded on the register at the close of business on 15 January 2021. The Ordinary Shares will become ex-dividend on 14 January 2021.

Significant agreements

The provisions of the European Directive on Takeover Bids (as implemented in the UK in the Companies Act 2006) require the Company to disclose any significant agreements which take effect, alter or terminate upon a change of control of the Company. In common with many other companies, the Group's bank facility is terminable upon change of control of the Company. In common with market practice, awards under certain of the Group's long-term incentive plans (details of which are set out in the Directors' remuneration report on pages 94 to 103) will vest or potentially be exchangeable into awards over a purchaser's share capital upon change of control of the Company. There is also a change of control provision in the service agreements of the two Executive Directors, exercisable within three months of a change of control by the Company or on one month's notice by the Executive to expire no later than three months from the date of the change of control.

Disclosure of information to the auditor

The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are aware, there is no relevant audit information of which the Company's auditor is unaware, and each Director has taken all reasonable steps to ascertain any relevant audit information and to ensure that the Company's auditor is aware of that information.

Other information

Other information relevant to this Directors' Report, and which is incorporated by reference, including information required in accordance with the UK Companies Act 2006 and Listing Rule 9.8.4R, can be located as follows:

This Directors' Report was approved by order of the Board.

On behalf of the Board

RB Addison-Hurley

Rachel Addison
Company Secretary
10 December 2020

Subject matter	Page
Important events since the financial year-end	163
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Directors' Responsibilities

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the Group and Company financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. In preparing the group financial statements, the Directors have also elected to comply with IFRSs, issued by the International Accounting Standards Board (IASB).

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

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

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

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the financial statements and the Directors' Remuneration Report comply with the Companies Act 2006 and, as regards the Group financial statements, Article 4 of the IAS Regulation.

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

Directors' confirmations

The Directors consider that the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's and Company's position and performance, business model and strategy.

Each of the Directors, whose names and functions are listed in the Corporate Governance report confirm that, to the best of their knowledge:

- the Group and Company financial statements, which have been prepared in accordance with IFRSs as adopted by the European Union and IFRSs issued by IASB, give a true and fair view of the assets, liabilities, financial position and profit of the Group and loss of the Company; and
- the Strategic Report includes a fair review of the development and performance of the business and the position of the Group and Company, together with a description of the principal risks and uncertainties that it faces.

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

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

This responsibility statement was approved by the Board of Directors on 10 December 2020 and is signed on its behalf by:

Zillah Byng-Thorne
Chief Executive
10 December 2020

Image removed

Financial Statements

Independent auditors' report to the members of Future plc

Report on the audit of the financial statements

Opinion

In our opinion, Future 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 the group's and the company's cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the company's financial statements, as applied in accordance with the provisions of the Companies Act 2006; and
- 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 balance sheets as at 30 September 2020; the Consolidated income statement, the Consolidated Statement of comprehensive income, the Consolidated and Company cash flow statements, the notes to the Consolidated and Company cash flow statements and the Consolidated and Company statements of changes in equity for the year then ended; the Accounting policies; and the notes to the financial statements.

Our opinion is consistent with our reporting to the Audit 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

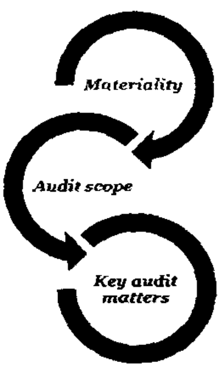
We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to listed public interest entities, and we have fulfilled our other ethical responsibilities 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 the Directors' Report, 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



- Overall group materiality: £2,605,000 (2019: £1,363,000), based on 5% of profit before tax.
- Overall company materiality: £4,334,000 (2019: £2,408,000), based on 1% of total assets.

- The scope of our audit and the nature, timing and extent of audit procedures performed were determined by our risk assessment, the financial significance of components and other qualitative factors (including history of misstatement through fraud or error).
- We performed audit procedures over three components we considered either financially significant or higher risk in the context of the Group (full scope audit) and over three components specific audit procedures were performed on certain account balances and transactions.
- We also performed other procedures including Group and component level analytical review procedures to mitigate the risk of material misstatement in the insignificant components.
- Procedures were also performed at the Group level over the consolidation process.
- The accounting for acquisitions (Group)
- The classification of exceptional items (Group)

- The valuation of goodwill and other intangibles (Group)
- Accounting for uncertain tax provisions (Group)
- The valuation of newstrade returns provision (Group)
- Impact of COVID-19

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.

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 financial reporting and related company legislation and taxation legislation, 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 such as 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 or reduce expenditure, and management bias in accounting estimates. The group engagement team shared this risk assessment with the component auditors so that they could include appropriate audit procedures in response to such risks in their work. Audit procedures performed by the group engagement team and/or component auditors included:

- Discussions with the Board of directors, management and the Group's and Company's legal function, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Reviewing relevant meeting minutes including those of the Board of directors and its key sub-committees (including the Audit Committee);
- Evaluation of management's controls designed to prevent and detect irregularities, in particular the whistleblowing policy and employee code of conduct;
- Assessment of matters reported on the Group's whistleblowing helpline and the results of management's investigation of such matters;
- Challenging assumptions and judgements made by management in their significant accounting estimates, in particular in relation to the valuation of goodwill, newstrade return provision, the valuation of assets and liabilities acquired through business combinations and uncertain tax positions (see related key audit matters below); and
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations.

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***
The accounting for the acquisition of Barcroft Studios and TI Media. Refer to note 28 for further information. During the year, the Group completed its acquisition of Barcroft Studios and TI Media. We focussed on the accounting for these transactions because they are material to the consolidated financial statements of the Group and because there is a degree of judgement in the identification and valuation of the assets and liabilities acquired.	Our work over the accounting for the acquisitions was supported by our in-house valuation experts and included the following procedures: • We agreed the cash and equity consideration paid to supporting documentation. • Based on our understanding of the acquired businesses, assessed whether all assets and liabilities had been appropriately identified. We also considered any

Key audit matter	*How our audit addressed the key audit matter*
	required alignment of accounting policies and valuation methodologies. • We used our in-house valuation experts to assess the appropriateness of the methodology used to value intangible assets and the reasonableness of certain, key assumptions, particularly the discount rates, the royalty rates and the attrition rates. • We re-performed the calculation of goodwill. • We assessed the adequacy of disclosures relating to the acquisitions, taking into account the requirements of relevant financial reporting standards and tested the completeness and accuracy of those disclosures. Based on the work performed we found that the fair value of the acquired assets and liabilities was supported by the evidence obtained and that the accounting for the acquisitions was appropriate.
The classification of exceptional items (£17.1 million (2019: £3.4 million)) Refer to note 5 for further information The Group's accounting policy is to report items of income and expense as exceptional items where they relate to an event which falls outside the ordinary activities of the business and where individually or in aggregate, they have a material impact on the financial statements. Exceptional items primarily consist of acquisition related costs, restructuring costs and onerous property costs. We focussed on this area because exceptional items are material to the consolidated financial statements and because there is a degree of judgement in their classification.	We tested the classification of exceptional items by examining supporting information such as invoices, payslips, announcements or correspondence in respect of the restructuring and relevant provision calculations. For each item tested we considered the nature of the item and the appropriateness of the classification as exceptional. From the evidence obtained, we concurred with management's assessment to classify and disclose these costs as separately reported exceptional items, in line with the disclosed accounting policy.
The valuation of goodwill and other intangibles £493.6m (2019: £329.0 million)). Refer to note 12 for further information. Goodwill is an intangible asset that arises on the acquisition of a business and reflects the portion of the consideration paid which cannot be allocated to separately identifiable acquired assets. Goodwill is not amortised but tested for impairment at least once a year, or more frequently where there is an indication that it may be impaired. We focused on this area because goodwill is material to the consolidated financial statements and the assumptions used in the impairment assessment are inherently subjective. In particular, the assessment is highly sensitive to changes in forecast earnings before interest, tax, depreciation, amortisation and impairment (EBITDA) margins. Other intangibles have arisen from the acquisition of businesses where the acquired assets have been separately identified using the purchase price model. Other intangibles assets acquired as part of a business combination are initially stated at fair value. Amortisation is calculated using the straight-line method to allocate the cost of these intangibles over their estimated useful lives (between one and fifteen years). We focused on this area as there is a risk that brands,	Our work to address the valuation of goodwill was supported by our in-house valuation experts and included the following procedures: • We obtained management's value in use cash flows underpinning their goodwill impairment assessment and tested the mathematical accuracy and reviewed the key assumptions such as discount rates, long term growth rates and EBITDA margins. • We assessed whether the forecast EBITDA margins were reasonable by comparing them to historical trends and by considering the accuracy of management's forecasting in the past. We considered whether there had been any changes to the business or to the market environment, which could increase the level of uncertainty in the forecast. • We performed sensitivities to confirm that the forecast EBITDA margins continued to remain the key assumption to which the impairment assessment was most sensitive. We also considered to what level the EBITDA margins would need to deteriorate in order to indicate impairment.

Key audit matter	How our audit addressed the key audit matter
websites or other amortised assets are no longer used following initial acquisition. These balances remain material and it is possible that material amortised intangibles may no longer be generating cash flows, resulting in an impairment to their valuation. The impact of COVID-19 on the business may also have led to an impairment trigger.	• We used our in-house valuation experts to compare the discount rate to our own estimate of the Group's cost of capital, adjusted for the effects of tax. • We also assessed the reasonableness of the assumed long-term growth rate in light of external forecasts for the UK and US economies. In respect of the other intangibles • We reviewed management's assessment of whether there were impairment triggers (such as closure of magazine titles, or the impact of COVID-19 on the events business) and considered whether their views were supported by the evidence in the business. • We selected a sample of other intangible assets and performed testing to ensure they are still used in the business and whether assets are generating sufficient cashflows to support the carrying value. • We also considered the adequacy of the disclosures with regards to goodwill and intangible assets. Based on the work performed, we found that the methods used in the impairment assessment of goodwill and other intangibles were appropriate and that the conclusions reached were supported by the evidence obtained.
Accounting for uncertain tax provisions The Group is subject to tax laws in a number of jurisdictions, primarily the US and UK and subject to periodic challenges by local tax authorities on a range of tax matters during the normal course of business, including transfer pricing, direct and indirect taxes and transaction related tax matters. Where the amount of tax payable is uncertain, the Group establishes provisions based on management's judgement of the likelihood of settlement being required. In particular, the Group has material intra-group transactions relating to the cross-border licensing of platform technology and brands which give rise to transfer pricing risk. These have needed to keep pace with the rapid increase in profits over the past 3 years. The net result is that the group has recognised a material centrally held provision against uncertain tax positions, the valuation of which is a highly judgemental area. Where tax positions are not settled with the tax authorities, the Directors take into account precedent and the advice of external experts. We focused on the judgements made by management in assessing the likelihood of potentially material exposures and the estimates used to determine such provisions where required, which could materially impact the amounts recorded in the Group financial statements.	Our work to address the value of this provision included the following procedures: • We engaged our in-house tax specialists to review the tax provisions as a whole, including the uncertain tax provision. • We challenged management's choice of assumptions and scenarios in which they anticipated risks would arise, to confirm the existence of each risk. • We assessed each component of management's provision against external evidence, where available, to confirm their estimate of the amount of tax at stake from each identified risk. • We reviewed the external advice received by management and compared this with management's judgement of the likelihood of risk and our own experience to assess the probabilities assigned by management in their weighted average estimate of the provision as a whole. • For the transfer pricing risks, we consulted with our in-house transfer pricing specialists to gain an understanding of the current status of tax assessments and investigations and to monitor legislative development. • We modelled alternative scenarios to gauge the sensitivity of the provision as a whole to changing assumptions. • We challenged management regarding the possibility of a 'competent authority asset' in respect of the transfer pricing risk and challenged their judgement regarding whether or not they would be likely to pursue such an asset in their different scenarios. Based on the work performed we concluded that the provision falls within a reasonable range of estimates.

Key audit matter	*How our audit addressed the key audit matter*
The valuation of newstrade returns provisions Magazine newsstand revenue is recognised at the date that the related publication goes on sale where the Group is the publisher. The amount of revenue recognised is based on the number of issues printed and an estimate of the number of returns. Where the Group is the wholesaler (Marketforce), while revenue is based on the margin earned rather than the gross price of the magazine, the estimate of the number of returns is still a significant judgement. We focused on this area because of the inherent subjectivity in estimating the number of returns and because of the significance of Magazine revenue to the Group's reported result, particularly in light of the acquisition of TI Media and the Marketforce business. Changes to the estimated number of returns could have a material impact on Magazine revenue.	Our work to address the valuation of the provision included the following procedures: • We assessed whether the estimated number of returns was reasonable by comparing the estimate to historical trends and by considering the accuracy of management's forecasting in the past. • We considered whether there had been any change to the types of magazines sold or changes to the market environment, which could increase the level of uncertainty in the estimate, particularly the impact of COVID-19. • We also examined the number of returns processed after the year-end where available and compared that data to the level of returns forecast by management. Based on the work performed, we found that the methods and assumptions used to estimate the number of returns were appropriate and that the provision was supported by the evidence obtained.
Impact of COVID-19 The COVID-19 pandemic is considered to have a potential impact on certain aspects of the financial statements. The areas which might be expected to be impacted by COVID-19 are as set out below: • Recoverability of accounts receivable • Impairment of goodwill and other intangibles • Going concern and viability • Disclosure of the impact on the business We have also incorporated the guidance for auditors issued by the FRC regarding COVID-19 and applied this where appropriate.	We have considered the impact of COVID-19 on various areas of the Annual Report and performed procedures to address the risk around the impact of COVID-19. We have set out our responses to the risk in respective areas of the financial statements as below: • Recoverability of accounts receivable: o We have considered the adequacy of provisions for impairment of accounts receivable, considering post year end cash receipts, testing IFRS 9 provisions, and considering the history of collections of accounts receivable since the start of pandemic restrictions. We considered the evidence supported management's decision to increase the provision. • Impairment of goodwill and other intangibles: o We have reviewed and challenged management's impairment trigger assessment in respect of other intangibles. o We have considered the impact of COVID-19 on future cash flows supporting the carrying value of goodwill as set out above. • Going concern and viability: o We have considered the impact on cash flows supporting the going concern assertion, including the impact on bank covenants and forecast covenant compliance. • Disclosure of impact in the financial statements: o We have audited the disclosures provided in the financial statements and assessed the reasonableness of such disclosures. As a result of the procedures performed, we consider that the disclosures are reasonable and appropriate. Overall, we consider management's assessment of the impact of COVID-19 on the financial statements to be reasonable.

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.

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.

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	£2,605,000 (2019: £1,363,000).	£4,334,000 (2019: £2,408,000).
How we determined it	5% of profit before tax.	1% of total assets.
Rationale for benchmark applied	Profit before tax is a generally accepted benchmark for determining materiality in a profit oriented business and this year we concluded that this was the most appropriate benchmark to use. In the prior year, we concluded that adjusted EBITDA was the most appropriate benchmark to determine materiality, considering the scale of the business and the impact of the Group's ongoing acquisition and integration activities on profit before tax. As acquired businesses are integrated and profits grow to "normalised" levels, we re-evaluated our benchmark in the current year.	As a holding company, the entity is not considered to be profit-oriented. In such circumstances, total assets is a generally accepted benchmark. Company materiality has been capped at £1,500,000 to reflect its allocation of materiality for the purpose of the Group audit.

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 £1,100,000 and £2,605,000.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £130,000 (Group audit) (2019: £68,000) and £130,000 (Company audit) (2019: £68,000) 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.
We are required to report if the directors' statement relating to Going Concern in accordance with Listing Rule 9.8.6R(3) is materially inconsistent with our knowledge obtained in the audit.	We have nothing to report.

Reporting on other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or 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), ISAs (UK) and the Listing Rules of the Financial Conduct Authority (FCA) 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

We have nothing material to add or draw attention to regarding:

- The directors' confirmation on page 38-42 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 43 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 having performed a review of the directors' statement that they have carried out a robust assessment of the principal risks facing the group and statement in relation to the longer-term viability of the group. 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 UK Corporate Governance Code (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. *(Listing Rules)*

Other Code Provisions

We have nothing to report in respect of our responsibility to report when:

- The statement given by the directors, on page 108, 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 76-77 describing the work of the Audit Committee does not appropriately address matters communicated by us to the Audit Committee.
- 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.

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)*

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement set out on page 108, 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 11 May 1999 to audit the financial statements for the year ended 31 December 1999 and subsequent financial periods. The period of total uninterrupted engagement is 22 years, covering the years ended 31 December 1999 to 30 September 2020.

Katharine Finn (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Bristol
10 December 2020

Financial Statements

Consolidated income statement

for the year ended 30 September 2020

	Note	2020 Non-GAAP Adjusted results £m	2020 Adjusting items £m	2020 Statutory results £m	2019 Non-GAAP Adjusted results £m	2019 Adjusting items £m	2019 Statutory results £m
Revenue	1, 2	**339.6**	**-**	**339.6**	221.5	-	221.5
Net operating expenses	3	**(246.2)**	**(42.7)**	**(288.9)**	(169.3)	(25.5)	(194.8)
Operating profit	1	**93.4**	**(42.7)**	**50.7**	52.2	(25.5)	26.7
Finance income	7	**0.5**	**7.6**	**8.1**	-	0.8	0.8
Finance costs	7	**(3.0)**	**(2.3)**	**(5.3)**	(2.1)	(12.9)	(15.0)
Net finance income/(costs)		**(2.5)**	**5.3**	**2.8**	(2.1)	(12.1)	(14.2)
Other (expense)/income		**-**	**(1.5)**	**(1.5)**	0.2	-	0.2
Profit before tax	1	**90.9**	**(38.9)**	**52.0**	50.3	(37.6)	12.7
Tax charge	8	**(18.0)**	**10.3**	**(7.7)**	(9.1)	4.5	(4.6)
Profit for the year attributable to owners of the parent		**72.9**	**(28.6)**	**44.3**	41.2	(33.1)	8.1

See page 128 and note 10 for a reconciliation between adjusted and statutory results

Earnings per 15p Ordinary share

	Note	2020 pence	2019 pence
Basic earnings per share	10	**46.4**	9.9
Diluted earnings per share	10	**45.4**	9.3

Consolidated statement of comprehensive income

for the year ended 30 September 2020

	2020 £m	2019 £m
Profit for the year	**44.3**	8.1
Items that may be reclassified to the consolidated income statement		
Currency translation differences	**(8.3)**	8.3
Other comprehensive (loss)/income for the year	**(8.3)**	8.3
Total comprehensive income for the year attributable to owners of the parent	**36.0**	16.4

Items in the statement above are disclosed net of tax.

Consolidated statement of changes in equity

for the year ended 30 September 2020

Group	Note	Issued share capital £m	Share premium account £m	Merger reserve £m	Treasury reserve £m	Retained earnings/ (losses) £m	Total equity £m
Balance at 1 October 2018		12.2	97.2	124.9	(0.3)	(61.4)	172.6
Profit for the year		-	-	-	-	8.1	8.1
Currency translation differences		-	-	-	-	8.3	8.3
Other comprehensive income for the year		-	-	-	-	8.3	8.3
Total comprehensive income for the year		-	-	-	-	16.4	16.4
Share capital issued during the year	22, 24	0.3	-	15.5	-	-	15.8
Share schemes							
- Value of employees' services	6	-	-	-	-	3.4	3.4
- Deferred tax on options	14	-	-	-	-	5.6	5.6
Dividends paid to shareholders	9	-	-	-	-	(0.4)	(0.4)
Balance at 30 September 2019		12.5	97.2	140.4	(0.3)	(36.4)	213.4
Retained earnings impact of adopting IFRS 16		-	-	-	-	(0.8)	(0.8)
Restated balance at 1 October 2019		**12.5**	**97.2**	**140.4**	**(0.3)**	**(37.2)**	**212.6**
Profit for the year		-	-	-	-	**44.3**	**44.3**
Currency translation differences		-	-	-	-	(8.3)	(8.3)
Other comprehensive loss for the year		-	-	-	-	(8.3)	(8.3)
Total comprehensive income for the year		-	-	-	-	**36.0**	**36.0**
Share capital issued during the year	22, 24	2.2	99.8	30.5	-	-	132.5
Acquisition of own shares	24	-	-	-	(8.5)	(0.6)	(9.1)
Share schemes							
- Value of employees' services	6	-	-	-	-	5.6	5.6
- Current tax on options		-	-	-	-	8.4	8.4
- Deferred tax on options	14	-	-	-	-	(3.7)	(3.7)
Dividends paid to shareholders	9	-	-	-	-	(1.0)	(1.0)
Balance at 30 September 2020		**14.7**	**197.0**	**170.9**	**(8.8)**	**7.5**	**381.3**

Company statement of changes in equity

for the year ended 30 September 2020

Company	Note	Issued share capital £m	Share premium account £m	Merger reserve £m	Retained earnings £m	Total equity £m
Balance at 1 October 2018		12.2	97.2	15.9	55.2	180.5
Loss for the year		-	-	-	(1.6)	(1.6)
Total comprehensive loss for the year		-	-	-	(1.6)	(1.6)
Share capital issued during the year	22, 24	0.3	-	15.5	-	15.8
Share schemes						
- Value of employees' services		-	-	-	3.4	3.4
- Deferred tax on options		-	-	-	2.3	2.3
Dividends paid to shareholders	9	-	-	-	(0.4)	(0.4)
Balance at 30 September 2019		**12.5**	**97.2**	**31.4**	**58.9**	**200.0**
Loss for the year		-	-	-	(6.5)	(6.5)
Total comprehensive loss for the year		-	-	-	**(6.5)**	**(6.5)**
Share capital issued during the year	22, 24	2.2	99.8	30.5	-	132.5
Acquisition of own shares		-	-	-	(0.6)	(0.6)
Share schemes						
- Value of employees' services		-	-	-	5.6	5.6
- Deferred tax on options		-	-	-	(3.9)	(3.9)
Dividends paid to shareholders	9	-	-	-	(1.0)	(1.0)
Balance at 30 September 2020		**14.7**	**197.0**	**61.9**	**52.5**	**326.1**

Financial Statements

Consolidated balance sheet
as at 30 September 2020

	Note	2020 £m	2019 £m
Assets			
Non-current assets			
Property, plant and equipment	11	**20.9**	2.5
Intangible assets - goodwill	12	**309.7**	218.7
Intangible assets - other	12	**183.9**	110.3
Investments		**-**	0.2
Deferred tax	14	**1.0**	3.7
Total non-current assets		**515.5**	335.4
Current assets			
Inventories		**0.7**	-
Corporation tax recoverable		**1.7**	1.1
Trade and other receivables	15	**72.4**	41.9
Cash and cash equivalents	16	**19.3**	6.6
Financial asset - derivative	21	**-**	1.4
Finance lease receivable	21	**1.6**	-
Total current assets		**95.7**	51.0
Total assets	1	**611.2**	386.4
Equity and liabilities			
Equity			
Issued share capital	22	**14.7**	12.5
Share premium account	24	**197.0**	97.2
Merger reserve	24	**170.9**	140.4
Treasury reserve	24	**(8.8)**	(0.3)
Retained earnings/(losses)		**7.5**	(36.4)
Total equity		**381.3**	213.4
Non-current liabilities			
Financial liabilities - interest-bearing loans and borrowings	18	**73.6**	42.6
Lease liability due in more than one year		**18.7**	-
Deferred tax	14	**2.5**	0.4
Provisions	19	**5.1**	2.1
Other non current liabilities	20	**-**	0.4
Contingent consideration	21	**-**	10.9
Total non-current liabilities		**99.9**	56.4
Current liabilities			
Financial liabilities - interest-bearing loans and borrowings	18	**7.8**	4.3
Trade and other payables	17	**116.2**	62.4
Corporation tax payable		**-**	6.0
Lease liability due within one year		**6.0**	-
Deferred consideration	21	**-**	43.9
Total current liabilities		**130.0**	116.6
Total liabilities	1	**229.9**	173.0
Total equity and liabilities		**611.2**	386.4

The financial statements on pages 120 to 163 were approved by the Board of Directors on 10 December 2020 and signed on its behalf by:

Richard Huntingford
Chairman

Rachel Addison
Chief Financial Officer

Company balance sheet

as at 30 September 2020

	Note	2020 £m	2019 £m
Assets			
Non-current assets			
Investment in Group undertakings	13	**356.3**	142.2
Deferred tax	14	**1.2**	4.5
Total non-current assets		**357.5**	146.7
Current assets			
Trade and other receivables	15	**72.6**	94.7
Cash and cash equivalents	16	**0.1**	-
Financial asset - derivative	21	**-**	1.4
Total current assets		**72.7**	96.1
Total assets		**430.2**	242.8
Equity and liabilities			
Equity			
Issued share capital	22	**14.7**	12.5
Share premium account	24	**197.0**	97.2
Merger reserve	24	**61.9**	31.4
Retained earnings		**52.5**	58.9
Total equity		**326.1**	200.0
Non-current liabilities			
Financial liabilities - interest-bearing loans and borrowings	18	**73.6**	42.6
Total non-current liabilities		**73.6**	42.6
Current liabilities			
Financial liabilities - interest-bearing loans and borrowings	18	**4.3**	-
Trade and other payables	17	**26.2**	0.2
Corporation tax payable		**-**	-
Total current liabilities		**30.5**	0.2
Total liabilities		**104.1**	42.8
Total equity and liabilities		**430.2**	242.8

As permitted by the exemption under Section 408 of the Companies Act 2006 no Company income statement or statement of comprehensive income is presented. The Company's loss for the year was £6.5m (2019: £1.6m).

The financial statements on pages 120 to 163 were approved by the Board of Directors on 10 December 2020 and signed on its behalf by:

Richard Huntingford
Chairman

Rachel Addison
Chief Financial Officer

Future plc
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Consolidated and Company cash flow statements

for the year ended 30 September 2020

	Group 2020 £m	Company 2020 £m	Group 2019 £m	Company 2019 £m
Cash flows from operating activities				
Cash generated from/(used in) operations	**91.9**	**(4.1)**	53.7	(2.3)
Interest paid	**(1.4)**	**(1.6)**	(1.5)	(1.4)
Interest paid on lease liabilities	**(0.7)**	**-**	-	-
Tax paid	**(8.4)**	**-**	(3.1)	-
Net cash generated from/(used in) operating activities	**81.4**	**(5.7)**	49.1	(3.7)
Cash flows from investing activities				
Purchase of property, plant and equipment	**(0.9)**	**-**	(1.4)	-
Purchase of computer software and website development	**(3.1)**	**-**	(2.6)	-
Purchase of magazine titles and websites	**(0.1)**	**-**	(1.6)	-
Purchase of subsidiary undertakings, net of debt and cash acquired	**(73.5)**	**-**	(64.6)	-
Disposal of subsidiaries, magazine titles and websites	**(2.2)**	**-**	0.4	-
Net movement in amounts owed to/by subsidiaries	**-**	**(130.3)**	-	(10.5)
Net cash used in investing activities	**(79.8)**	**(130.3)**	(69.8)	(10.5)
Cash flows from financing activities				
Proceeds from issue of Ordinary share capital	**104.4**	**104.4**	-	-
Costs of share issue	**(3.4)**	**(3.4)**	-	-
Acquisition of own shares	**(8.5)**	**-**	-	-
Drawdown of bank loans	**142.1**	**142.1**	84.2	84.2
Repayment of bank loans	**(220.7)**	**(109.9)**	(68.4)	(68.4)
Drawdown of overdraft	**3.5**	**4.3**	4.3	-
Bank arrangement fees	**(0.6)**	**(0.6)**	(0.8)	(0.8)
Repayment of principal element of lease liabilities	**(3.9)**	**-**	-	-
Settlement/(purchase) of derivative	**0.2**	**0.2**	(0.7)	(0.7)
Dividends paid	**(1.0)**	**(1.0)**	(0.4)	(0.4)
Net cash generated from financing activities	**12.1**	**136.1**	18.2	13.9
Net increase/(decrease) in cash and cash equivalents	**13.7**	**0.1**	(2.5)	(0.3)
Cash and cash equivalents at beginning of year	**6.6**	**-**	6.4	0.3
Effects of exchange rate changes on cash and cash equivalents	**(1.0)**	**-**	2.7	-
Cash and cash equivalents at end of year	**19.3**	**0.1**	6.6	-

Notes to the Consolidated and Company cash flow statements

for the year ended 30 September 2020

A. Cash generated from/(used in) operations

The reconciliation of profit/(loss) for the year to cash generated from/(used in) operations is set out below:

	Group 2020 £m	Company 2020 £m	Group 2019 £m	Company 2019 £m
Profit/(loss) for the year	**44.3**	**(6.5)**	8.1	(1.6)
Adjustments for:				
Depreciation and impairment charge	**6.9**	**-**	0.9	-
Amortisation of intangible assets and impairment charge	**25.1**	**-**	14.5	-
Share schemes				
- Value of employees' services	**5.6**	**-**	3.4	-
Reversal of impairment	**-**	**(0.1)**	-	-
Net finance (income)/costs	**(2.8)**	**3.0**	14.2	(0.3)
Tax charge/(credit)	**7.7**	**(0.6)**	4.6	(0.1)
Loss/(gain) on the sale of operations	**1.5**	**-**	(0.2)	-
Cash generated from/(used in) operations before changes in working capital and provisions	**88.3**	**(4.2)**	45.5	(2.0)
Movement in provisions	**-**	**-**	(0.7)	-
Decrease in inventories	**0.5**	**-**	-	-
Decrease in trade and other receivables	**2.6**	**-**	3.5	-
Increase/(decrease) in trade and other payables	**0.5**	**0.1**	5.4	(0.3)
Cash generated from/(used in) operations	**91.9**	**(4.1)**	53.7	(2.3)

B. Analysis of net debt

Group	1 October 2019 £m	Cash flows £m	On acquisition £m	Other non-cash changes £m	Exchange movements £m	30 September 2020 £m
Cash and cash equivalents	6.6	(15.5)	29.2	-	(1.0)	**19.3**
Debt due within one year	(4.3)	(3.5)	-	-	-	**(7.8)**
Debt due after more than one year	(42.6)	78.7	(111.0)	0.2	1.1	**(73.6)**
Net debt	**(40.3)**	**59.7**	**(81.8)**	**0.2**	**0.1**	**(62.1)**

Group	1 October 2018 £m	Cash flows £m	Other non-cash changes £m	Exchange movements £m	30 September 2019 £m
Cash and cash equivalents	6.4	(2.5)	-	2.7	6.6
Debt due within one year	(8.5)	4.2	-	-	(4.3)
Debt due after more than one year	(15.7)	(23.5)	(0.5)	(2.9)	(42.6)
Net debt	(17.8)	(21.8)	(0.5)	(0.2)	(40.3)

Company	1 October 2019 £m	Cash flows £m	Other non-cash changes £m	Exchange movements £m	30 September 2020 £m
Cash and cash equivalents	-	0.1	-	-	**0.1**
Debt due within one year	-	(4.3)	-	-	**(4.3)**
Debt due after more than one year	(42.6)	(32.3)	0.2	1.1	**(73.6)**
Net debt	**(42.6)**	**(36.5)**	**0.2**	**1.1**	**(77.8)**

Company	1 October 2018 £m	Cash flows £m	Other non-cash changes £m	Exchange movements £m	30 September 2019 £m
Cash and cash equivalents	0.3	(0.3)	-	-	-
Debt due within one year	(8.5)	8.5	-	-	-
Debt due after more than one year	(15.7)	(23.5)	(0.5)	(2.9)	(42.6)
Net debt	(23.9)	(15.3)	(0.5)	(2.9)	(42.6)

C. Reconciliation of movement in net debt

	Group 2020 £m	Company 2020 £m	Group 2019 £m	Company 2019 £m
Net debt at start of year	**(40.3)**	**(42.6)**	(17.8)	(23.9)
Increase/(decrease) in cash and cash equivalents	**13.7**	**0.1**	(2.5)	(0.3)
Increase in borrowings	**(35.8)**	**(36.6)**	(19.3)	(15.0)
Other non-cash changes	**0.2**	**0.2**	(0.5)	(0.5)
Exchange movements	**0.1**	**1.1**	(0.2)	(2.9)
Net debt at end of year	**(62.1)**	**(77.8)**	(40.3)	(42.6)

D. Changes in financial assets and financial liabilities

Group	1 October 2019 £m	Financing cash flows £m	Share issue £m	Acquisitions £m	Changes in fair values and unwinding of discount £m	Adoption of IFRS 16 Leases £m	Exchange movements £m	Other non cash movements £m	30 September 2020 £m
Financial assets									
Trade and other receivables (net)	36.0	(6.2)	-	29.2	-	-	(0.3)	-	**58.7**
Cash and cash equivalents	6.6	(15.5)	-	29.2	-	-	(1.0)	-	**19.3**
Finance lease receivable	-	(0.1)	-	-	-	1.8	-	(0.1)	**1.6**
Financial asset - derivative	1.4	(0.2)	-	-	(1.2)	-	-	-	**-**
Total financial assets	**44.0**	**(22.0)**	**-**	**58.4**	**(1.2)**	**1.8**	**(1.3)**	**(0.1)**	**79.6**
Financial liabilities									
Trade and other payables	(53.8)	(0.5)	-	(49.8)	-	0.4	(1.1)	-	**(104.8)**
Current borrowings	(4.3)	(3.5)	-	-	-	-	-	-	**(7.8)**
Non-current borrowings	(42.6)	78.7	-	(111.0)	-	-	1.1	0.2	**(73.6)**
Deferred consideration	(43.9)	21.4	21.8	-	(0.3)	-	1.0	-	**-**
Contingent consideration	(10.9)	3.6	-	-	6.8	-	0.5	-	**-**
Total financial liabilities	**(155.5)**	**99.7**	**21.8**	**(160.8)**	**6.5**	**0.4**	**1.5**	**0.2**	**(186.2)**
Net financial assets and liabilities	**(111.5)**	**77.7**	**21.8**	**(102.4)**	**5.3**	**2.2**	**0.2**	**0.1**	**(106.6)**

Group	1 October 2018 £m	Financing Cash flows £m	Acquisitions £m	Changes in fair values and unwinding of discount £m	Exchange movements £m	30 September 2019 £m
Financial assets						
Trade and other receivables (net)	31.8	(3.4)	8.2	-	(0.6)	36.0
Cash and cash equivalents	6.4	(2.5)	-	-	2.7	6.6
Financial asset - derivative	-	0.6	-	0.8	-	1.4
Total financial assets	38.2	(5.3)	8.2	0.8	2.1	44.0
Financial liabilities						
Trade and other payables	(38.8)	(6.1)	(7.2)	-	(1.7)	(53.8)
Current borrowings	(8.5)	4.2	-	-	-	(4.3)
Non-current borrowings	(15.7)	(24.0)	-	-	(2.9)	(42.6)
Deferred consideration	-	-	(29.3)	(12.9)	(1.7)	(43.9)
Contingent consideration	-	-	(10.9)	-	-	(10.9)
Total financial liabilities	(63.0)	(25.9)	(47.4)	(12.9)	(6.3)	(155.5)
Net financial assets and liabilities	(24.8)	(31.2)	(39.2)	(12.1)	(4.2)	(111.5)

Accounting policies

Compliance statement and basis of preparation

Future plc (the Company) is incorporated and registered in the United Kingdom and is a public company limited by shares. The address of the Company's registered office and its registered number are given on pages 123 and 174. The financial statements consolidate those of Future plc and its subsidiaries (the Group).

The financial statements of the Group and the individual financial statements of the parent company have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and the IFRS Interpretations Committee's (IFRS IC) interpretations as adopted by the European Union, applicable as at 30 September 2020, and those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

The principal accounting policies applied in the preparation of the consolidated financial statements published in this 2020 Annual Report are set out on pages 127 to 133. These policies have been applied consistently to all years presented, unless otherwise stated below. These financial statements have been prepared under the historical cost convention, except for derivative financial instruments, and contingent and deferred consideration, which are measured at fair value.

The going concern basis has been adopted in preparing these financial statements as stated by the Directors on page 108.

New or revised accounting standards and interpretations adopted in the year

The following standards and amendments became effective in the year:

- IFRS 16 *Leases*;
- IFRIC 23 *Uncertainty over income tax treatments;*
- amendment to IFRS 9 *Prepayment features with negative compensation and modifications of financial liabilities;* and
- amendments as a result of Annual Improvements 2015-2017 Cycle.

There has been no material impact from the adoption of new standards, amendments to standards or interpretations which are relevant to the Group, other than as set out below.

The Group has adopted IFRS 16 *Leases* from 1 October 2019, resulting in the recognition on balance sheet of assets and liabilities relating to leases previously accounted for as operating leases. On transition the Group has applied the modified retrospective approach, with the right-of-use asset measured as if IFRS 16 had always applied and the difference between lease assets and lease liabilities recognised within retained earnings. Comparative periods have not been restated.

Adoption of the standard has resulted in an increase in reported assets of £16.0m, which includes a deferred tax asset of £0.7m, and an increase in reported liabilities of £16.8m, with the balance of £0.8m being recognised within retained earnings at 1 October 2019.

In the income statement the operating lease rent expense has been replaced by depreciation of right-of-use assets and finance costs on lease liabilities.

The Group has taken advantage of the following practical expedients on transition to:

- rely on our assessment of where leases exist under current reporting standards IAS 17 *Leases* and IFRIC 4 *Determining Whether an Arrangement Contains a Lease*;
- exclude low-value leases;
- exclude short-term leases, being those with a term of 12 months or less from 1 October 2019;
- rely on our assessment of onerous leases under IAS 37 *Provisions, contingent liabilities and contingent assets* applied immediately before the date of initial application as an alternative to performing an impairment review;
- use hindsight when determining the lease term where the contract includes options to extend or terminate; and
- exclude initial direct costs from the measurement of the right-of-use asset.

Although there is no change to actual cash outflows, under IFRS 16 repayments relating to the principal portion of the lease liability are presented within cash flows from financing activities and the portion relating to the repayment of interest presented within cash flows from operating activities. Payments relating to short-term and low-value leases will continue to be included in cash flows from operating activities.

The Group's accounting policy for leases under IFRS 16 is as follows:

Property leases are recognised on the balance sheet as a right-of-use asset and corresponding lease liability at the date the leased asset is available for use. Lease liabilities are measured at the present value of payments less lease incentives receivable. Right-of-use assets are measured equal to the value of the lease liability plus restoration costs.

Lease payments are discounted using the interest rate implicit in the lease (for leases existing on transition the incremental borrowing rate).

Short-term and low-value leases (as defined by IFRS 16) are recognised on a straight-line basis as an expense in the income statement.

Finance costs are charged to the income statement over the lease term, at a constant periodic rate of interest. Right-of-use assets are depreciated over the lease term on a straight-line basis. Each lease payment is allocated between the liability and finance cost.

IFRIC 23 *Uncertainty over income tax treatments* provides guidance and clarifies how to apply the recognition and measurement requirements in IAS 12

Financial Statements

Income taxes where there is uncertainty over income tax treatments. IFRIC 23 has been applied in the measurement of the provision recognised. The adoption of the standard has not had a material impact on the financial statements. For more detail about the provision for uncertain tax positions, see the 'critical judgements' section on page 133.

New accounting standards, amendments and interpretations that are issued but not yet applied by the Group

Certain new standards, amendments and interpretations to existing standards have been published that are mandatory for accounting periods beginning on or after 1 October 2020 and which the Group has chosen not to adopt early. These include the following standards which are relevant to the Group:

- amendment to *IFRS 3 Clarifying the definition of a business;*
- amendment to IAS 1 *Definition of Material* and *Classification of liabilities;*
- IAS 8 *Definition of Material;*
- IAS 37 *Costs to include when assessing whether a contract is material;*
- amendment to IFRS 7, IFRS 9 and IFRS 16 *Amendments regarding pre-replacement issues in the context of the IBOR reform;* and
- Annual Improvements to IFRS Standards 2018-2020 Cycle.

The Group does not expect that the standards and amendments issued but not yet effective will have a material impact on results or net assets.

Presentation of non-statutory measures

The Directors believe that adjusted results and adjusted earnings per share provide additional useful information on the core operational performance of the Group to shareholders, and review the results of the Group on an adjusted basis internally. The term 'adjusted' is not a defined term under IFRS and may not therefore be comparable with similarly titled profit measurements reported by other companies. It is not intended to be a substitute for, or superior to, IFRS measurements of profit.

Adjustments are made in respect of:

- Share-based payments – share-based payment expenses (relating to equity-settled share awards with vesting periods longer than 12 months), together with associated social security costs, are excluded from the adjusted results of the Group as the Directors believe they result in a level of charge that would distort the user's view of the core trading performance of the Group. Details of share-based payments are shown in note 23.
- Exceptional items – the Group considers items of income and expense as exceptional and excludes them from the adjusted results where the nature of the item, or its size, is material and not related to the core underlying trading of the Group so as to assist the user of the financial statements to better understand the results of the core operations of the Group. Details of exceptional items are shown in note 5.
- Amortisation of acquired intangible assets – the amortisation charge for those intangible assets recognised on business combinations is excluded from the adjusted results of the Group since they are non-cash charges arising from non-trading investment activities. As such, they are not considered to be reflective of the core trading performance of the Group.
- Change in the fair value of contingent consideration - the Group excludes the remeasurement of these acquisition-related liabilities from its adjusted results as the impact of remeasurement can vary significantly depending on the underlying acquisition's performance. The unwinding of the discount on contingent consideration is also excluded from the Group's adjusted results on the basis that it is non-cash and the balance is driven by the Group's assessment of the relevant discount rate to apply. Excluding these items ensures comparability with prior years.
- Changes in the fair value of currency option - the Group has excluded this from its adjusted results as the option was acquired in order to hedge USD exposure to acquisition-related contingent consideration and does not relate to the core underlying trading performance of the Group.

The tax related to adjusting items is the tax effect of the items above, calculated using the standard rate of corporation tax in the relevant jurisdiction.

A reconciliation of adjusted operating profit to profit before tax is shown below:

	2020 £m	2019 £m
Adjusted operating profit	**93.4**	52.2
Adjusted finance costs	**(2.5)**	(2.1)
Other income	**-**	0.2
Adjusted profit before tax	**90.9**	50.3
Adjusting items:		
Share-based payments (including social security costs)	**(5.5)**	(9.0)
Exceptional items (note 5)	**(17.1)**	(3.4)
Amortisation of acquired intangibles (note 12)	**(21.6)**	(13.1)
Decrease/(increase) in fair value of contingent consideration	**7.6**	(11.7)
Unwinding of discount	**(1.1)**	(1.2)
Fair value (loss)/gain on currency option	**(1.2)**	0.8
Profit before tax	**52.0**	12.7

A reconciliation of cash generated from operations to adjusted free cash flow is shown below:

	2020 £m	2019 £m
Cash generated from operations	**91.9**	53.7
Cash flows related to exceptional items	**8.0**	4.0
Settlement of social security costs on share based payments	**4.0**	-
Lease payments following adoption of IFRS 16 *Leases*	**(3.9)**	-
Adjusted operating cash inflow	**100.0**	57.7
Cash flows related to capital expenditure	**(4.0)**	(4.0)
Adjusted free cash flow	**96.0**	53.7

A reconciliation between adjusted and statutory earnings per share measures is shown in note 10.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of Future plc (the Company) and its subsidiary undertakings. Subsidiaries are all entities controlled by the Group. Control exists when the Group is either exposed to or has the rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group.

The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, and includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated.

Unrealised losses are also eliminated but are considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Segment reporting

The Group is organised and arranged primarily by geographical segment. The Group also uses a sub-segment split of Media and Magazines for further analysis. Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Makers who are considered to be the Executive Directors of Future plc.

Revenue recognition

Revenue from contracts with customers is recognised in the income statement in line with the five-step model in IFRS 15, to reflect the pattern of transfer of goods and services to the customer. Revenue is recognised in the income statement when control passes to the customer. If the customer simultaneously receives and consumes the benefits of the contract, revenue is recognised over time. Otherwise, revenue is recognised at a point in time.

Revenue comprises the transaction price of the contract, being consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of value-added tax, estimated returns, rebates and discounts, which includes retail promotion costs and advertising rebates, and after eliminating sales within the Group.

For print and digital magazine newstrade and subscription revenue, and digital advertising revenues and expenses, revenue is recognised as the amount paid by the end consumer, rather than the amount remitted by the agent.

Related commissions paid to agents are recognised as an expense within cost of sales.

The following recognition criteria also apply:

- eCommerce revenue is recognised at the time of the related product sale.
- Magazine newsstand circulation, print subscription and advertising revenue is recognised according to the date that the related publication goes on sale.
- Online advertising revenue is recognised over the period during which the adverts are served.
- Revenue from the sale of digital magazine subscriptions is recognised uniformly over the term of the subscription.
- Event income is recognised when the event has taken place.
- Licensing revenue is recognised on the supply of the licensed content.
- Publisher services revenue is recognised when the issues are distributed to wholesalers.
- Revenue from broadcaster productions is recognised over the period of development in line with expenditure incurred.
- Other revenue is recognised at the time of sale or provision of service.

The right of return is considered to be variable consideration. The probable amount of expected returns is estimated using the most-likely amount method and accounted for as a reduction in revenue.

Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in sterling, which is the Group's presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rate prevailing at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at balance sheet exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, with exchange differences arising on trading transactions being reported in operating profit and with those arising on financing transactions reported in net finance costs unless, as a result of cash flow hedging, they are reported in other comprehensive income.

(c) Group companies

The results and financial position of all the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) Assets and liabilities for each balance sheet are translated at the closing rate at the date of that balance sheet.

(ii) Income and expenses for each income statement are translated at average exchange rates.

(iii) All resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations, and of borrowings and other currency instruments designated as hedges of such investments, are taken to shareholders' equity. When a foreign operation is sold, exchange differences that were recorded in equity are recognised in the income statement as part of the gain or loss on sale.

Employee benefits

(a) Pension obligations

The Group has a number of defined contribution plans. For defined contribution plans the Group pays contributions into a privately administered pension plan on a contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. Contributions are charged to the income statement as they are incurred.

(b) Share-based compensation

The Group operates a number of share-based compensation plans.

The fair value of the employee services received in exchange for the grant of the awards is recognised as an expense. The total amount to be expensed over the appropriate service period is determined by reference to the fair value of the awards. The calculation of fair value includes assumptions regarding the number of cancellations and excludes the impact of any non-market vesting conditions (for example, earnings per share). Non-market vesting conditions are included in assumptions about the number of awards that are expected to vest. At each balance sheet date, the Group revises its estimates of the number of awards that are expected to vest. It recognises the impact of the revision of original estimates, if any, in the income statement, with a corresponding adjustment to equity for equity-settled awards and liabilities for cash-settled awards.

The grant by the Company of share awards to the employees of subsidiary undertakings is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity in the Company's financial statements.

Shares in the Company are held in trust to satisfy the exercise of awards under certain of the Group's share-based compensation plans and exceptional awards. The trust is consolidated within the Group financial statements. These shares are presented in the consolidated balance sheet as a deduction from equity at the market value on the date of acquisition.

(c) Bonus plans

The Group recognises a liability and an expense for bonuses taking into consideration the profit attributable to the Company's shareholders after certain adjustments. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

Leases

Property leases are recognised on the balance sheet as a right-of use asset and corresponding lease liability at the date the leased asset is available for use. Lease liabilities are measured at the present value of payments less lease incentives receivable. Right-of-use assets are measured equal to the value of the lease liability plus restoration costs.

Lease payments are discounted using the interest rate implicit in the lease (for leases existing on transition the incremental borrowing rate).

Short-term and low-value leases (as defined by IFRS 16) are recognised on a straight-line basis as an expense in the income statement.

Finance costs are charged to the income statement over the lease term, at a constant periodic rate of interest. Right-of-use assets are depreciated over the lease term on a straight-line basis. Each lease payment is allocated between the liability and finance cost.

Where the Group is a lessor, where the lease transfers substantially all the risks and rewards of ownership to the lessee it is classified as a finance lease. All others are accounted for as operating leases. Where the Group is an intermediate lessor, 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 net investment in the leases. Finance lease income reflects a constant periodic rate of return on the Group's net investment outstanding. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

The Group has adopted IFRS 16 *Leases* from 1 October 2019. Comparative periods have not been restated and for the year ended 30 September 2019 the following accounting policy under IAS 17 *Leases* was applied:

Leases in which the Group assumes substantially all the risks and rewards of ownership of the leased assets were classified as finance leases. All other leases were classed as operating leases. Assets held under finance leases were included either as property, plant and equipment or intangible assets at the lower of their fair value at inception or the present value of the minimum lease payments and were depreciated over their estimated economic lives or the finance lease period, whichever was the shorter. The corresponding liability was recorded within borrowings. The interest element of the rental costs was charged against profits over the period of the lease using the actuarial method. Payments made under operating leases (net of any incentives received from the lessor) were charged to the income statement on a straight-line basis over the period of the lease.

Tax

Tax on the profit or loss for the year comprises current tax and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity in which case it is recognised in equity.

Current tax is payable based on taxable profits for the year, using tax rates that have been enacted or substantively enacted at the balance sheet date, along with any adjustment relating to tax payable in previous years. Management periodically evaluates items detailed in tax returns where the tax treatment is subject to interpretation. Taxable profit differs from net profit in the income statement in that income or expense items that are taxable or deductible in other years are excluded – as are items that are never taxable or deductible. Current tax assets relate to payments on account not offset against current tax liabilities.

Deferred tax is provided for in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled in the appropriate territory.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Certain deferred tax assets and liabilities are offset against each other where they relate to the same jurisdiction and there is a legally enforceable right to offset.

Uncertain tax positions are provided for under IAS 12, with due consideration for the interpretive guidance in IFRIC 23. Each uncertain tax treatment is considered either separately or together with other uncertain positions in the same jurisdiction, depending on which approach better predicts the resolution of the uncertainty. The effect of the uncertainty is measured with reference to the expected value, i.e. the sum of the probability-weighted amounts in a range of possible outcomes. The expected value better predicts the resolution of the uncertainty where there is a range of possible outcomes.

Deferred tax in business combinations

In business combinations, deferred tax is calculated at the date of acquisition. Where the fair value (and therefore the acquisition accounting value) of assets acquired is different from its tax base, a deferred tax asset or liability is recognised on the temporary difference. The tax base is dependent on the expected tax deductions available in the applicable jurisdiction over the life of the asset.

Dividends

All dividend distributions to the Company's shareholders are recognised as a liability in the financial statements in the period in which they are approved.

Property, plant and equipment

Property, plant and equipment is stated at cost (or deemed cost) less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation

Depreciation is calculated using the straight-line method to allocate the cost of property, plant and equipment less residual value over estimated useful lives, as follows:

- Land and buildings – 50 years or period of the lease if shorter.
- Plant and machinery – between one and five years.
- Equipment, fixtures and fittings – between one and five years.
- Right-of-use assets – lease term.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amounts. These are included in the income statement.

Intangible assets

(a) Goodwill

Goodwill represents the difference between the cost of the acquisition and the fair value of net identifiable assets acquired.

Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to appropriate cash generating units (those expected to benefit from the business combination) and it is not subject to amortisation but is tested annually for impairment.

(b) Titles, trademarks, customer lists, brands, subscriber databases, creative services relationships, publishing rights, customer relationships, advertising relationships, non-compete agreements, content, eCommerce technology and other 'magazine and website related' intangibles

Magazine and website related intangible assets have a finite useful life and are stated at cost less accumulated amortisation. Assets acquired as part of a business combination are initially stated at fair value. Amortisation is calculated using the straight-line method to allocate the cost of these intangibles over their estimated useful lives (typically between one and fifteen years).

Expenditure incurred on the launch of new magazine titles is recognised as an expense in the income statement as incurred.

(c) Computer software and website development

Non-integral computer software purchases are stated at cost less accumulated amortisation. Costs incurred in the development of new websites are capitalised only where the cost can be directly attributed to developing the website to operate in the manner intended by management and only to the extent of the future economic benefits expected from its use. These costs are amortised on a straight-line basis over their estimated useful lives (between one and three years). Costs associated with maintaining computer software or websites are recognised as an expense as incurred.

Impairment tests and Cash-Generating Units (CGUs)

A CGU is defined as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

Goodwill is not amortised but tested for impairment at least once a year or more frequently when there is an indication that it may be impaired. Therefore, the evolution of general economic and financial trends as well as actual economic performance compared to market expectations represent external indicators that are analysed by the Group, together with internal performance indicators, in order to assess whether an impairment test should be performed more than once a year.

IAS 36 *Impairment of Assets* requires these tests to be performed at the level of each CGU or group of CGUs likely to benefit from acquisition-related synergies, within an operating segment.

Any impairment of goodwill is recorded in the income statement as a deduction from operating profit and is never reversed subsequently.

Other intangible assets with a finite life are amortised and are tested for impairment only where there is an indication that an impairment may have occurred.

Recoverable amount

To determine whether an impairment loss should be recognised, the carrying value of the assets and liabilities of the CGUs or groups of CGUs is compared to their recoverable amount.

Carrying values of CGUs and groups of CGUs tested include goodwill and assets with finite useful lives (property, plant and equipment, intangible assets and net working capital).

The recoverable amount of a CGU is the higher of its fair value less costs to sell and its value in use. Fair value less costs to sell is the best estimate of the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal. This estimate is determined, on 30 September, on the basis of the discounted present value of expected future cash flows plus a terminal value and reflects general market sentiment and conditions.

Value in use is the present value of the future cash flows expected to be derived from the CGUs or group of CGUs. Cash flow projections are based on economic assumptions and forecast trading conditions drawn up by the Group's management, as follows:

- cash flow projections are based on three-year business plans;
- cash flow projections beyond that time frame are extrapolated by applying a country-specific growth rate to perpetuity for both the US and the UK; and
- the cash flows obtained are discounted using appropriate rates for the business and the territories concerned.

If goodwill has been allocated to a CGU and an operation within that CGU is disposed of, the goodwill associated with that operation is included in the carrying amount of the operation in determining the profit or loss on disposal. The goodwill allocated to the disposal is measured on the basis of the relative profitability of the operation disposed and the operations retained.

Inventories

Inventories are stated at the lower of cost and net realisable value. For raw materials, cost is taken to be the purchase price on a first in, first out basis. For finished goods, cost is calculated as the direct cost of production. It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

Trade and other receivables

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less a loss allowance. The Group applies the IFRS 9 simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance for all trade receivables. Expected loss rates, calculated based on historical credit losses, are applied to trade receivables grouped based on days past due.

Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held on call with banks. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

Trade and other payables

Trade and other payables are initially recognised at fair value and subsequently measured at amortised cost.

Borrowings

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

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

Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, and it is more likely than not that an outflow of resources will be required to settle the obligation.

Provisions are measured at the Directors' best estimate of the expenditure required to settle the obligation at the balance sheet date, and are discounted to present value where the effect is material.

Derivative financial instruments and hedging activities

The Group uses derivative financial instruments to reduce exposure to foreign exchange and interest rate risks and recognises these at fair value in its balance sheet. For instruments for which hedge accounting is applied, gains and losses are taken to equity. Any changes to the fair value of derivatives not hedge accounted for are recognised in the income statement. Any new instruments entered into by the Group will be reviewed on a 'case by case' basis at inception to determine whether they should qualify as hedges and be accounted for accordingly under IFRS 9. In accordance with its treasury policy, the Group does not hold or issue any derivative financial instruments for trading purposes.

Where hedge accounting is not applied, changes in fair value of derivative financial instruments are recognised within profit or loss.

Investments

The Company's investments in subsidiary undertakings are stated at the fair value of consideration payable, including related acquisition costs, less any provisions for impairment.

Exceptional items

The Group considers items of income and expense as exceptional and excludes them from the adjusted results where the nature of the item, or its size, is material and not related to the core underlying trading of the

Group so as to assist the user of the financial statements to better understand the results of the core operations of the Group. Details of exceptional items are shown in note 5.

Critical accounting assumptions, judgements and estimates

The preparation of the financial statements under IFRS requires the use of certain critical accounting assumptions and requires management to exercise its judgement and to make estimates in the process of applying the Group's accounting policies.

Critical judgements in applying the Group's accounting policies

The areas where the Board has made critical judgements in applying the Group's accounting policies (apart from those involving estimations which are dealt with separately below) are:

(a) Accounting for acquisitions

Management applies judgement in accounting for acquisitions, including identifying assets arising from the application of IFRS 3 *Business combinations*, undertaking Purchase Price Allocation exercises to allocate value between assets acquired, including the allocation between intangible assets and goodwill, and valuing contingent consideration. See note 28 for further detail.

(b) Exceptional items

Due to the significant acquisition-related activity, there are a number of items which require judgement to be applied in determining whether they are exceptional in nature. In the current year these relate largely to acquisition and restructuring related costs in respect of the TI Media acquisition (£3.8m and £9.1m respectively), SmartBrief integration costs of £0.1m, onerous property costs of £1.8m, impairment of the TI Media legacy finance system of £0.8m and £1.5m loss on disposals relating to the sale of Amateur Photographer, WorldSoccer and Trustedreviews.com, as required by the Competition and Markets Authority, as well as UK Cycling Events Limited and International Craft & Hobby Fair Limited, following the acquisition of TI Media, see *notes 5 and 28 for further detail.*

(c) Identification of cash generating units for goodwill impairment testing

Judgement is applied in the identification of cash-generating units ("CGUs"). Given the speed of integration of acquisitions and the interdependency of revenues across the Group, both between its brands, the Media and Magazine sub-segments and globally the Directors remain comfortable with identification of the UK and the US as the primary CGUs used in impairment testing.

Key sources of estimation uncertainty

The following are areas of key sources of estimation uncertainty that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

(a) Taxation

Where tax exposures can be quantified, a provision is made based on best estimates and the judgement of the Directors. Details of the provision for uncertain tax positions in relation to material tax exposures are discussed below. As the ultimate resolution of tax exposures usually occurs at a point in time, and given the inherent uncertainties in assessing the outcomes of these exposures, there could, in future periods, be adjustments to these provisions that have a material positive or negative effect on our results in any particular period. Provisions for tax contingencies require the Directors to make estimates and judgements with respect to the ultimate outcome of a tax audit, and actual results could vary from these estimates.

In the current year, the uncertain tax positions of the Group have been reviewed, and uncertain tax positions have been released as the uncertainty has been resolved or the risk reduced. The year end provision is £4.5m (2019: £5.6m), of which £4.1m (2019: £4.3m) relates to transfer pricing risks, and £0.4m (2019: £0.5m) relates to uncertain tax positions in acquired businesses. The Group's transfer pricing uncertainties arise because the Group has material intra-group transactions relating to the cross-border licensing of platform technology and brands, which have increased year on year to keep pace with the *rapid increase in Group profits. The Group's* estimate of the transfer pricing exposure has been calculated by modelling different scenarios of adjustments to transfer pricing charges by the UK and US tax authorities and assigning probabilities to those scenarios. By their nature, the models are subjective assessments and judgement is required in assessing the scenarios and probabilities to apply. Although the Directors continue to believe that Future's transfer pricing is robust, its position as a digital media business and the increasing attention on transfer pricing as it relates to cross border taxation of the digital economy creates uncertainty.

(b) Valuation of acquired intangible assets

Acquisitions may result in the recognition of intangible assets, such as titles, trademarks, customer lists, subscriber databases, creative services relationships, content, advertising relationships, customer relationships, publishing rights, non-compute agreements and eCommerce technology. These assets are valued using a discounted cash flow model, Multi-period Excess Earnings Method ("MEEM"), or a relief from royalty method. In applying these valuation methods, a number of key assumptions are made in respect of discount rates, growth rates, royalty rates and the estimated life of intangibles. During the year, such estimates have been made regarding the Barcroft Studios and TI Media acquisitions. See notes 12 and 28 for further details.

(c) Carrying value of goodwill

The Group uses forecast cash flow information and estimates of future growth to assess whether goodwill is impaired. Key assumptions include the EBITDA margin allocated to each CGU, the growth rate to perpetuity and the discount rate. If the results of an operation in future years are adverse to the estimates used for impairment testing, impairment may be triggered at that point. Further details, including sensitivity testing, are included within note 12.

(d) Provision for returns

Where there is a right of return, the Group provides for estimated unsold copies of magazines sold via newsstand wholesalers and distributors. Provisions require the use of *estimates and judgements, and actual* results could vary from these estimates.

Notes to the financial statements

1. SEGMENTAL REPORTING

The Group is organised and arranged primarily by reportable segment. The Executive Directors consider the performance of the business from a geographical perspective, namely the UK and the US. The Australian business is considered to be part of the UK segment and is not reported separately due to its size. The Group also uses a sub-segment split of Media (websites and events) and Magazines for further analysis. The Group considers that the assets within each geographical segment are exposed to the same risks.

(a) Reportable segment

(i) Segment revenue

	Sub-segment		2020	Sub-segment		2019
	Media £m	*Magazines* £m	*Total* £m	*Media* £m	*Magazines* £m	*Total* £m
Segment:						
UK	**79.8**	**92.1**	**171.9**	50.4	52.3	102.7
US	**157.5**	**10.2**	**167.7**	104.5	14.3	118.8
Total	**237.3**	**102.3**	**339.6**	154.9	66.6	221.5

Transactions between segments are carried out at arm's length.

(ii) Segment adjusted operating profit

Adjusted operating profit is used by the Executive Directors to assess the performance of each segment. Operating profit for the Media and Magazines sub-segments is not reported internally, as overheads are not fully allocated on this basis. The table below shows the impact of intra-group adjustments on the adjusted operating profit for the UK and US segments:

			2020			2019
	Underlying adjusted operating profit £m	*Intra-group adjustments* £m	Adjusted operating profit £m	*Underlying adjusted operating profit* £m	*Intra-group adjustments* £m	Adjusted operating profit £m
Segment:						
UK	**10.6**	**48.5**	**59.1**	10.7	18.4	29.1
US	**82.8**	**(48.5)**	**34.3**	41.5	(18.4)	23.1
Total	**93.4**	**-**	**93.4**	52.2	-	52.2

Intra-group adjustments relate to the net impact of charges from the UK to the US in respect of management fees (for back office revenue functions such as finance, HR and IT which are based in the UK) and licence fees for the use of intellectual property. The *increase in the year is driven by the growth in media revenue in the US.*

A reconciliation of total segment adjusted operating profit to profit before tax is provided as follows:

	2020 £m	2019 £m
Total segment adjusted operating profit	**93.4**	52.2
Share-based payments (including social security costs)	**(5.5)**	(9.0)
Amortisation of acquired intangibles	**(21.6)**	(13.1)
Exceptional items (note 5)	**(15.6)**	(3.4)
Net finance income/(costs)	**2.8**	(14.2)
Other (expense)/income	**(1.5)**	0.2
Profit before tax	**52.0**	12.7

(iii) Segment assets and liabilities

	Segment assets		Segment liabilities		Segment net assets	
	2020 £m	**2019 £m**	**2020 £m**	**2019 £m**	**2020 £m**	**2019 £m**
Segment:						
UK	**269.7**	123.3	**(192.5)**	(97.3)	**77.2**	26.0
US	**341.5**	263.1	**(37.4)**	(75.7)	**304.1**	187.4
Total	**611.2**	386.4	**(229.9)**	(173.0)	**381.3**	213.4

(iv) Other segment information

	Non-current assets		Additions to non-current assets		Depreciation and amortisation		Exceptional items	
	2020 £m	2019 £m	**2020 £m**	2019 £m	**2020 £m**	2019 £m	**2020 £m**	2019 £m
Segment:								
UK	**293.1**	98.5	**216.7**	4.1	**14.1**	7.2	**17.0**	1.4
US	**221.4**	233.2	**7.7**	130.7	**16.0**	8.2	**0.1**	2.0
Total	**514.5**	331.7	**224.4**	134.8	**30.1**	15.4	**17.1**	3.4

The non-current assets in the table above exclude deferred tax.

Other than the items disclosed above and a share-based payments charge (excluding social security costs) of £5.9m (2019: £3.9m) there were no other significant non-cash expenses during the year.

(b) Business segment

(i) Gross profit by business segment

	Sub-segment				2020	Sub-segment				2019
	Media £m	**Magazines £m**	**Other £m**	**Add back distribution expenses £m**	**Total £m**	Media £m	Magazines £m	Other £m	Add back distribution expenses £m	Total £m
Segment:										
UK	**65.0**	**56.4**	**(59.5)**	**11.5**	**73.4**	42.5	32.8	(35.2)	4.5	44.6
US	**138.9**	**6.4**	**(43.8)**	**1.7**	**103.2**	84.7	8.6	(33.9)	2.5	61.9
Total	**203.9**	**62.8**	**(103.3)**	**13.2**	**176.6**	127.2	41.4	(69.1)	7.0	106.5

Revenue of £43.4m arose from sales to the Group's largest single customer which operates as an intermediary for digital advertising customers (2019: £38.2m). No end customer, or other single customer or group of customers under common control contributed 10% or more to the Group's revenue in either the current or prior year. The above analysis excludes the impact of intra-group adjustments.

2. REVENUE

The Group applies IFRS 15 *Revenue from contracts with customers*. See note 1 for disaggregation of revenue by sub-segment.

Timing of satisfaction of performance obligations

Revenue is recognised in the income statement when control passes to the customer. If the customer simultaneously receives and consumes the benefits of the contract, revenue is recognised over time. Otherwise, revenue is recognised at a point in time. The table overleaf provides detail for each revenue stream:

Revenue stream	Nature, timing and satisfaction of performance obligations	Revenue recognition
Online advertising revenue	Future operates a number of websites with advertising space on their webpages which are sold via first party and programmatic/third party routes. Customers can purchase by time and number of impressions. For impressions, the performance obligation is the presentation of the advert to the customer. For time-based adverts, the performance obligation is the provision of an advert over a period of time to be seen by the customer.	Revenue is recognised at the point the advert is presented to the customer or over the period during which the advertisements are served. Principal vs agent considerations mean revenue under certain contracts is recognised on a gross basis.
eCommerce revenue	The Group earns commission when purchases are made directly from third parties by consumers clicking through to these products through links on the Group's websites. The facilitation of each product sale reflects a separate performance obligation.	Revenues related to these commissions are recognised at the time of the related product sale, less an estimate to reflect the likelihood of product returns to the retailer based on historic return rates.
Print and digital magazine subscriptions	Subscriptions of magazines are sold online, with subscribers sent a digital or print version of the magazine every month (or multiple versions in a 'double issue month'). Cash is received in advance (either annually or monthly via direct debit). For print subscriptions each magazine delivered represents a distinct performance obligation, whereas for digital magazines providing access to the digital content represents a distinct performance obligation.	For digital magazines cash collected in advance is deferred, with revenue recognised uniformly over the term of the subscription. For print magazines cash collected in advance is deferred, with revenue recognised at a point in time when the relevant publication being subscribed to goes on sale. Principal vs agent considerations mean revenue under certain contracts is recognised on a gross basis.
Magazine newsstand circulation and advertising revenue	Single issues of magazines are sold in stores and online. The provision of each issue is a separate performance obligation, which is satisfied when the issue goes on sale.	Revenue is recognised at a point in time on the date that the related publication goes on sale based on the estimate of sales net of returns. Principal vs agent considerations mean revenue under certain contracts is recognised on a gross basis.
Event income	Future holds a number of events throughout the year, including shows and awards events, held physically and virtually. Revenue arises from the following: - stand/table space; - sponsorship; - ticket sales; and - marketing packages. Cash is collected in advance of the event. Each event is a separate performance obligation, being satisfied when the event has taken place.	Cash collected in advance is deferred, with revenue recognised at a point in time when the event takes place.
Licensing revenue	Licence fees are charged for the use of Future's brands and content. Performance obligations are satisfied over time (for example magazine content provided each month) and at a point in time (historic content is provided up-front).	Revenue is recognised on the supply of the licensed content, based on usage.
Publisher services revenue	The Martketforce business is a distributor for magazines, and was acquired as part of the acquisition of TI Media in April 2020. Performance obligations are satisfied at a point in time, when the issues go on sale.	Revenue is recognised at a point in time on the date that the related publication goes on sale based on the estimate of sales net of returns.
Broadcaster productions	Television programming content is developed and produced for public broadcast. Performance obligations are satisfied over the period of the development in line with expenditure incurred.	Revenue is recognised over time, with the input method used to reflect the transfer of control to the customer.

The table below disaggregates revenue according to the timing of satisfaction of performance obligations:

	2020			2019		
	Over time £m	Point in time £m	Total revenue £m	Over time £m	Point in time £m	Total revenue £m
Total revenue	**12.3**	**327.3**	**339.6**	6.4	215.1	221.5

3. NET OPERATING EXPENSES

Operating profit is stated after charging:

	Adjusted results £m	Adjusting items £m	2020 Statutory results £m	Adjusted results £m	Adjusting items £m	2019 Statutory results £m
Cost of sales	**(163.0)**	**-**	**(163.0)**	(115.0)	-	(115.0)
Distribution expenses	**(13.2)**	**-**	**(13.2)**	(7.0)	-	(7.0)
Share-based payments (including social security costs)	**(3.2)**	**(5.5)**	**(8.7)**	(1.2)	(9.0)	(10.2)
Exceptional items (note 5)	**-**	**(15.6)**	**(15.6)**	-	(3.4)	(3.4)
Depreciation	**(5.8)**	**-**	**(5.8)**	(0.9)	-	(0.9)
Amortisation	**(2.7)**	**(21.6)**	**(24.3)**	(1.4)	(13.1)	(14.5)
Other administration expenses	**(58.3)**	**-**	**(58.3)**	(43.8)	-	(43.8)
	(246.2)	**(42.7)**	**(288.9)**	(169.3)	(25.5)	(194.8)

4. FEES PAID TO AUDITORS

	2020 £m	2019 £m
Audit fees in respect of the audit of the financial statements of the Company and the consolidated financial statements	**0.43**	0.28
Audit related assurance services	**0.04**	0.02
	0.47	0.30
Other assurance services[1]	**0.29**	0.54
Total fees	**0.76**	0.84

1 Other assurance services in the current year relate to fees in relation to the TI Media acquisition, and in the prior year to the return to a Premium Listing and advisory services for the Mobile Nations acquisition and TI Media acquisition.

5. EXCEPTIONAL ITEMS

	2020 £m	2019 £m
Acquisition and integration related costs	**3.9**	2.5
Restructuring and redundancy costs	**9.1**	-
Vacant property provision movements	**1.8**	0.1
Impairment of assets	**0.8**	-
Premium listing costs	**-**	0.8
Total operating charge	**15.6**	3.4
Disposals	**1.5**	-
Total charge	**17.1**	3.4

The acquisition and integration related costs represent expenses incurred in respect of the acquisition of TI Media (£3.8m), and the finalisation of the integration of SmartBrief (£0.1m), which was acquired in July 2019. Restructuring and redundancy costs relate to the integration of the TI Media acquisition. An impairment of £0.8m relates to the TI Media legacy finance system which is no longer required following the integration, and the £1.5m loss on disposals relates to the sale of Amateur Photographer, WorldSoccer, and Trustedreviews.com, as required by the Competition and Markets Authority, as well as UK Cycling Events Limited and International Craft & Hobby Fair Limited, following the acquisition of TI Media. Vacant property costs of £1.8m relate to ongoing operating costs and the impairment of right-of-use assets in respect of the Bromsgrove and Bournemouth offices which were permanently closed following the onset of the COVID-19 pandemic.
Further details of the acquisitions are shown in note 28.

6. EMPLOYEE COSTS

	Group 2020 £m	Company 2020 £m	Group 2019 £m	Company 2019 £m
Wages and salaries	**90.6**	**1.5**	60.0	1.2
Social security costs	**8.2**	**-**	5.2	-
Other pension costs	**2.4**	**-**	1.3	-
Share schemes				
- Value of employees' services[1]	**5.9**	**-**	3.9	-
- Employer's social security costs on share options	**2.8**	**-**	6.2	-
Total employee costs	**109.9**	**1.5**	76.6	1.2

1 In the current year, £5.6m (2019: £3.4m) relates to equity-settled and £0.3m (2019: £0.5m) to cash-settled share based payments.

Average monthly number of people (including Directors)	Group 2020 No.	Company 2020 No.	Group 2019 No.	Company 2019 No.
Production	**1,303**	**-**	770	-
Administration	**333**	**7**	219	6
Total	**1,636**	**7**	989	6

At 30 September 2020, the actual number of people employed by the Group was 2,037 (2019: 1,225). In respect of our reportable segments 1,639 (2019: 750) were employed in the UK and 398 (2019: 475) were employed in the US.

Key management personnel compensation

	Group 2020 £m	Company 2020 £m	Group 2019 £m	Company 2019 £m
Salaries and other short-term employee benefits	**2.6**	**1.5**	1.9	1.2
Post employment benefits	**0.1**	**-**	0.1	-
Share schemes				
- Value of employees' services	**1.0**	**-**	0.5	-
- Employer's social security costs on share options	**1.0**	**-**	3.1	-
Total	**4.7**	**1.5**	5.6	1.2

Key management personnel are deemed to be the members of the Board of Future plc. It is this Board which has responsibility for planning, directing and controlling the activities of the Group.

Zillah Byng-Thorne, Penny Ladkin-Brand and Rachel Addison were paid by Future Publishing Limited, a subsidiary company, for their services. In 2020 £0.7m (2019: £0.6m) was recharged to Future plc by Future Publishing Limited in respect of Zillah Byng-Thorne, £0.3m (2019: £0.3m) was recharged in respect of Penny Ladkin-Brand, and £0.2m (2019: £nil) was recharged in respect of Rachel Addison. These recharges are included in the salaries line for the Company in the table above.

Further details on the Directors' remuneration and interests are given in the Directors' remuneration report on pages 80 to 103. The highest paid Director during the year was Zillah Byng-Thorne (2019: Zillah Byng-Thorne) and details of her remuneration are shown on page 95.

7. FINANCE INCOME AND COSTS

	2020 £m	2019 £m
Interest receivable on interest-bearing loans and borrowings	**0.4**	-
Interest receivable on lease liabilities	**0.1**	-
Adjusted finance income	**0.5**	-
Decrease in fair value of contingent consideration	**7.6**	-
Fair value gain on currency option	**-**	0.8
Total reported finance income	**8.1**	0.8
Interest payable on interest-bearing loans and borrowings	**(1.8)**	(1.5)
Amortisation of bank loan arrangement fees	**(0.4)**	(0.6)
Interest payable on lease liabilities	**(0.8)**	-
Adjusted finance costs	**(3.0)**	(2.1)
Increase in fair value of contingent consideration	**-**	(11.7)
Fair value loss on currency option	**(1.2)**	-
Unwinding of discount on contingent consideration	**(1.1)**	(1.2)
Total reported finance costs	**(5.3)**	(15.0)
Net finance income/(costs)	**2.8**	(14.2)

The Group agreed a new £30 million multi-currency Revolving Credit Facility ("RCF") in April 2020. The RCF, which stands alongside Future's existing debt facilities, was arranged in order to provide the Group with additional working capital headroom to maintain the underlying growth momentum of the combined business, whilst navigating the impact of COVID-19. This facility has not been required (and has not been drawn) as at 30 September 2020 and has been subsequently cancelled.

The £7.6m decrease (2019: £11.7m increase) in fair value of contingent consideration arose in respect of the SmartBrief, Inc. acquisition (2019: MoNa Mobile Nations, LLC acquisition). During the year the fair value of the contingent consideration was finalised at £3.6m ($4.6m) and was paid in September 2020. Similarly, £1.1m (2019: £1.2m) arose from unwinding of the discount on the contingent consideration in the year, of which £0.8m relates to the acquisition of SmartBrief and £0.3m to Mobile Nations. See note 21 for further details.

8. TAX ON PROFIT

The tax charged in the consolidated income statement is analysed below:

	2020 £m	2019 £m
Corporation tax		
Current tax on the profit for the year	**9.7**	7.5
Adjustments in respect of previous years	**0.1**	(0.5)
Current tax charge	**9.8**	7.0
Deferred tax origination and reversal of temporary differences		
Current year charge/(credit)	**0.4**	(3.2)
Adjustments in respect of previous years	**(2.5)**	0.8
Deferred tax credit	**(2.1)**	(2.4)
Total tax charge	**7.7**	4.6

The tax assessed in each year differs from the standard rate of corporation tax in the UK for the relevant year. The differences are explained below:

	2020 £m	2019 £m
Profit before tax	**52.0**	12.7
Profit before tax at the standard UK tax rate of 19% (2019: 19%)	**9.9**	2.4
Losses not previously recognised	**-**	(6.6)
Provision for uncertain tax positions	**(1.5)**	5.2
Expenses not deductible for tax purposes	**0.9**	3.5
Share-based payments	**0.1**	(0.1)
Non-taxable gain on deferred consideration	**(1.9)**	-
Effect of different rates of subsidiaries operating in other jurisdictions	**2.7**	(0.2)
Difference in tax rates	**(0.1)**	0.1
Adjustments in *respect of previous years*	**(2.4)**	0.3
Total tax charge	**7.7**	4.6

The Directors have assessed the Group's uncertain tax positions and have released £1.5m in the year on the basis that certain tax risks are now considered less likely to cystallise. Following this release (and the recognition of an additional provision of £0.4m from acquired businesses which has not impacted the consolidated income statement) the Group has an overall provision for uncertain tax positions of £4.5m.

9. DIVIDENDS

Equity dividends	2020	2019
Number of shares in issue at end of year (million)	**98.0**	83.6
Dividends paid in year (pence per share)	**1.0**	0.5
Dividends paid in year (£m)	**(1.0)**	(0.4)

Interim dividends are recognised in the period in which they are paid and final dividends are recognised in the period in which they are approved. The dividend in respect of the year ended 30 September 2019 was paid on 14 February 2020. On 24 November 2020 the Board proposed a dividend of 1.6p per share in respect of the year ended 30 September 2020, which subject to shareholder consent at the AGM, will be paid on 16 February 2021 to shareholders on the register at close of business on 15 January 2021.

10. EARNINGS PER SHARE

	2020			2019		
	Adjusted results pence	Adjusting items pence	Statutory results pence	Adjusted results pence	Adjusting items pence	Statutory results pence
Basic earnings/(loss) per share	**76.3**	**(29.9)**	**46.4**	50.1	(40.2)	9.9
Diluted earnings/(loss) per share	**74.7**	**(29.3)**	**45.4**	47.5	(38.2)	9.3

Basic earnings per share are calculated using the weighted average number of Ordinary shares in issue during the year. Diluted earnings per share have been calculated by taking into account the dilutive effect of shares that would be issued on conversion into Ordinary shares of awards held under employee share schemes, and in the prior year contingent consideration.

Adjusted earnings per share is based on profit after taxation which is then adjusted to exclude share-based payments (relating to equity-settled share awards with vesting periods longer than 12 months) and related social security costs, interest, tax, amortisation of acquired intangible assets, fair value movements on contingent consideration (and unwinding of associated discount) and on currency option, and exceptional items and any related tax effects.

Total Group	2020	2019
Adjustments to profit after tax:		
Profit after tax (£m)	**44.3**	8.1
Share-based payments (including social security costs) (£m)	**5.5**	9.0
Exceptional items (£m)	**17.1**	3.4
Amortisation of intangible assets arising on acquisitions (£m)	**21.6**	13.1
(Decrease)/increase in fair value of contingent consideration (£m)	**(7.6)**	11.7
Unwinding of discount (£m)	**1.1**	1.2
Fair value loss/(gain) on currency option (£m)	**1.2**	(0.8)
Tax effect of the above adjustments (£m)	**(10.3)**	(4.5)
Adjusted profit after tax (£m)	**72.9**	41.2
Weighted average number of shares in issue during the year:		
- Basic	**95,553,034**	82,190,827
- Dilutive effect of share options	**2,026,649**	4,536,480
- Diluted	**97,579,683**	86,727,307
Basic earnings per share (in pence)	**46.4**	9.9
Adjusted basic earnings per share (in pence)	**76.3**	50.1
Diluted earnings per share (in pence)	**45.4**	9.3
Adjusted diluted earnings per share (in pence)	**74.7**	47.5
The adjustments to profit after tax have the following effect:		
Basic earnings per share (pence)	**46.4**	9.9
Share-based payments (including social security costs) (pence)	**5.8**	11.0
Exceptional items (pence)	**17.9**	4.1
Amortisation of intangible assets arising on acquisitions (pence)	**22.6**	15.9
(Decrease)/increase in fair value of contingent consideration (pence)	**(8.0)**	14.2
Unwinding of discount (pence)	**1.2**	1.5
Fair value loss/(gain) on currency option (pence)	**1.3**	(1.0)
Tax effect of the above adjustments (pence)	**(10.9)**	(5.5)
Adjusted basic earnings per share (pence)	**76.3**	50.1
Diluted earnings per share (pence)	**45.4**	9.3
Share-based payments (including social security costs) (pence)	**5.6**	10.4
Exceptional items (pence)	**17.5**	3.9
Amortisation of intangible assets arising on acquisitions (pence)	**22.1**	15.1
(Decrease)/increase in fair value of contingent consideration (pence)	**(7.8)**	13.5
Unwinding of discount (pence)	**1.1**	1.4
Fair value loss/(gain) on currency option (pence)	**1.2**	(0.9)
Tax effect of the above adjustments (pence)	**(10.4)**	(5.2)
Adjusted diluted earnings per share (pence)	**74.7**	47.5

11. PROPERTY, PLANT AND EQUIPMENT

Group	Land and buildings £m	Plant and machinery £m	Equipment, fixtures and fittings £m	Right-of-use lease assets £m	Total £m
Cost					
At 1 October 2018	1.0	4.5	0.7	-	6.2
On acquisition	0.4	0.5	0.2	-	1.1
Additions	0.2	1.1	-	-	1.3
At 30 September 2019	**1.6**	**6.1**	**0.9**	**-**	**8.6**
On acquisition	**1.9**	**0.5**	**0.5**	**8.3**	**11.2**
Additions	**0.3**	**0.6**	**-**	**-**	**0.9**
Adoption of IFRS 16 *Leases*	**-**	**-**	**-**	**13.5**	**13.5**
Exchange adjustments	**-**	**-**	**-**	**(0.3)**	**(0.3)**
At 30 September 2020	**3.8**	**7.2**	**1.4**	**21.5**	**33.9**
Accumulated depreciation					
At 1 October 2018	(0.4)	(3.7)	(0.4)	-	(4.5)
On acquisition	(0.2)	(0.3)	(0.2)	-	(0.7)
Charge for the year	(0.1)	(0.7)	(0.1)	-	(0.9)
At 30 September 2019	**(0.7)**	**(4.7)**	**(0.7)**	**-**	**(6.1)**
Charge for the year	**(0.3)**	**(1.2)**	**(0.2)**	**(4.1)**	**(5.8)**
Impairment	**-**	**-**	**-**	**(1.1)**	**(1.1)**
At 30 September 2020	**(1.0)**	**(5.9)**	**(0.9)**	**(5.2)**	**(13.0)**
Net book value at 30 September 2020	**2.8**	**1.3**	**0.5**	**16.3**	**20.9**
Net book value at 30 September 2019	0.9	1.4	0.2	-	2.5
Net book value at 1 October 2018	0.6	0.8	0.3	-	1.7

Right-of-use assets relate to property leases. The impairment in the year of £1.1m, and an accelerated charge within the depreciation line of £0.4m, relate to properties which became vacant during the year.

Depreciation is included within administration expenses in the consolidated income statement.

Adoption of IFRS 16 *Leases*

The Group has adopted IFRS 16 *Leases* from 1 October 2019, resulting in the recognition on balance sheet of assets and liabilities relating to property leases previously accounted for as operating leases. On transition the Group has applied the modified retrospective approach, with the right-of-use asset measured as if IFRS 16 had always applied and the difference between lease assets and lease liabilities recognised within retained earnings. Comparative periods have not been restated.

The balance sheet impact at transition on 1 October 2019 is included in the table below:

	1 October 2019 £m
Right-of-use assets	13.5
Finance lease receivables (net investment in subleases)	1.8
Deferred tax asset	0.7
Total assets	**16.0**
Lease liabilities due within one year	(4.6)
Lease liabilities due in more than one year	(13.0)
Net release of provisions for vacant property and dilapidations	0.4
Derecognition of lease incentive	0.4
Total liabilities	**(16.8)**
Retained earnings reduction on transition	**(0.8)**

Lease liabilities were measured at the present value of remaining lease payments, discounted using the incremental borrowing rate on 1 October 2019 on a lease-by-lease basis.

Although there is no change to actual cash outflows, under IFRS 16 repayments relating to the principal portion of the lease liability are presented within cash flows from financing activities and the portion relating to the repayment of interest presented within cash flows from operating activities. Payments relating to short-term and low-value leases will continue to be included in cash flows from operating activities.

Acquisition of TI Media – IFRS 16 impact

IFRS 16 was applied to the leases acquired with TI Media. The following assets and liabilities were recognised on the balance sheet acquired:

	20 April 2020 £m
Right-of-use assets	8.3
Deferred tax asset	0.1
Total assets	**8.4**
Lease liabilities due within one year	(2.4)
Lease liabilities due in more than one year	(9.5)
Net release of provisions for vacant property and dilapidations	1.9
Derecognition of lease incentive	1.6
Total liabilities	**(8.4)**
Retained earnings reduction on transition	**-**

Post-transition impact of IFRS 16

Following the adoption of IFRS 16 *Leases*, the Chief Operating Decision Maker ("CODM") reviews adjusted operating profit as a key financial metric, rather than adjusted EBITDA, to include depreciation on right-of-use assets. There has been an increase in operating profit in the period of £0.5m as a result of applying the standard, due to the charge being split between depreciation and interest, with a decrease of £0.2m in total earnings. The income statement impact for the year to 30 September 2020 is included in the table below:

	Year to 30 September 2020	
	Applying IFRS 16 £m	Applying previous accounting standard IAS 17 £m
Rent expense	-	4.2
Depreciation	3.7	-
Interest payable	0.8	-
Interest receivable	(0.1)	-
Total	**4.4**	4.2

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12. INTANGIBLE ASSETS

Group	Goodwill £m	Acquired intangibles £m	Other £m	Total £m
Cost				
At 1 October 2018	364.0	121.6	20.0	505.6
Additions through business combinations	78.1	51.6	0.1	129.8
Other additions	-	-	2.6	2.6
Adjustments to fair value on prior year acquisitions	39.2	(37.8)	-	1.4
Disposal	(0.2)	-	-	(0.2)
Exchange adjustments	3.6	5.1	0.5	9.2
At 30 September 2019	**484.7**	**140.5**	**23.2**	**648.4**
Additions through business combinations	**97.2**	**94.3**	**4.2**	**195.7**
Other additions	**-**	**-**	**3.1**	**3.1**
Exchange adjustments	**(7.6)**	**(4.3)**	**(0.5)**	**(12.4)**
At 30 September 2020	**574.3**	**230.5**	**30.0**	**834.8**
Accumulated amortisation and impairment				
At 1 October 2018	(264.2)	(20.1)	(17.9)	(302.2)
Charge for the year	-	(13.1)	(1.4)	(14.5)
Exchange adjustments	(1.8)	(0.4)	(0.5)	(2.7)
At 30 September 2019	**(266.0)**	**(33.6)**	**(19.8)**	**(319.4)**
Charge for the year	**-**	**(21.6)**	**(2.7)**	**(24.3)**
Impairment	**-**	**-**	**(0.8)**	**(0.8)**
Exchange adjustments	**1.4**	**1.5**	**0.4**	**3.3**
At 30 September 2020	**(264.6)**	**(53.7)**	**(22.9)**	**(341.2)**
Net book value at 30 September 2020	**309.7**	**176.8**	**7.1**	**493.6**
Net book value at 30 September 2019	218.7	106.9	3.4	329.0
Net book value at 1 October 2018	99.8	101.5	2.1	203.4

Acquired intangibles relate mainly to brands, subscriber databases, trademarks, advertising relationships, creative services relationships, customer relationships, publishing rights, content, non-compete agreements and customer lists. These assets are amortised over their estimated economic lives, typically ranging between one and fifteen years. See accounting policy on page 131 for further details.

Any residual amount arising as a result of the purchase consideration being in excess of the value of acquired assets is recorded as goodwill. Goodwill is not amortised under IFRS, but is subject to impairment testing at least annually or more frequently on the occurrence of some triggering event. Goodwill is recorded and tested for impairment on a territory by territory basis.

Further details regarding the intangible assets acquired during the year through business combinations (and adjustments to fair value in respect of these intangibles) are set out in note 28.

Other intangibles relate to capitalised software costs and website development costs which are internally generated.

The impairment in the year of £0.8m relates to the TI Media legacy finance system.

Amortisation is included within administration expenses in the consolidated income statement.

Impairment assessments for goodwill

The net book value of goodwill at 30 September 2020 consists of £170.9m (2019: £73.9m) relating to the UK and £138.8m (2019: £144.8m) relating to the US. The basis for calculating recoverable amounts is described in the accounting policies on page 132.

Trends in the economic and financial environment, competition and regulatory authorities' decisions, or changes in competitor behaviour in response to the economic environment may affect the estimate of recoverable amounts, as will unforeseen changes in the political, economic or legal systems of some countries.

As detailed in the accounting policies on pages 131, 132 and 133 the UK and US segments are considered to be the smallest group of cash generating units ('CGU') which independently generate cashflows so impairment testing has been performed at this level.

Other assumptions that influence estimated recoverable amounts are set out overleaf:

At 30 September 2020

	UK	US
Basis of recoverable amount **Source used**	**Value in use** **Three-year plans** **Discounted cash flow**	**Value in use** **Three-year plans** **Discounted cash flow**
Growth rate to perpetuity	**3.0%**	**3.0%**
EBITDA margins assumed*	**31.0% to 40.0%**	**26.0%**
Post-tax discount rate	**7.8%**	**7.8%**
Pre-tax discount rate	**8.3%**	**9.6%**

* Note that EBITDA margins are after intra-group adjustments for management fees and licence charges.

At 30 September 2019

	UK	US
Basis of recoverable amount Source used	Value in use Three-year plans Discounted cash flow	Value in use Three-year plans Discounted cash flow
Growth rate to perpetuity	nil%	3.0%
EBITDA margins assumed*	24.0% to 33.0%	19.0% to 21.0%
Post-tax discount rate	8.2%	8.2%
Pre-tax discount rate	10.6%	10.6%

* Note that EBITDA margins are after intra-group adjustments for management fees and licence charges.

Management has determined the values assigned to each of the above key assumptions as follows:

Assumption	Approach used to determining values
Growth rate into perpetuity	This is the growth rate used to extrapolate cash flows beyond the period of the three-year plan. The rates are consistent with forecasts included in industry reports.
EBITDA margins assumed	EBITDA margin is based on budgeted and forecast margins from the Group's three-year plan (based on past performance and management's expectations for the future), adjusted to include intra-group management and licence charges.
Post-tax discount rate	The pre-tax discount rate adjusted for the impact of tax.
Pre-tax discount rate	Reflects risks relevant to each CGU and the country in which they operate.

Sensitivity of recoverable amounts

At 30 September 2020 the analysis of the recoverable amounts gave rise to the following assessments of sensitivity:

The value in use of the UK business and the value in use of the US business exceeded their carrying values by £1,595.4m and £383.8m respectively. A change of plus 50 basis points in the post-tax discount rate would decrease the recoverable amount of the UK business by £175.9m and the US business by £56.6m. A change of minus 50 basis points in the post-tax discount rate would increase the recoverable amount of the UK business by £216.9m and the US business by £69.8m.

The Group has conducted sensitivity analysis of the impairment testing and has concluded that any reasonably possible change would not result in an impairment of goodwill for either CGU.

Goodwill is not considered to be impaired at 30 September 2020.

13. INVESTMENTS IN GROUP UNDERTAKINGS

Company	2020 £m	2019 £m
Shares in Group undertakings		
At 1 October	**142.2**	123.6
Additions	**214.1**	18.6
At 30 September	**356.3**	142.2

Additions of £214.1m include a £173.9m increased investment in Future Holdings 2002 Limited arising as a result of the capitalisation of amounts owed to the Company by other Group companies as a result of the approach to funding the TI Media acquisition and £21.8m as a result of the approach to funding the Mobile Nations acquisition.

The remaining additions of £5.6m represents the fair value of share-based compensation awards granted to employees of subsidiary undertakings of Future Holdings 2002 Limited, treated as a capital contribution to that company, and capitalisation of a further £12.8m of amounts owed to the Company by other Group companies.

The Directors believe that the carrying values of the investments are supported by their underlying assets.

14. DEFERRED TAX

The following are the major deferred tax assets and liabilities recognised by the Group, and the movements thereon, during the current and prior years.

	Intangible assets £m	Share-based payments £m	Temporary differences £m	Depreciation vs tax allowances £m	Tax losses £m	Provision for uncertain tax positions £m	Total £m
At 1 October 2018	(4.9)	2.4	0.2	0.6	1.9	-	0.2
Acquisitions	(4.8)	-	-	-	-	-	(4.8)
Credited to income statement	(0.7)	0.2	0.1	(0.1)	4.7	(1.8)	2.4
Credited to equity	-	5.6	-	-	-	-	5.6
Exchange adjustment	(0.2)	-	-	-	0.1	-	(0.1)
At 30 September 2019	**(10.6)**	**8.2**	**0.3**	**0.5**	**6.7**	**(1.8)**	**3.3**
Impact of adopting IFRS 16 *Leases*	**-**	**-**	**0.7**	**-**	**-**	**-**	**0.7**
Restated at 30 September 2019	**(10.6)**	**8.2**	**1.0**	**0.5**	**6.7**	**(1.8)**	**4.0**
Acquisitions	**(18.0)**	**-**	**2.0**	**6.0**	**6.1**	**-**	**(3.9)**
Credited to income statement	**2.8**	**0.6**	**1.2**	**0.2**	**(3.9)**	**1.2**	**2.1**
Charged to equity	**-**	**(3.7)**	**-**	**-**	**-**	**-**	**(3.7)**
At 30 September 2020	**(25.8)**	**5.1**	**4.2**	**6.7**	**8.9**	**(0.6)**	**(1.5)**

Certain deferred tax assets and liabilities will reverse within 12 months of the year end. The following sets out the expected reversal profile:

	Intangible assets £m	Share-based payments £m	Temporary differences £m	Depreciation vs tax allowances £m	Tax losses £m	Provision for uncertain tax positions £m	Total £m
Within one year	(3.0)	-	3.5	1.8	4.5	-	**6.8**
More than one year	(22.8)	5.1	0.7	4.9	4.4	(0.6)	**(8.3)**
At 30 September 2020	(25.8)	5.1	4.2	6.7	8.9	(0.6)	**(1.5)**

Certain deferred tax assets and liabilities have been offset against each other where they relate to the same jurisdiction. The following is the analysis of deferred tax balances after offset for balance sheet purposes:

	2020 £m	2019 £m
Deferred tax assets	**1.0**	3.7
Deferred tax liabilities	**(2.5)**	(0.4)
Net deferred tax (liability)/asset	**(1.5)**	3.3

As at 30 September 2020 the Group has unrecognised capital losses totalling £4.9m (2019: £4.9m) and £0.7m of tax losses (2019: £nil). These all arise in the UK.

Deferred tax assets have been recognised in respect of tax losses and other temporary differences where it is probable that these assets will be recovered.

No deferred tax is recognised on the unremitted earnings of overseas subsidiaries as any remitted earnings would not give rise to a tax liability in the foreseeable future. See note 8 for the impact of any changes in tax rates compared to the previous accounting period which have been substantively enacted and have impacted the measurement of deferred tax balances.

The deferred tax asset of £1.2m (2019: £4.5m) recognised on the Company's balance sheet is in respect of share-based payments. The company has no unprovided deferred tax assets or liabilities at 30 September 2020 (2019: £nil).

15. TRADE AND OTHER RECEIVABLES

	Group 2020 £m	Company 2020 £m	Group 2019 £m	Company 2019 £m
Current assets:				
Trade receivables	**59.5**	**-**	38.6	-
Allowance for impairment of trade receivables	**(6.6)**	**-**	(3.2)	-
Trade receivables net	**52.9**	**-**	35.4	-
Amounts owed by Group undertakings	**-**	**72.6**	-	94.7
Other receivables	**5.8**	**-**	0.6	-
Prepayments and accrued income	**13.7**	**-**	5.9	-
Total	**72.4**	**72.6**	41.9	94.7

The Directors consider that the carrying amount of trade and other receivables approximates their fair value.

The Group applies the simplified approach to recognise lifetime credit losses for trade receivables. A breakdown of the ageing is set out below:

Past due	Group 2020 £m	Group 2019 £m
0-30 days	**4.7**	3.6
31-60 days	**2.2**	1.4
61-90 days	**1.8**	1.3
91+ days	**2.3**	2.0
Total	**11.0**	8.3

As at 30 September 2020, trade receivables of £6.6m (2019: £3.2m) were impaired and provided for. The individually impaired receivables mainly relate to non-UK wholesalers in the newsstand distribution business and advertising customers.

The movement in the Group allowance for impairment of trade receivables during the year is as follows:

Provision	Group 2020 £m	Group 2019 £m
At 1 October	**3.2**	3.3
Impairment losses recognised on trade receivables:		
On acquisition	**1.3**	0.5
Provided for in the year	**2.5**	0.8
Receivables written off during the year	**(0.4)**	(1.4)
At 30 September	**6.6**	3.2

Trade receivables are written off to administration expenses where there is not a reasonable expectation of recovery. The primary indicator that there is not reasonable expectation of recovery would be a customer's liquidation but there are also instances where legal proceedings and/or debt recovery have not succeeded. Receivables written off during the year included amounts provided for in full on prior acquisitions.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses trade receivables are grouped by trading subsidiaries. The expected losses are based on historical credit losses for the 24 months in the period to 30 September 2020. The calculation for the current year has been amended to reflect an increased reserve due to macroeconomic uncertainties prevalent at this moment with the global pandemic and specific reserving for acquired entities where the historical records for credit losses are not available.

The expected loss rate and the related allowance for impairment of trade receivables is split by ageing category as follows:

2020	Current	0-30 days	31-60 days	61-90 days	90+ days	Total
Gross carrying amount of trade receivables (£m)	43.0	5.4	2.7	2.5	5.9	59.5
Allowance for impairment of trade receivables (£m)	1.1	0.7	0.5	0.7	3.6	6.6
Expected loss rate	**2.6%**	**13.0%**	**18.5%**	**28.0%**	**61.0%**	

2019	Current	0-30 days	31-60 days	61-90 days	90+ days	Total
Gross carrying amount of trade receivables (£m)	27.9	4.1	1.7	1.7	3.2	38.6
Allowance for impairment of trade receivables (£m)	0.8	0.4	0.3	0.4	1.2	3.2
Expected loss rate	**2.8%**	**9.9%**	**20.5%**	**29.6%**	**17.0%**	

Credit risk

Credit checks are required for both new and existing accounts where trading exceeds a risk based de minimis threshold. Default credit terms are 30 days but can be extended for commercial reasons. Final decisions on both the customer credit limit and the extension of credit terms are made by a senior manager in the finance function who will take consideration of the following factors; trading history to date, credit status of the customer, deal profitability and any other relevant commercial factors.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above. The Group does not hold any collateral as security for trade receivables.

All the Company's receivables are with Group undertakings and no additional disclosure in relation to credit risk is required. Interest on £7.2m (2019: £38.6m) of the amounts owed by Group undertakings has been charged at one-month USD LIBOR plus 2%. The balance of amounts owed by Group undertakings is interest-free without any terms for repayment.

16. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include the following for the purposes of the cash flow statements:

	Group 2020 £m	Company 2020 £m	Group 2019 £m	Company 2019 £m
Cash and cash equivalents	**19.3**	**0.1**	6.6	-

The Group has a number of authorised counterparties with whom cash balances are held in the countries in which the Group operates. Credit risk is minimised by considering the credit standing of all potential counterparties before selecting them by the use of external credit ratings. 99.8% of the Group's cash and cash equivalent balance was held with counterparties with a minimum S&P credit rating of A-. The remaining 0.2% related to cash and small short term balances held with PayPal (BBB+). The Group monitors the exposure, credit rating and outlook of all financial counterparties on a regular basis.

17. TRADE AND OTHER PAYABLES

	Group 2020 £m	Company 2020 £m	Group 2019 £m	Company 2019 £m
Trade payables	**25.4**	-	3.4	-
Amounts owed to Group undertakings	-	**25.9**	-	-
Other taxation and social security	**6.3**	-	8.2	-
Other payables	**8.6**	**0.1**	2.3	-
Accruals and deferred income	**75.9**	**0.2**	48.5	0.2
Total	**116.2**	**26.2**	62.4	0.2

Trade payables and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. The Group has financial risk management policies in place to ensure all payables are paid within the agreed credit terms.

The Directors consider that the carrying amount of trade payables approximates to their fair value.

The amounts owed to Group undertakings are interest-free without any terms for repayment.

18. FINANCIAL LIABILITIES – INTEREST-BEARING LOANS AND BORROWINGS

Non-current liabilities

	Interest rate at 30 September 2020	Interest rate at 30 September 2019	Group 2020 £m	Company 2020 £m	Group 2019 £m	Company 2019 £m
Sterling revolving loan	**1.8%**	2.5%	**66.6**	**66.6**	14.3	14.3
US dollar revolving loan	**1.9%**	3.8%	**7.0**	**7.0**	28.3	28.3
Total			**73.6**	**73.6**	42.6	42.6

Current liabilities

	Interest rate at 30 September 2020	Interest rate at 30 September 2019	Group 2020 £m	Company 2020 £m	Group 2019 £m	Company 2019 £m
Multi-currency overdraft	**2.01%**	2.59%	**7.8**	**4.3**	4.3	-
Total			**7.8**	**4.3**	4.3	-

The interest-bearing loans are repayable as follows:

	Group 2020 £m	Company 2020 £m	Group 2019 £m	Company 2019 £m
Within one year	**7.8**	**4.3**	4.3	-
Between two and five years	**73.6**	**73.6**	42.6	42.6
Total	**81.4**	**77.9**	46.9	42.6

During the period the Group agreed a new £30m multi-currency Revolving Credit Facility ("RCF"), which stands alongside Future's existing debt facilities (of £135m which mature in February 2023). This facility was arranged in order to provide the Group with additional working capital headroom to maintain the underlying growth momentum of the combined business, whilst navigating the impact of COVID-19. This facility has not been required (and has not been drawn) as at 30 September 2020 and has been subsequently cancelled.

All material companies in the Group are guarantors to the facilities and the availability of the facilities is subject to certain covenants.

Total fees relating to the new facility amounted to £0.2m and these are being amortised over the term of the facility. The bank borrowings and interest are guaranteed by Future plc.

Interest payable under the facilities for sterling denominated loans is calculated as the cost of one-month LIBOR (currently approximately 0.04%) plus an interest margin of between 1.75% and 3.0%, dependent on the level of Leverage.
Interest payable under the facilities for the US dollar denominated loan is calculated as the cost of one-month USD LIBOR (currently approximately 0.14%) plus an interest margin of between 1.75% and 3.0%, dependent on the level of Leverage.

As the term of facilities spans the proposed LIBOR end date of 2021, it is the intention of the Group to agree an alternative reference rate with the Lenders ahead of the LIBOR end date.

The key covenants are set out in the following table where net debt is exclusive of non-current tax and other payables. Bank EBITDA is calculated on a consistent GAAP basis with reported EBITDA adjusted for the impact of IFRS 16 *Leases*.

Net debt/Bank EBITDA	Leverage in respect of any Relevant Period shall not exceed 3.0:1
Bank EBITDA/Interest	Interest Cover in respect of any Relevant Period shall not be less than 4.0:1

The covenants are tested quarterly on the basis of rolling figures for the preceding 12 months and the covenant position at 30 September 2020 is set out in the following table:

	30 September 2020	30 September 2019	Covenant 2020	Covenant 2019
Net debt/Bank EBITDA	**0.6 times**	1.0 times[1]	**< 3.0 times**	< 3.0 times
Bank EBITDA/Interest	**38.8 times**	24.1 times	**> 4.0 times**	> 4.0 times

[1] This is higher than leverage of 0.74 on page 7 due to MoNa Mobile Nations deferred consideration being included as debt in the bank covenant calculations.

The Group had drawn down £7.8m on its interest-bearing overdraft at 30 September 2020 (30 September 2019: £4.3m). Any draw down forms part of the Group cash pooling account and can be offset against cash balances in other Group companies. Net of pooling the Group had a net cash position of £8.6m and total cash balance, including non-pool accounts of £11.5m.

19. PROVISIONS

Group	Property 2020 £m	Property 2019 £m
At 1 October	**2.1**	2.8
Adoption of IFRS 16 *Leases*	**(0.4)**	-
On acquisition	**3.8**	-
Charged in the year	**0.8**	0.7
Utilised in the year	**(1.2)**	(0.7)
Released in the year	**-**	(0.7)
At 30 September	**5.1**	2.1

The provision for property relates to dilapidations and obligations under short leasehold agreements on vacant property. The majority of the vacant property provision is expected to be utilised over the next five years.

Provisions for the Company were £nil (2019: £nil).

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20. OTHER NON-CURRENT LIABILITIES

Group	Group 2020 £m	Group 2019 £m
Other payables	-	0.4

Other payables consisted mainly of a property lease incentive which was derecognised on transition to IFRS 16 *Leases* (see note 11 for further details).

21. FINANCIAL INSTRUMENTS

The Group applies IFRS 9 *Financial Instruments*. For the Group's financial assets, the following table shows the measurement categories under IFRS 9:

Financial asset	IFRS 9 classification
Cash and cash equivalents	Amortised cost
Trade and other receivables	Amortised cost
Derivative – purchased option	Fair value through profit or loss

There has not been a significant impact on the carrying amounts of assets held. All financial assets and liabilities are classed as level 1.

Deferred and contingent consideration

At 30 September 2019 deferred consideration of £43.9m related to the acquisition of MoNa Mobile Nations, LLC ("MoNa"). The MoNa deferred consideration was settled in the period with around 50% being issued in shares (1,792,534 shares in Future plc issued in October 2019), and around 50% (£21.4m) in cash (which was paid on 28 February 2020).

At 30 September 2019 contingent consideration of £10.9m related to the acquisition of SmartBrief, LLC ("SmartBrief"). Following the completion of the earnout period on 31 July 2020 the fair value of the contingent consideration was finalised at £3.6m ($4.6m) and paid in September 2020. This resulted in a fair value gain of £7.6m in the year (after discounting of £0.8m) being recognised in the income statement.

Financial asset - derivative

In the comparative period, a derivative foreign currency option to buy $30m in June 2020 was acquired in order to hedge the currency exposure arising on the MoNa contingent consideration. Following the acceleration of settlement of contingent consideration for MoNa, *the currency option was closed out early, resulting in a fair value loss of £1.2m being charged to the income statement in the* year. There were no transfers between levels in the current or prior period.

Financial instruments by category

The designation of financial assets and liabilities under IFRS 9 has been taken at the date of initial application, therefore the prior year classifications have not been amended. The Group's financial assets and financial liabilities are set out below:

				2020
Group	Note	Amortised cost £m	Total carrying value £m	Total fair value £m
Finance lease receivable		**1.6**	**1.6**	**1.6**
Trade receivables net	15	**52.9**	**52.9**	**52.9**
Other receivables	15	**5.8**	**5.8**	**5.8**
Cash and cash equivalents	16	**19.3**	**19.3**	**19.3**
Total financial assets		**79.6**	**79.6**	**79.6**
Trade payables	17	**(25.4)**	**(25.4)**	**(25.4)**
Other liabilities		**(79.4)**	**(79.4)**	**(79.4)**
Current borrowings	18	**(7.8)**	**(7.8)**	**(7.8)**
Non-current borrowings	18	**(73.6)**	**(73.6)**	**(73.6)**
Total financial liabilities		**(186.2)**	**(186.2)**	**(186.2)**

Group	Note	Amortised cost £m	Fair value through profit or loss £m	Total carrying value £m	Total fair value £m
					2019
Financial asset - derivative		-	1.4	1.4	1.4
Trade receivables net	15	35.4	-	35.4	35.4
Other receivables	15	0.6	-	0.6	0.6
Cash and cash equivalents	16	6.6	-	6.6	6.6
Total financial assets		42.6	1.4	44.0	44.0
Trade payables	17	(3.4)	-	(3.4)	(3.4)
Other liabilities		(50.4)	-	(50.4)	(50.4)
Current borrowings	18	(4.3)	-	(4.3)	(4.3)
Deferred consideration		-	(43.9)	(43.9)	(43.9)
Contingent consideration		-	(10.9)	(10.9)	(10.9)
Non-current borrowings	18	(42.6)	-	(42.6)	(42.6)
Total financial liabilities		(100.7)	(54.8)	(155.5)	(155.5)

The Company's financial assets and liabilities are set out below:

Company	Note	Amortised cost £m	Total carrying value £m	Total fair value £m
				2020
Other receivables	15	**72.6**	**72.6**	**72.6**
Cash and cash equivalents	16	**0.1**	**0.1**	**0.1**
Total financial assets		**72.7**	**72.7**	**72.7**
Other liabilities	17	**(26.2)**	**(26.2)**	**(26.2)**
Current borrowings	18	**(4.3)**	**(4.3)**	**(4.3)**
Non-current borrowings	18	**(73.6)**	**(73.6)**	**(73.6)**
Total financial liabilities		**(104.1)**	**(104.1)**	**(104.1)**

Company	Note	Amortised cost £m	Fair value through profit or loss £m	Total carrying value £m	Total fair value £m
					2019
Financial asset - derivative		-	1.4	1.4	1.4
Other receivables	15	94.7	-	94.7	94.7
Total financial assets		94.7	1.4	96.1	96.1
Other liabilities	17	(0.2)	-	(0.2)	(0.2)
Non-current borrowings	18	(42.6)	-	(42.6)	(42.6
Total financial liabilities		(42.8)	-	(42.8)	(42.8)

In both the Group and Company tables total financial liabilities are shown net of unamortised costs which amounted to £0.9m (2019: £0.7m).

The fair value is the amount for which a financial instrument could be exchanged between knowledgeable, willing parties. If an active market exists, the market price is applied. If an active market does not exist a discounted cash flow or generally accepted estimation and valuation technique based on market conditions at the balance sheet date is used to calculate an estimated value.

The market value of financial instruments is determined by the use of valuation techniques including estimated discounted cash flows.

Treasury overview

The Group uses financial instruments where appropriate to raise funding for its operations and to manage the financial risks arising from those operations. The agreements governing the principal instruments entered into were approved by the Board.

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, provide returns and benefits for shareholders.

The principal financing and treasury exposures faced by the Group arise from foreign currencies, working capital management, the financing of capital expenditure and acquisitions, the management of interest rates on the Group's debt, the investment of surplus cash and the management of the Group's debt facilities. The Group manages all of these exposures with an objective of remaining within covenant ratios agreed with the Group's banks, and the Group has been in compliance with its covenants during the year. These ratios are disclosed in note 18.

Currency and interest rate profile

The currency and interest rate profile of the Group's financial assets and liabilities is shown below:

	Financial assets		Financial liabilities			
	Non-interest bearing £m	Total £m	Floating rate £m	Non-interest bearing £m	Total £m	Net financial (liabilities)/ assets £m
At 30 September 2020						
Currency:						
Sterling	**10.6**	**10.6**	**(74.4)**	**(95.0)**	**(169.4)**	**(158.8)**
US Dollar	**57.9**	**57.9**	**(7.0)**	**(8.0)**	**(15.0)**	**42.9**
Euro	**4.3**	**4.3**	**-**	**(0.5)**	**(0.5)**	**3.8**
AU Dollar	**3.7**	**3.7**	**-**	**(1.0)**	**(1.0)**	**2.7**
Other	**3.1**	**3.1**	**-**	**(0.3)**	**(0.3)**	**2.8**
Total	**79.6**	**79.6**	**(81.4)**	**(104.8)**	**(186.2)**	**(106.6)**
At 30 September 2019						
Currency:						
Sterling	10.8	10.8	(18.6)	(35.6)	(54.2)	(43.4)
US Dollar	31.1	31.1	(28.3)	(71.8)	(100.1)	(69.0)
Euro	0.6	0.6	-	(0.4)	(0.4)	0.2
AU Dollar	1.1	1.1	-	(0.7)	(0.7)	0.4
Other	0.4	0.4	-	(0.1)	(0.1)	0.3
Total	44.0	44.0	(46.9)	(108.6)	(155.5)	(111.5)

The profit after tax impact reflects the foreign exchange differences that could arise following the retranslation of balances denominated in currencies other than the functional currency of the entity to which they relate. The retained earnings impact reflects the currency translation differences that would arise directly in equity upon retranslation of the Group's US subsidiaries on consolidation. The method of estimation involves assessing the translation impact of the US Dollar.

Interest rate risk

Details of the interest rates on borrowings as at 30 September 2020 are set out in note 18.

The Group has no significant interest-bearing assets but is exposed to interest rate risk as it borrows funds at floating interest rates through its bank facilities. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. The Group evaluates its risk appetite towards interest rate risks regularly and may undertake hedging activities, including interest rate swap contracts, to manage interest rate risk in relation to its revolving credit facility if deemed necessary. The Group did not enter into any hedging transactions during the current or prior years and as at 30 September 2020 the only floating rate to which the Group was exposed is LIBOR. The Group's exposure to interest rates on financial assets and financial liabilities is detailed in the liquidity risk section of this note.

For 2020, if interest rates on net borrowings had been on average 0.5% higher/lower with all other variables held constant, the post-tax profit for the year would have decreased/increased by £0.3m (2019: £0.2m).

There would be no impact on equity excluding retained earnings.

Foreign exchange risk

Some of the Group's activities are carried out in countries outside the United Kingdom where transactions are carried out in that country's own functional currency. Movements in exchange rates can therefore have a significant impact on the Group's total cash flows, whilst the translation of the results, assets and liabilities of foreign operations into Sterling can have a significant effect on the Group's reported profits and balance sheet. The main exposure is to movements in the US Dollar against Sterling.

The Group's policy for managing exchange rate risk is summarised as follows:

Transaction exposure – the Group manages this by ensuring that transactions are denominated in the local functional currency of the operating units wherever possible. Where this is not possible the use of forward contracts to hedge exposure is considered, however the

Group seeks to ensure that its balance sheet positions are naturally hedged wherever possible. The use of forward contracts (or any other derivative financial instrument) is subject to authorisation by the Board.

A derivative foreign currency option to buy $30m in June 2020 was acquired in order to hedge the currency exposure arising on contingent consideration relating to the MoNa Mobile Nations, LLC acquisition. Following the acceleration of settlement of contingent consideration for MoNa, the currency option was closed out early, resulting in a fair value loss of £1.2m being charged to the income statement in the year.

It is estimated that, with all other variables held equal (in particular other exchange rates), a general change of 10 percent in the value of the US Dollar against Sterling would have had the following impact on the Group's current year profit after tax and on retained earnings:

2020 currency risks expressed in Currency 1/Currency 2 £m	**GBP/USD**
Reasonable shift	**10%**
Impact on profit after tax if Currency 1 strengthens against Currency 2	**1.4**
Impact on profit after tax if Currency 1 weakens against Currency 2	**(1.4)**
Impact on shareholders' funds if Currency 1 strengthens against Currency 2	**19.1**
Impact on shareholders' funds if Currency 1 weakens against Currency 2	**(19.1)**

2019 currency risks expressed in Currency 1/Currency 2 £m	GBP/USD
Reasonable shift	10%
Impact on profit after tax if Currency 1 strengthens against Currency 2	0.2
Impact on profit after tax if Currency 1 weakens against Currency 2	(0.2)
Impact on shareholders' funds if Currency 1 strengthens against Currency 2	13.7
Impact on shareholders' funds if Currency 1 weakens against Currency 2	(13.7)

The profit after tax impact reflects the foreign exchange differences that could arise following the retranslation of balances denominated in currencies other than the functional currency of the entity to which they relate. The retained earnings impact reflects the currency translation differences that would arise directly in equity upon retranslation of the Group's US subsidiaries on consolidation. The method of estimation involves assessing the translation impact of the US dollar.

Liquidity risk

The Group funds the business largely from cash flows generated from operations and long-term debt. Details of the Group's borrowings are disclosed in note 18.

The Group monitors and manages the cash for the Group and has maintained committed banking facilities as noted above to mitigate any liquidity risk it may face. If necessary, inter-company loans within the Group meet short-term cash needs. The following table shows the Group's remaining contractual maturity for financial liabilities and derivative financial instruments. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group is obliged to pay:

30 September 2020	Less than one year £m	Between one and two years £m	Between two and five years £m	Over five years £m	Total £m
Trade payables	**(25.4)**	-	-	-	**(25.4)**
Other liabilities	**(79.4)**	-	-	-	**(79.4)**
Borrowings	**(7.8)**	-	**(73.6)**	-	**(81.4)**
Total financial liabilities	**(112.6)**	-	**(73.6)**	-	**(186.2)**

30 September 2019	Less than one year £m	Between one and two years £m	Between two and five years £m	Over five years £m	Total £m
Trade payables	(3.4)	-	-	-	(3.4)
Other liabilities	(50.4)	-	-	-	(50.4)
Borrowings	(4.3)	-	(42.6)	-	(46.9)
Deferred consideration	(43.9)	-	-	-	(43.9)
Contingent consideration	-	(10.9)	-	-	(10.9)
Total financial liabilities	(102.0)	(10.9)	(42.6)	-	(155.5)

22. ISSUED SHARE CAPITAL

	2020 Number of shares	2020 £m	2019 Number of shares	2019 £m
Allotted, issued and fully paid Ordinary shares of 15p each				
At beginning of year	**83,595,421**	**12.5**	81,518,591	12.2
Share placing to fund acquisition	**8,184,906**	**1.2**	-	-
Issued as consideration for acquisition	**2,479,031**	**0.4**	1,642,658	0.2
Share scheme exercises	**3,754,818**	**0.6**	433,580	0.1
Share Incentive Plan matching shares	**779**	**-**	592	-
At end of year	**98,014,955**	**14.7**	83,595,421	12.5

On 15 October 2019, the Company issued 1,792,534 Ordinary shares with a value of £21.8m (share price of £12.18) as consideration for the deferred consideration due on the acquisition of MoNa Mobile Nations, LLC.

On 5 November 2019, the Company issued 8,184,906 Ordinary shares with a value of £104.4m (share price of £12.75) issued as a placing in order to fund the acquisition of TI Media.

On 29 November 2019, the Company issued 686,497 Ordinary shares with a value of £9.1m (share price of £13.22) as consideration for the acquisition of Barcroft Studios.

Further details of acquisitions are shown in note 28.

During the year 3,754,818 Ordinary shares with a nominal value of £563,223 were issued by the Company pursuant to share scheme exercises and a further 779 Ordinary shares were issued under the Share Incentive Plan for a combined total cash commitment of £nil, *as detailed in note 23.*

23. SHARE-BASED PAYMENTS

The income statement charge for the year for share-based payments (and related social security costs) was £8.7m (2019: £10.1m), of which £5.5m (2019: £9.0m) is included in 'adjusting items' in the income statement (see page 128 for a reconciliation of adjusting items). This charge has been included within administration expenses.

These charges arise when employees are granted awards under the Group's share option schemes, performance share plan (PSP), *deferred annual bonus scheme (DABS) or Share Incentive Plan (SIP) and when employees are granted awards by the trustees of The* Future plc Employee Benefit Trust (EBT). The charge equates to the fair value of the award and has been calculated using the Monte *Carlo and Black-Scholes models, using the most appropriate model for each scheme. Assumptions have been made in these models* for expected volatility, risk-free rates and dividend yields.

A reconciliation of movements in share options and other share incentive schemes is shown below:

	2020 Number of options/awards	*2020* Weighted average exercise price	*2019* Number of options/awards	*2019* Weighted average exercise price
Outstanding at the beginning of the year	**5,227,036**	**£0.000**	4,970,723	£0.000
Granted	**705,849**	**£0.000**	1,124,899	£0.000
Share awards exercised	**(3,682,585)**	**£0.000**	(433,580)	£0.000
Cancelled	**(193,493)**	**£0.000**	(435,006)	£0.000
Outstanding at 30 September	**2,056,807**	**£0.000**	5,227,036	£0.000
Exercisable at 30 September	***274,193***	***£0.000***	*2,663*	*£0.000*

The weighted average share price at the date of exercise of share options and other share incentive awards during the year was £13.829 (2019: £5.916).

For options and other share incentive schemes outstanding at 30 September the weighted average exercise prices and remaining contractual lives are as follows:

	Number of options/awards		Weighted average remaining contractual life in years	
	2020	2019	2020	2019
PSP				
November 2016	-	1,749,634	-	-
February 2017	**271,530**	2,005,190	-	-
November 2017	**504,521**	504,521	-	1
February 2018	**26,122**	64,611	-	1
November 2018	**668,491**	691,759	**1**	2
March 2019	-	13,393	**2**	2
May 2019	**77,322**	161,179	**2**	3
June 2019	**16,992**	16,992	**2**	3
August 2019	-	17,094	**2**	3
November 2019	**307,095**	-	**2**	-
February 2020	**50,000**	-	**2**	-
June 2020	**17,222**	-	**3**	-
July 2020	**75,000**	-	**3**	-
September 2020	**2,500**	-	**2**	-
DABS				
November 2015	**2,663**	2,663	-	-
November 2019	**37,349**	-	**1**	-
Total outstanding at 30 September	**2,056,807**	5,227,036	**2**	1

The weighted average exercise price for share options outstanding at 30 September 2020 is £nil (2019: £nil).

The fair value per share for grants made during the year and the assumptions used in the calculation are as follows:

					2020
	PSP	PSP	PSP	PSP	PSP
Grant date	**25 Nov 2019**	**5 Feb 2020**	**1 Jun 2020**	**08 Jul 2020**	**21 Sep 2020**
Share price at grant date	**£14.8000**	**£11.8800**	**£13.0400**	**£12.2600**	**£18.3200**
Exercise price	-	-	-	-	-
Vesting period (years)	**3**	**3**	**3**	**3**	**2**
Expected volatility[1]	**47%**	**47%**	**58%**	**58%**	**60%**
Option life (years)	**3**	**3**	**3**	**3**	**2**
Expected life (years)	**3**	**3**	**3**	**3**	**2**
Risk-free rate	**0.47%**	**0.43%**	**0.00%**	**0.00%**	**0.00%**
Dividend yield	**0.08%**	**0.08%**	**0.08%**	**0.08%**	**0.08%**
Fair value[2]	**£12.4000**	**£9.2219**	**£10.5863**	**£9.7798**	**£16.1972**
Fair value – TSR element[3]	**£10.0000**	**£6.5638**	**£8.1326**	**£7.2995**	**£14.0742**
Fair value – EPS element[4]	**£14.8000**	**£11.8800**	**£13.0400**	**£12.2600**	**£18.3200**

					2019
	PSP	PSP	PSP	PSP	PSP
Grant date	23 Nov 2018	14 Mar 2019	17 May 2019	10 Jun 2019	12 Aug 2019
Share price at grant date	£5.1400	£7.3600	£8.4500	£11.7700	£10.1400
Exercise price	-	-	-	-	-
Vesting period (years)	3	3	3	3	3
Expected volatility[1]	45%	45%	46%	46%	47%
Option life (years)	3	3	3	3	3
Expected life (years)	3	3	3	3	3
Risk-free rate	0.79%	0.79%	0.69%	0.51%	0.33%
Dividend yield	-	-	-	-	-
Fair value[2]	£3.9010	£5.6070	£6.4290	£9.8648	£8.1741
Fair value – share price element[3]	£2.6619	£3.8540	£4.4081	£7.9595	£6.2082
Fair value – EPS element[4]	£5.1400	£7.360	£8.4500	£11.7700	£10.1400

Notes:

1. The expected volatility is based on Future's historical volatility, averaged over a period equal to the expected life, where possible.
2. The Group has used the Black-Scholes model to value instruments with non-market-based performance criteria such as earnings per share. For instruments with market-based performance criteria, notably TSR and share price performance, the Group has used a Monte Carlo model to determine the fair value.
3. 50% of PSP grants which have market-based performance criteria have been valued using a Model Carlo model.
4. 50% of PSP grants which have non-market based performance criteria have been valued using a Black-Scholes model.

Performance Share Plan (PSP)

The PSP is a share-based incentive scheme open to the Executive Directors and certain other key employees and 'rising stars', usually based on a percentage of the participant's salary. Awards under this scheme are subject to stretching performance criteria measured against a combination of earnings per share ("EPS"), and Total Shareholder Return ("TSR") (in prior years, share price) performance, depending on the date of grant. Unless the Remuneration Committee decides otherwise at the date of grant, awards will vest three years after the date of grant subject to the participant's continued employment within the Group and achievement of the following performance criteria.

Performance criteria in respect of awards granted during the year ended 30 September 2018:

Performance metrics are weighted 50% on the Group's adjusted EPS and 50% on the Company's share price. The threshold entry point of 25% vesting for the EPS element requires a 5% compound annual growth rate (CAGR), with 100% vesting at 10% CAGR. The threshold entry point of 25% vesting for the share price element requires a 5% CAGR, with 100% vesting at 9% CAGR. Vesting will be on a straight line basis between the threshold and maximum for both elements. Following the completion of the rights issue in the year ended 30 September 2018 the Remuneration Committee rebased the share price targets to adjust for the impact of the Purch acquisition and associated rights issue.

Performance criteria in respect of awards granted during the year ended 30 September 2019:

Performance metrics are weighted 50% on the Group's adjusted EPS and 50% on the Company's share price. The threshold entry point of 19% vesting for the EPS element requires a 5% CAGR, with 100% vesting at 20% CAGR. The threshold entry point of 19% vesting for the share price element requires 5% CAGR, with 100% vesting at 20% CAGR. Vesting will be on a straight line basis between the threshold and maximum for both elements.

Performance criteria in respect of awards granted during the year ended 30 September 2020:

Performance metrics are weighted 50% on the Group's adjusted EPS and 50% on the Company's TSR. The threshold entry point of 25% vesting for the EPS element requires a 7% CAGR, with 100% vesting at 16% CAGR. The threshold entry point of 25% vesting for the TSR element requires 6% CAGR, with 100% vesting at 15% CAGR. Vesting will be on a straight line basis between the threshold and maximum for both elements.

Grants were made under the PSP in November 2018, March 2019, May 2019, June 2019, August 2019, November 2019, February 2020, June 2020, July 2020 and September 2020.

Deferred Annual Bonus Scheme (DABS)

The DABS is a share-based incentive scheme open to the Executive Directors and certain managers across the Group. The maximum value of any shares granted under the DABS to any one participant will be an amount which is equal to a fixed percentage of that eligible participant's annual bonus for the previous financial year. The number of shares over which an award is to be granted to each participant will usually be calculated by reference to the market value of an Ordinary share in the Company on the date of the award.

For Executive Directors, annual bonuses for the year ending 30 September 2020 are to be paid 50% in cash in November 2020 and 50% in Future shares, deferred for two years. See page 96 of the Directors' Remuneration Report for further detail.

The last grant made under the DABS was in November 2019.

Share Incentive Plan (SIP)

The SIP is open to all UK employees including the Executive Directors. It is a tax efficient incentive plan pursuant to which employees are eligible to acquire up to £150 (or 10% of salary, if less) worth of Ordinary shares in the Company per month or £1,800 per annum. Under the SIP, employees are invited to subscribe for Partnership shares via salary deductions. If an employee agrees to buy Partnership shares the Company currently matches the number of Partnership shares bought with an award of Matching shares on the basis of one Matching share for every four Partnership shares. Matching share awards to date have been met by the issue of Ordinary shares to Yorkshire Building Society as Trustee of the SIP.

24. RESERVES

Share premium account

Share premium represents the excess of proceeds received over the nominal value of new shares issued.

Group and Company	2020 £m	2019 £m
At 1 October	**97.2**	97.2
Premium arising on issue of equity shares	**103.2**	-
Costs of share issue	**(3.4)**	-
At 30 September	**197.0**	97.2

During the year 8,184,906 shares were issued at a premium of £103.2m, less share issue costs of £3.4m, to fund the acquisition of TI Media. See note 28 for further details.

Merger reserve

	Group 2020 £m	Company 2020 £m	Group 2019 £m	Company 2019 £m
At 1 October	**140.4**	**31.4**	124.9	15.9
Premium arising on equity shares issued as consideration	**30.5**	**30.5**	15.5	15.5
At 30 September	**170.9**	**61.9**	140.4	31.4

An amount of £109.0m in the merger reserve arose in previous years following the 1999 Group reorganisation and is non-distributable. The movement in the current year of £30.5m relates to the premium on shares issued as consideration for the settlement of deferred consideration on the acquisition of MoNa Mobile Nations in October 2019 of £21.5m, and for the acquisition of Barcroft Studios in November 2019 of £9.0m (2019: acquisition of MoNa Mobile Nations, in March 2019 and SmartBrief, in July 2019).

Treasury reserve

The treasury reserve represents the cost of shares in Future plc purchased in the market and held by the EBT to satisfy awards made by the trustees.

	Group 2020 £m	Group 2019 £m
At 1 October	**(0.3)**	(0.3)
Acquisition of own shares	**(8.5)**	-
At 30 September	**(8.8)**	(0.3)

During the year the Company purchased 631,477 of its own shares to fund the future vesting of share options, at a total value of £8.5m.

The 814,065 (2019: 110,439) shares held by the EBT represent 0.8% (2019: 0.1%) of the Company's issued share capital. The treasury reserve is non-distributable.

25. PENSIONS

The Group operates a defined contribution scheme for employees resident in the United Kingdom.

In the US, the Group operates a section 401(K) profit sharing defined contribution plan in respect of pensions, which covers substantially all Future US employees. The section 401(K) plan allows employees to invest in 22 registered mutual funds at Charles Schwab Trust Bank, the plan's custodian. The employees, not the employer, have complete control over which funds they invest in, although they have no control over the stocks owned by the funds.

During the year, £2.4m (2019: £1.3m) contributions were made to these plans and at 30 September 2020 the outstanding balance due to be paid over to the plans was £0.3m (2019: £0.2m).

26. COMMITMENTS AND CONTINGENT LIABILITIES

(a) Operating lease commitments

Following the adoption of IFRS 16 *Leases*, future minimum sub-lease receipts expected under non-cancellable operating subleases at 30 September 2020 total £1.1m (2019: £2.2m).

During the year, £0.8m was recognised in the income statement in respect of operating lease rental payments for short-term and low-value leases (2019: £3.4m was recognised in respect of total operating leases before the adoption of IFRS 16 *Leases*), and £0.1m (2019: £0.2m) was recognised in respect of sub-lease receipts.

The Group also leases equipment under non-cancellable operating lease agreements.

(b) Contingent liabilities

There were no material contingent liabilities as at 30 September 2020. In the comparative period, a contingent liability of £43.9m was recognised for variable deferred consideration on the acquisition of MoNa Mobile Nations, LLC ("MoNa") and £10.9m was recognised for variable deferred contingent consideration on the acquisition of SmartBrief, Inc. The MoNa deferred consideration was settled in the period with around 50% being issued in shares (1,792,534 shares in Future plc issued in October 2019), and around 50% (£21.4m) in cash (which was paid on 28 February 2020). The variable deferred contingent consideration for SmartBrief, LLC was settled at £3.6m ($4.6m) in September 2020.

(c) Capital commitments

There were no material capital commitments as at 30 September 2020 (2019: £nil).

27. RELATED PARTY TRANSACTIONS

The Group had no material transactions with related parties in 2020 or 2019 which might reasonably be expected to influence decisions made by users of these financial statements.

During the year, the Company had management fees and recharges payable of £3.2m (2019: £1.4m) to subsidiary undertakings. The outstanding balance owed at 30 September 2020 was £3.2m (2019: £1.4m). See note 21 for details.

No individuals other than the Directors meet the definition of key management personnel. Details of key management personnel compensation are set out in the Directors' Remuneration Report on page 95.

28. ACQUISITIONS

Acquisition of Barcroft Studios

On 30 November 2019, Future Holdings 2002 Limited (a wholly owned direct subsidiary of Future plc) acquired 100% of the equity in Barcroft Studios Limited ("Barcroft"), a small independent studio that creates original content, which is published on a variety of owned and operated social sites and distributed across mass media channels. Total consideration was £23.4m, of which 40% was satisfied by the issue of 686,497 shares, with the remaining £14.3m paid in cash.

The impact of the acquisition on the consolidated balance sheet was:

	Fair value £m
Tangible assets	0.5
Intangible assets	
- Brands	4.5
- Customer relationships	2.7
- Content	3.1
- Non-compete	0.6
Cash and cash equivalents	2.0
Trade and other receivables	3.0
Trade and other payables	(3.3)
Financial liabilities - interest-bearing loans and borrowings	(0.2)
Deferred tax	(2.1)
Net assets acquired	10.8
Goodwill	12.6
	23.4
Consideration:	
Cash	14.3
Equity shares	9.1
Total consideration	**23.4**

The acquisition has further diversified the Group's revenues with the addition of video production expertise, and goodwill is attributable to the opportunities that exist to further monetise the Group's existing brands through video. The intangibles recognised, including goodwill, are not expected to be deductible for tax purposes.

Included within the Group's results for the period are revenues of £11.1m and a profit before tax of £2.1m from Barcroft (excluding deal fees, associated integration costs, acquired intangible amortisation and depreciation which is not separately identifiable for acquired fixed assets).

If the acquisition had been completed on the first day of the financial year, it would have contributed £14.0m of revenue and a profit before tax of £2.7m (excluding deal fees, associated integration costs, acquired intangible amortisation and depreciation which is not separately identifiable for acquired fixed assets) during the period.

Gross trade receivables were £2.1m, of which £2.0m on acquisition were expected to be recovered.

Acquisition of TI Media

On 30 October 2019 the Group announced the proposed acquisition of TI Media for a total consideration of £140 million in cash. TI Media is a UK-based, print-led consumer magazine and digital publisher with deep industry heritage and a portfolio that incorporates 41 brands including Decanter, Country Life, Wallpaper* and Woman & Home.

On 16 March 2020, it was announced that the CMA had found that the purchase of TI Media did not raise competition concerns, subject to the sale of three closely competing products: WorldSoccer; Amateur Photographer; and the technology website Trustedreviews.com. The Group subsequently agreed the sales of WorldSoccer and Amateur Photographer to Kelsey Media, and Trusted Reviews to Incisive Media, which completed in May 2020.

The acquisition was completed on 20 April 2020. The acquisition was part funded by raising proceeds of £104.4m, net of costs of £3.4m, through a placing of 8,184,906 new ordinary shares in November 2019, with the balance being settled through exercise and subsequent drawdown on the Group's £45m accordion option on the RCF.

The impact of the acquisition on the consolidated balance sheet was:

	Fair value £m
Tangible assets	
- IFRS 16 right-of-use assets	8.3
- Other tangible assets	2.8
Intangible assets	
- Publishing rights	75.0
- Subscriber database	3.4
- Customer relationships	3.3
- Content	1.6
- Software	4.2
Cash and cash equivalents	27.2
Inventories	1.1
Trade and other receivables	36.8
Trade and other payables	(51.3)
Non-current liabilities	
- Long term liability	(110.8)
- IFRS 16 lease liability	(11.9)
- Other non-current liabilities	(8.5)
Deferred tax	(2.3)
Net liabilities acquired	(21.1)
Goodwill	84.4
	63.3
Consideration:	
Cash	63.3
Total consideration	**63.3**

The consideration in the table above excludes debt acquired of £110.8m and is also gross of cash acquired of £27.2m which in total amounts to £146.9m. This calculates higher than the £140m price disclosed due to the timing of the acquisition being mid-month when the cash and cash equivalents are lower than at a month end close, this however also results in a one-off operating cash benefit.

TI Media brings to Future a presence in the Wine, Golf, Equestrian, Country Living, TV Listings and Gardening verticals and deepens and extends Future's strength and position in Home, Cycling, Consumer Technology and Country Sports. Goodwill is attributable to the synergies of the combined Group and the opportunities that exist to further monetise TI Media's existing brands. The intangibles recognised, including goodwill, are not expected to be deductible for tax purposes.

Included within the Group's results for the period are revenues of £64.0m and an adjusted operating profit of £11.1m from TI Media (excluding deal fees, associated integration costs, acquired intangible amortisation and depreciation which is not separately identifiable for acquired fixed assets).

If the acquisition had been completed on the first day of the financial year, it would have contributed £153.2m of revenue and an adjusted operating profit of £23.8m (excluding closed and divested titles and subsidiaries, deal fees, associated integration costs, acquired intangible amortisation and depreciation which is not separately identifiable for acquired fixed assets) during the period.

Gross trade receivables were £16.3m, of which £15.1m on acquisition were expected to be recovered.

The deferred tax liability in the table above of £2.3m includes a deferred tax asset on acquisition of £14.2m (in respect of historic TI Media tax losses, corporate interest restriction losses and capital allowances), net of a deferred tax liability arising on acquired intangible assets of £16.5m.

Acquisition of SmartBrief, LLC – update to fair values and settlement of contingent consideration

In the prior year on 29 July 2019 Future plc acquired SmartBrief, Inc. (following the acquisition, the legal form of the entity was changed from an Incorporation to an LLC). An update to the fair value of the assets has been performed, with no change to the values previously disclosed other than an increase of £0.3m in the deferred tax liability. Fair values are detailed below and are now considered to be final:

	Fair value £m
Tangible assets	0.4
Intangible assets	
- Subscriber base	10.6
- Brand	2.8
- Software	2.6
- Other intangible assets	2.5
Cash	2.3
Trade and other receivables	5.7
Trade and other payables	(6.6)
Financial liabilities – interest-bearing loans and borrowings	(3.8)
Deferred tax	(4.6)
Net assets acquired	11.9
Goodwill	31.7
	43.6
Consideration:	
Equity shares	11.6
Cash	21.2
Consideration	**32.8**
Contingent consideration	10.8
Total consideration	**43.6**

Following the end of the earnout period on 30 July the contingent consideration was settled at a final value of £3.6m ($4.6m). See note 21 for further detail.

MoNa Mobile Nations, LLC – settlement of deferred consideration

On 11 October 2019 the Group announced the acceleration of the payment of the contingent consideration in respect of MoNa Mobile Nations, LLC, which the Group acquired on 1 March 2019. Total contingent consideration of $55m was settled in the period with around 50% being issued in shares (1,792,534 shares in Future plc issued in October 2019), and around 50% (£21.4m) in cash (which was paid on 28 February 2020). See notes 21, 22 and 24 for further detail.

29. SUBSIDIARY UNDERTAKINGS

Details of the Company's subsidiaries at 30 September 2020 are set out below. All subsidiaries are included in the consolidation. Shares of those companies marked with an * are indirectly owned by Future plc through an intermediate holding company.

Company name and registered number	Country of incorporation and registered office	Nature of business	Holding %	Class of shares
Ascent Publishing Limited* 02561341	England and Wales[1]	Non-trading	100	£1 Ordinary shares
Barcroft Media Limited* 04826405	England and Wales[1]	Video content production	100	£1 Ordinary shares
Barcroft Productions Limited* 07661595	England and Wales[1]	Video content production	100	10 pence A Ordinary shares 10 pence B Ordinary shares
Barcroft Studios Limited* 09432842	England and Wales[1]	Holding company	100	£0.001 A Ordinary shares £0.001 B Ordinary shares £0.001 C Ordinary shares £0.001 D Ordinary shares
European Magazines Limited* 02197708	England and Wales[1]	Magazine and online publishing	100	£1 A Ordinary shares £1 B Ordinary shares
EX TRL Limited* 04835255	England and Wales[1]	Dormant	100	£1 Ordinary shares
Future Holdings 2002 Limited 04387886	England and Wales[1]	Holding company	100	£1 Ordinary shares
Future Publishing Limited* 02008885	England and Wales[1]	Publishing	100	10 pence Ordinary shares
Future Publishing (Overseas) Limited* 06202940	England and Wales[1]	Publishing	100	£1 Ordinary shares
Future Publishing Holdings Limited 03430449	England and Wales[1]	Holding company	87.5	1 pence Ordinary shares
Mareve Limited* 05901325	England and Wales[2]	Dormant[14]	100	£1 Ordinary shares
Marketforce (U.K.) Limited* 00499150	England and Wales[1]	Dormant	100	£1 Ordinary shares
Mousebreaker Limited* 04750365	England and Wales[2]	Dormant[14]	100	£1 Ordinary shares
New Musical Express Limited* 01576443	England and Wales[2]	Dormant[14]	100	£1 Ordinary shares
Sapphire Bidco Limited* 11157309	England and Wales[1]	Non-trading	100	£1 Ordinary shares
Sapphire Holdco Limited* 11157282	England and Wales[1]	Non-trading	100	£1 Ordinary shares
Sapphire Midco Limited* 11157151	England and Wales[1]	Non-trading	100	£1 Ordinary shares
Sapphire Topco Limited* 11157141	England and Wales[1]	Non-trading	100	£1 Ordinary shares
Sarracenia Limited 04582851	England and Wales[1]	Dormant	100	£1 Ordinary shares
The Essentials Publishing Company Limited* 01493149	England and Wales[2]	Dormant[14]	100	£1 Ordinary shares
TI Media Limited* 00053626	England and Wales[1]	Holding company	100	£1 Ordinary shares
Time Inc. (UK) Property Investments Limited* 09759756	England and Wales[1]	Dormant	100	£1 Ordinary shares
Next Commerce Pty Limited* 113 146 786	Australia[3]	Comparison shopping	100	$1 Ordinary shares
MoNa Media Canada Limited* BC1198396	Canada[4]	Digital media publishing	100	Not applicable
Future Publishing s.r.o.* 09393951	Czech Republic[5]	Non-trading	100	CZK 1 Ordinary shares
Purch Technologies Sarl* 84138050400016	France[6]	Non-trading	100	Not applicable

Company name and registered number	Country of incorporation and registered office	Nature of business	Holding %	Class of shares
Future Verlag GmbH* HRB12567	Germany[7]	Non-trading	87.5	€1 Ordinary shares
Pricepanda Group GmbH* HRB138471B	Germany[8]	Dormant	100	€1 Ordinary shares
Windsor Support Services Private Limited* U74999DL2011FTC217990	India[9]	Dormant	100	Rand 10 equity shares
Next Commerce Philippines Inc* CS201517783	Philippines[10]	Dormant	100	₱ Ordinary shares
MoNa Mobile Nations, LLC* 7277455	USA[11]	Digital media publishing	100	Not applicable
Future US, Inc* 1513070	USA[12]	Publishing	100	Not applicable
Newbay Media LLC* 4208889	USA[12]	Non-trading	100	Not applicable
Purch Group LLC* 4560993	USA[12]	Trading	100	Not applicable
SmartBrief, LLC* 3072249	USA[13]	Digital publishing	100	Not applicable

1 Registered office: Quay House, The Ambury, Bath, BA1 1UA, England
2 Registered office: 3rd Floor, 161 Marsh Wall, London, E14 9AP, England
3 Registered office: Suite 3, Level 10, 100 Walker Street, North Sydney, NSW 2060, Australia
4 Registered office: 1800-355 St Burrard, Vancouver Colombie Britannique V6C2G8, Canada
5 Registered office: Holečkova 100/9, Smíchov, 150 00 Praha 5, Czech Republic
6 Registered office: 195 Avenue Charles de Gaulle 92200 Neuilly-sur-Seine, France
7 Registered office: c/o Poruba GbR, Clemensstraße 32, 80803 Munich, Germany
8 Registered office: Charlottenstraße 4, 10969 Berlin, Germany
9 Registered office: Dpt 610, Prime Towers F 79-80, Okhla Industrial Area, Phase 1 New Delhi New Delhi DL 110020 India
10 Registered office: 2/F GC Corporate Plaza, 150 Legaspi Street, Legaspi Village, Makati, Manila, Philippines
11 Registered office: 360 Central Ave, Suite 800, St Petersburg, FL 33701, USA
12 Registered office: 11 West 42nd Street, New York, NY 10036, USA
13 Registered office: 555 11th Street, Suite 600, Washington, DC 20004, USA
14 Company was voluntarily struck off on 13 October 2020

Ascent Publishing Limited, Future Holdings 2002 Limited, Future Publishing Limited, TI Media Limited, Sapphire Bidco Limited, Sapphire Midco Limited, Sapphire Holdco Limited, Sapphire Topco Limited, Barcroft Studios Limited, Barcroft Productions Limited, Barcroft Media Limited, European Magazines Limited, Time Inc. (UK) Property Investments Limited and EX TRL Limited are exempt from the requirement to file audited financial statements by virtue of Section 479A of the Companies Act 2006. Sarracenia Limited and Marketforce (U.K.) Limited are exempt from the requirement to file audited financial statements by virtue of Section 480 of the Companies Act 2006.

30. POST BALANCE SHEET EVENTS

Acquisition of CinemaBlend

On 2 October 2020, Future US, Inc. acquired CinemaBlend, a premium digital entertainment publisher based in the US. CinemaBlend is a high-growth digital brand focused on the TV, film and entertainment market. Through its website, podcast series, social media channels and newsletters, CinemaBlend provides a platform for enthusiasts and casual fans to discover, explore and discuss films and TV shows, both on streaming services such as Netflix and linear TV such as HBO.

Total consideration paid was $12.75m ($13.5m net of a working capital adjustment of $0.75m, 7.5x multiple of expected FY 2020 contribution).

As the acquisition completed shortly after the reporting date, the fair values of the intangible assets acquired are in the process of being determined.

Recommended offer for GoCo Group plc

On 25 November 2020, the Group announced a recommended offer for GoCo Group plc ("GoCo") for total consideration of around £594m comprising around £450m in equity (via the issue of 22.9m Future plc shares), and £144m in cash, funded by increasing the Group's debt facilities through a £215m two year term loan. In addition the Group's £30m short dated COVID-19 facility has been cancelled. On completion the Group will have total facilities of £350m.

The recommended offer will significantly strengthen the Group's proposition of seeking to address the growing consumer demand for informed and value driven purchasing decisions enabled by intent driven content, and provides a unique opportunity to capitalise on the combination of the Group's deep audience insight with GoCo's expertise in price comparison and the proprietary technology of both the Future Group and the GoCo Group.

Notice of Annual General Meeting

Notice is given that the Annual General Meeting of Future plc will be held at 1-10 Praed Mews, London, W2 1QY on Wednesday 10 February 2021 at 3:30pm to consider and, if thought fit, pass the following resolutions:

Ordinary Resolutions (1-18)

1. To receive and adopt the Annual Report including the audited financial statements for the year ended 30 September 2020.

2. To declare a final dividend for the year ended 30 September 2020 of 1.6p per ordinary share payable on 16 February 2021 to shareholders on the register at the close of business on 15 January 2021.

3. To approve the amendments to the Remuneration Policy for the three year period commencing on 1 October 2020 as set out in pages 84 to 93 of the Annual Report of the Company

4. To approve the Directors' Remuneration Report set out on pages 80 to 84 and pages 94 to 103 (inclusive) in the Annual Report.

5. To re-elect Richard Huntingford as a Director of the Company.

6. To re-elect Zillah Byng-Thorne as a Director of the Company.

7. To elect Rachel Addison as Director of the Company

8. To elect Meredith Amdur as a Director of the Company.

9. To elect Mark Brooker as a Director of the Company.

10. To re-elect Hugo Drayton as a Director of the Company.

11. To re-elect Rob Hattrell as a Director of the Company.

12. To re-elect Alan Newman as a Director of the Company.

13. To appoint Deloitte LLP as Auditor of the Company to hold office until the conclusion of the next general meeting at which accounts are to be laid before the Company.

14. To authorise the Audit and Risk Committee to decide the remuneration of the Auditor.

15. That: a. the Directors be authorised, for the purposes of section 551 of the Companies Act 2006 (the 'Act'), to allot shares in the Company or grant rights to subscribe for, or convert any security into, shares in the Company: (i) in accordance with article 3 of the Company's Articles of Association, up to a maximum nominal amount of £4,851,747.45 (such amount to be reduced by the nominal amount of any equity securities (as defined in section 560 of the Act) allotted under paragraph (ii) below in excess of £9,703,494.90); and (ii) comprising equity securities (as defined in section 560 of the Act), up to a maximum nominal amount of £9,703,494.90 (such amount to be reduced by any shares allotted or rights granted under paragraph (i) above) in connection with an offer by way of a rights issue; b. this authority shall expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution, or, if earlier, at the close of business on 10 May 2022; and c. all previous unutilised authorities under section 551 of the Act shall cease to have effect (save to the extent that the same are exercisable pursuant to section 551(7) of the Act by reason of any offer or agreement made prior to the date of this resolution which would or might require shares to be allotted or rights to be granted on or after that date).

16. To authorise the Company, and all companies that are its subsidiaries, at any time during the period for which this resolution has effect for the purposes of section 366 of the Companies Act 2006 to:
    a) make political donations to political parties and/or independent election candidates not exceeding £50,000 in total:
    b) make political donations to political organisations other than political parties not exceeding £50,000 in total; and
    c) incur political expenditure not exceeding £50,000 in total,

    during the period beginning with the date of the passing of this resolution and ending following the conclusion of the Company's next Annual General Meeting or, if earlier, on 10 May 2022.

17. That the rules of the Future plc Employee Stock Purchase Plan (the 'US Plan') referred to in the Explanatory Notes to this resolution and produced in draft to this meeting and, for the purpose of identification, initialled by a Director, be approved and that the Directors of the Company be authorised to make any changes they consider necessary or desirable to the rules of the US Plan to take account of the requirements of section 423 of the US Internal Revenue Code, as amended, and to address any applicable US securities laws requirements.

18. That
    a) the rules of the Future plc Value Creation Plan (the 'VCP') in the form produced to the meeting and initialled by the Chair of the meeting for the purposes of identification, the principal terms of which are summarised on page 103, be and are hereby approved and the Directors be and are generally authorised to adopt the VCP and to do all acts and things that they consider necessary or expedient to give effect to the VCP; and

b) the Directors be and are hereby authorised to adopt further sub-plans based on the VCP but modified to take account of local tax, exchange control or securities laws in overseas territories, provided that any cash or shares made available under such further sub-plans are treated as counting against any limits on participation in the VCP.

SPECIAL RESOLUTIONS (19-22)

Special Resolutions 19

19. That
  a) the Directors be given power, pursuant to section 570 of the Companies Act 2006, (the 'Act'):
    i) subject to the passing of resolution 15 to allot equity securities (as defined in section 560(1) of the Act) for cash pursuant to the authority conferred on them by that resolution; and
    ii) to sell equity securities (as defined in section 560(1) of the Act) held by the Company as treasury shares (as defined in section 724(5) of the Act) for cash,

  in either case as if section 561 of the Act did not apply to the allotment or sale.
  b) the power under paragraph (a) above shall be limited to:
    (i) the allotment of equity securities in connection with a rights issue, open offer or other pre-emptive offer (but in the case of the authorization granted under resolution 15.a.ii, such powers shall be limited to a rights issue only) in favour of holders of ordinary shares in proportion (as nearly as practicable) to the respective numbers of ordinary shares held by them on the record date for such allotment, but subject to such exclusions or other arrangements as the Directors may deem fit to deal with fractional entitlements, legal or practical difficulties which may arise under the laws of any overseas territory, the requirements of any regulatory body or stock exchange or by virtue of shares being represented by depository receipts or by virtue of any other matter whatsoever.
    (ii) otherwise than pursuant to sub-paragraph (i) above, the allotment or sale of equity securities having a nominal amount not exceeding in aggregate £735,113.25; and
  (c) this authority shall expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution or, if earlier, at the close of business on 10 May 2022.
  (d) the Company may, before this power expires, make an offer or enter into an agreement which would or might require equity securities to be allotted after it expires and the Directors may allot equity securities in pursuance of such offer or agreement as if this power had not expired.

Special Resolution 20

20. That:
  a) in addition to any authority granted under resolution 19, the Directors be given power:
    i) subject to the passing of resolution 15, to allot equity securities (as defined in section 560(1) of the Companies Act 2006 (the 'Act')) for cash pursuant to the authority conferred on them by that resolution under section 551 of the Act; and
    ii) to sell equity securities (as defined in section 560(1) of the Act) held by the Company as treasury shares (as defined in section 724(5) of the Act) for cash, in either case as if section 561 of the Act did not apply to the allotment or sale, but this power shall be:
      A. limited to the allotment of equity securities up to a maximum nominal amount of £735,113.25; and
      B. 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 of the Company 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;
  b) this power shall expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution or, if earlier, at the close of business on 10 May 2022; and
  c) the Company may, before this power expires, make an offer or enter into an agreement which would or might require equity securities to be allotted after it expires and the Directors may allot equity securities in pursuance of such offer or agreement as if this power had not expired.

Special Resolution 21

21. That, in accordance with the Company's Articles of Association, a general meeting (other than an Annual General Meeting) may be called on not less than 14 clear days' notice.

Special Resolution 22

22. That the Articles of Association produced to the meeting and initialled by the Chairman of the meeting for the purpose of identification be adopted as the new Articles of Association of the Company in substitution for, and to the exclusion of, the existing Articles of Association.

EXPLANATION OF RESOLUTIONS

Ordinary resolutions

For each of the following resolutions to be passed, more than half of the votes cast must be in favour of the resolution.

Resolution 1: RECEIPT OF ANNUAL REPORT

The Directors present to shareholders at the AGM the Reports of the Directors and Auditor and the financial statements of the Company for the year ended 30 September 2020.

Resolution 2:

This resolution seeks shareholder approval to pay a final dividend of 1.6p per ordinary share for the year ended 30 September 2020. The dividend, if approved, will be payable on 16 February 2021 to shareholders on the register at the close of business on 15 January 2021.

Resolution 3: APPROVAL OF THE DIRECTORS' POLICY

Resolution 3 seeks shareholder approval for the amendments to the Directors' Remuneration Policy for the three year period commencing 1 October 2020 which is proposed within the Directors' Remuneration Report set out on pages 84 to 93 of the Annual Report.

Resolution 4: APPROVAL OF THE DIRECTORS' REMUNERATION REPORT

Resolution 4 seeks shareholder approval for the Directors' Remuneration Report on pages 80 to 84 and pages 94 to 103 of the Annual Report. The FY 2020 annual report on remuneration gives details of the implementation of the Company's Remuneration Policy, approved by shareholders at the AGM in February 2020, in terms of the payments and share awards made to the Directors in connection with their performance and that of the Company during the year ended 30 September 2020.

It also gives details of how the Company intends to apply the Remuneration Policy in practice for FY 2021. This vote is advisory and the Directors' entitlement to remuneration is not conditional on it.

The Company's Auditor during the year, PricewaterhouseCooper LLP, has audited those parts of the Directors' Remuneration Report that are required to be audited and their report may be found on pages 112 to 119 of the Annual Report.

Resolutions 5-12: ELECTION AND RE-ELECTION OF DIRECTORS

A biography of each Director, including a description of the skills and experience they contribute to the Board, appears on pages 66 to 67 of the Annual Report and is also available on the Company's website at **www.futureplc.com/who-we-are/**.

Having been appointed directors since the AGM in 2020, Rachel Addison, Meredith Ambur and Mark Brooker are standing for election for the first time at this AGM.

In accordance with the recommendations of the UK Corporate Governance Code, every Director is required to retire from office at every AGM. Any Director eligible, in accordance with the Company's articles of association (the 'Articles'), may stand for re-election.

The Company's Chairman confirms that, following the evaluation process, as described on page 69, the performance of each Director standing for re-election and election continues to be effective and that they have each demonstrated a strong commitment to their role.

Resolutions 13-14: APPOINTMENT OF AUDITOR AND AUDITOR'S REMUNERATION

An independent auditor is required to be appointed at each general meeting at which accounts are presented to shareholders. Under Resolution 13 the Directors propose to appoint Deloitte LLP as the Company's independent auditor. More information about the decision to appoint Deloitte LLP can be found in the Audit and Risk Committee report on page 78.

Resolution 14 seeks shareholder authorisation for the Audit and Risk Committee to decide the Auditor's fee, which is standard practice.

Resolution 15: AUTHORITY TO ALLOT SHARES

At the AGM last year, the Directors were given the authority to allot shares without the prior consent of shareholders for a period expiring at the conclusion of the 2021 AGM or, if earlier, on 4 May 2021. It is proposed to renew this authority and to authorise the Directors under section 551 of the Companies Act 2006 to allot ordinary shares or grant rights to subscribe for or convert any security into shares in the Company for a period expiring at the conclusion of the 2022 AGM or, if earlier, close of business on 10 May 2022.

This resolution, which follows the guidelines issued by the Investment Association, will allow the Directors to:

a. allot ordinary shares up to a maximum nominal amount of £4,851,747.45 representing approximately one third (33.33 per cent) of the Company's existing issued share capital and calculated as at 10 December 2020; and
b. allot ordinary shares on a preemptive basis by way of a rights issue to ordinary shareholders up to a maximum nominal amount (including any shares allotted under the paragraph above) of £9,703,494.90 representing approximately two thirds (66.67 per cent) of the Company's existing issued share capital and calculated as at 10 December 2020.

The Directors have no present intention of allotting shares under this resolution, but believe that the flexibility allowed by this resolution may assist them in taking advantage of business opportunities as they arise.

If they do exercise this authority, the Directors intend to follow best practice as recommended by the Investment Association. As at 10 December 2020 the Company does not have any shares in treasury.

Resolution 16

It remains the policy of the Company not to make political donations or to incur political expenditure, as those expressions are normally understood. However, following broader definitions introduced by the Act, the Directors continue to propose a resolution designed to avoid inadvertent infringement of these definitions.

The Act requires companies to obtain shareholders' authority for donations to registered political parties and other political organisations totalling more than £5,000 in any 12-month period, and for any political expenditure, subject to limited exceptions.

The definition of donation in this context is very wide and extends to bodies such as those concerned with policy review, law reform and the representation of the business community. It could also include special interest groups, such as those involved with the environment, which the Company and its subsidiaries might wish to support, even though these activities are not designed to support or to influence support for any particular political party.

Resolution 17 US STOCK OPTION PLAN

The Company's Board of Directors (the 'Board) has approved the Future plc Employee Stock Purchase Plan intended to be made available to employees who are employed and resident in the US (the 'US Plan'). The US Plan is intended to be qualified under section 423 of the US Internal Revenue Code of 1986, as amended (the 'US Code'), that provides a tax favourable regime for participants in the US Plan. One of the requirements for this favourable tax treatment is shareholder approval of the US Plan. It is the Board's understanding that the US Plan will benefit our shareholders as a result of our employees' increased interest in the Company's success. No purchase rights will be granted under the US Plan, and no shares will be issued under the US Plan, unless and until the US Plan is approved by our shareholders. The Board recommends that shareholders vote 'FOR' the proposal to approve the US Plan.

The following is a summary of the provisions of the US Plan assuming the shareholders approve this proposal. A copy of the US Plan rules will be available for inspection during normal business hours (Saturdays, Sundays and public holidays excepted) at the registered office of the Company up until the close of the AGM. A copy can be requested from the Company Secretary.

Overall Plan limits

The US Plan may operate over new issue shares, treasury shares or shares purchased in the market. In any ten calendar year period, the Company may not issue (or grant rights to issue) more than 10 per cent of the issued ordinary share capital of the Company under the US Plan and any other employee share plan adopted by the Company. Treasury shares will count as new issue shares for the purposes of these limits so long as this is required under institutional shareholder guidelines.

Administration of the US Plan

The Board has designated its Remuneration Committee to act as the administrator of the US Plan. Notwithstanding the immediately preceding sentence, the Board may at any time vest in the Board any authority or duties for administration of the US Plan.

Amendment or Termination of the US Plan

The Board may at any time and for any reason terminate or amend the US Plan but no amendment or termination of the US Plan will affect options previously granted, although the Board can terminate a Savings Period (the period during which participants in the Plan set aside a portion of their compensation for purchases of shares under the US Plan) if it determines that the termination of the Saving Period or of the US Plan in its entirety is in the best interests of the Company and its shareholders. In addition, to the extent necessary to comply with section 423 of the US Code (or any successor rule or provision or any other applicable law, regulation or stock exchange rule), the Company will seek to obtain shareholder approval for modifications made to the US Plan.

Eligibility

Without limitation, the US Plan may be used for employees employed and resident in the US who have completed three months service.

Offerings

Ordinary shares in Future plc will be offered under the US Plan to participating employees during Savings Periods (which will generally consist of two six month Savings Periods during each calendar year).

The Remuneration Committee may, in its discretion, modify the terms of future offering periods.

Employees who participate in the US Plan can elect to save between 1% and 10% of salary, to be used for purchases of shares. No participant under the US Plan may purchase more than $25,000 of shares in any calendar year (based upon the fair market value of the shares on the Grant Date, which is generally the first business day of the Savings Period). The Remuneration Committee may set a lower limit in relation to any particular Savings Period and has currently set a limit on funds that participating employees can use for purchases of shares under the US Plan to US$7,000 per year.

Purchase Price of Shares

Under the US Plan, at the end of each six month Savings Period shares are bought automatically for participants at a discount price which is the lesser of:

(A) 85% of the average closing price derived from the Daily Official List of the London Stock Exchange on the first business day of the Savings Period; and

(B) 85% of the average closing price derived from the Daily Official List of the London Stock Exchange on the last business day of the Savings Period.

If the purchase of shares relates only to new issue shares, then the price per share payable on exercise must also not be less than the nominal value of a share. If a participating employee in the US Plan ceases employment prior to the end of the Savings Period, then savings will be returned and no share purchase will take place.

Summary of US Federal Income Tax Consequences to Participating Employees

The following is a summary of the federal income tax consequences of transactions under the US Plan. The summary is general in nature and is not intended to cover all the income tax consequences that may apply to a particular participating employee. The provisions of the US Code and regulations thereunder relating to these matters are complicated, may change, and their impact in any one case may depend upon the particular circumstances. Further, this summary does not discuss the income tax consequences of the death of a participating employee, net investment income, or the provisions of any income tax laws of any municipality or state in which a participant may reside.

The description is based on current US federal income tax laws, rules and regulations, which are subject to change, and does not purport to be a complete description of the federal income tax aspects of the US Plan.

The US Plan is intended to qualify as an 'employee stock purchase plan' within the meaning of section 423 of the US Code. Under this type of plan, no taxable income will be reportable by an employee participating in the US Plan as a result of the purchase of shares at a discount. A participating employee member will, however, recognise taxable income in the year in which the shares purchased under the US Plan are sold or otherwise disposed of. A sale or other disposition of shares purchased under the US Plan will generally be a 'Disqualifying Disposition' if it is made within two years after the first day of the Savings Period pursuant to which the shares were bought. If the participating employee makes a Disqualifying Disposition of shares purchased under the US Plan, the excess of the fair market value of the purchased shares on the date of purchase over the purchase price actually paid by the Participating employee on the purchase date will be treated as ordinary income of the participating employee at the time of such Disqualifying Disposition. Any additional gain (or loss) on the Disqualifying Disposition will be a capital gain (or loss) to the employee (either long or short-term depending on how long the shares have been held). If the participating employee disposes of shares purchased under the US Plan after satisfying the two-year holding period outlined above (a 'Qualifying Disposition'), then the participating employee will realise ordinary income in the year of the Qualifying Disposition equal to the lesser of (i) the amount by which the fair market value of the shares on the date of disposition exceeds the purchase price actually paid for such shares or (ii) 15% of the fair market value of the shares on the first business day of the Savings Period pursuant to which the shares were purchased. This amount of ordinary income will be added to the basis in the shares and any gain (or loss) recognised upon a disposition of such shares will be a long-term capital gain (or loss).

The preceding is based on current federal tax laws and regulations, which are subject to change, and does not purport to be a complete description of the federal income tax aspects of the US Plan. A participant may also be subject to state and local taxes.

Plan Benefits. Future benefits available under the US Plan are subject to the participation level of our employees and to our share price at the time of any purchases and therefore are not determinable at this time.

Resolution 18: VALUE CREATION PLAN

The Company's Board of Directors (the 'Board) has approved the Future plc Value Creation Plan ('VCP') intended to be made available to employees of the Group. It is the Board's understanding that the VCP will benefit our shareholders as a result of our employees' increased interest in the Company's success. The Board recommends that shareholders vote 'FOR' the proposal to approve the VCP.

The following is a summary of the provisions of the VCP assuming the shareholders approve this proposal. A copy of the VCP rules will be available for inspection during normal business hours (Saturdays, Sundays and public holidays excepted) at the registered office of the Company up until the close of the AGM. A copy can be requested from the Company Secretary.

Operation

The VCP will be administered by the Board, which includes a duly authorised committee of the Board.

Eligibility

Any employee of the Group (including an executive director) is eligible to participate at the Board's discretion.

Form of Awards

Awards under the VCP will be in the form of a conditional right to receive ordinary shares in the capital of the Company ("**Shares**") at no cost to the participant ("**Award**"), calculated by reference to the value of units. Units will have a value depending on the VCP value at the relevant measurement date (see below).

Grant of Awards

Awards may only be granted within the 42 day: period following the approval of the VCP by the Company's shareholders (the "Shareholders"), the announcement of the Company's results for any period, any day on which a restriction on the grant of Awards is lifted, or on any day on which the Board determines that exceptional circumstances exist which justify the grant of Awards. No Awards may be granted more than five years after the approval of the VCP by the Shareholders.

Vesting

Awards may vest in three tranches shortly after 30 September 2023, 30 September 2024 and 30 September 2025 (the "**Measurement Dates**") if the Board determines that the VCP value on those Measurement Dates is greater than nil. If the VCP value is nil on any of those dates the relevant tranche will lapse immediately.

The VCP will have a value on each Measurement Date equal to 3.33% of the growth in the market capitalisation of the Company on that date. For these purposes the market capitalisation will be calculated based on the additional shareholder value created above a hurdle rate of return of 10% per annum over the plan period.

The Board may amend or substitute the VCP value calculation if one or more events occur which cause the Board to consider that an amended or substituted VCP value calculation would be more appropriate and would not be materially less difficult to satisfy.

The Board may adjust the vesting level calculated as a result of the VCP value on any Measurement Date, if it considers that it does not reflect the underlying financial or non-financial performance of the Group over the vesting period, or that it is not appropriate in the context of unexpected or unforeseen circumstances, or there is any other reason the Board considers relevant, in each case taking into account factors the Board considers relevant.

Individual Limits

The maximum number of units which can be awarded under the VCP to any one participant in respect of any tranche cannot exceed 140,000 units.

Overall Limits

The rules of the VCP provide that the total number of Shares which may be issued under the VCP may not exceed five per cent of the issued ordinary share capital of the Company on any Measurement Date.

The Board must not grant an Award that would cause the number of Shares which may be issued under the VCP and under any other employees' share VCP adopted by the Company to exceed 10% of the issued ordinary share capital of the Company from time to time.

Settlement

The Board may, in its discretion, decide to satisfy an Award with a cash payment equal to the market value of some or all of the Shares that the participant would have received had the Award been satisfied with Shares.

Dividend Equivalents

Participants will not, in relation to the Shares in respect of which an Award Vests, receive any additional Shares or cash payments in lieu of any dividends that would have been paid on those Shares over the period between the grant of the Award and the relevant Measurement Date

Malus and Clawback

It is intended that reduction and recovery provisions will apply to Awards granted to the Executive Directors and other selected senior executives. In certain circumstances the Board may: reduce an Award (to zero if appropriate) or impose additional conditions on those Awards to the extent that Shares and/or cash have not yet been delivered in satisfaction of the Award; or if Shares and/or cash have been delivered in satisfaction of those Awards, require that the participant either return some or all of the Shares acquired pursuant to the Award or make a cash payment to the Company in respect of the Shares or cash delivered.

The Board will retain the discretion to calculate the amount of Shares or cash, including whether or not to claw back such amount, gross or net of any tax or social security contributions applicable to the Award.

The Board may operate these recovery provisions where, during the period ending on the third anniversary of the Measurement Date, there has been: a material misstatement of the financial results of the Company or of any Group Member; an error in assessing the VCP value applicable to the Award or in the information or assumptions on which the Award was granted or vests; a material failure of risk management, fraud or material financial irregularity in any Group Member or a relevant business unit for which participant was responsible; serious reputational damage to any Group Member or a relevant business unit caused by the participant; serious misconduct or material error on the part of the participant; a material corporate failure or a material safety failure in any Group Member or a relevant business unit in which the participant has participated; and (until the vesting date of Awards only) a material downturn in the financial performance of any member of the Group or relevant business unit; or any other circumstances which the Board in its discretion considers to be similar in their nature or effect.

Cessation of Employment

Unvested Awards:

If a Participant ceases to hold office or employment with the Group ("Group Employment") prior to the vesting date of an Award due to a good leaver reason (e.g. death, disability, ill-health, injury, redundancy, retirement or any other reason the Board determines), the outstanding units under the Award will, unless the Board in its absolute discretion determines otherwise, be reduced on a time pro-rata basis. Ceasing Group Employment for any other reason will result in unvested awards lapsing.

The units resulting from lapsed Awards will be available for the grant of new Awards.

Vested Awards:

If a participant ceases Group Employment after an Award has vested, but before it has been satisfied, their Award will (other than cessation for reasons of gross misconduct, in which case that Award will lapse immediately), continue and be satisfied in accordance with the rules of the VCP.

Corporate Events

In the event of a change of Control of the Company, Awards will vest early. The extent to which any unvested Awards vest will be determined by the Board, taking into account the relevant VCP value and any adjustment they consider appropriate as referred to above.

Alternatively, the Board may permit Awards to be exchanged for equivalent awards of shares in a different company (including the acquiring company). If the change of control is an internal reorganisation of the Group (or if the Board so decides), participants may be required to exchange their Awards.

If other corporate events occur such as a winding-up of the Company, demerger, delisting, special dividend or other event which, in the Board's opinion, may materially affect the current or future value of Shares, the Board may determine that Awards will vest on the same basis as for a change of control.

Variation of Capital

If there is a variation of the share capital of the Company or in the event of a demerger, delisting, special dividend or other event which in the Board's opinion may materially affect the current or future value of Shares, the Board may make such adjustments to the VCP Value or the number of units or Shares subject to Awards, as it considers appropriate.

Rights Attaching to Shares

Shares issued and/or transferred under the VCP will not confer rights on any participant until that participant has received the underlying Shares. Any Shares allotted will rank equally with Shares then in issue (except for rights arising by reference to a record date prior to their issue).

Amendment

The Board may, at any time, amend the provisions of the VCP in any respect except that no amendment to the material disadvantage of existing rights of participants will be made without the amendment having been approved by the majority of affected participants.

The prior approval of the Shareholders at a general meeting of the Company must be obtained in the case of any amendment which is made to the advantage of eligible employees and/or participants and relates to the provisions relating to eligibility, individual or overall limits, the basis for determining the entitlement to, and the terms of, awards, the adjustments that may be made in the event of any variation to the share capital of the Company and/or the rule relating to such prior approval.

There are, however, exceptions to this requirement to obtain Shareholder approval for any minor amendments to benefit the administration of the VCP, to take account of the provisions of any legislation, or to obtain or maintain favourable tax, exchange control or regulatory treatment for any participant or member of the Group.

Non-transferability

Awards are not transferable other than to the participant's personal representatives in the event of his or her death.

Benefits not Pensionable

Benefits received under the VCP are not pensionable.

Overseas Plans

The Board may, at any time, establish further plans based on the VCP for overseas territories. Any such plans will be similar to the VCP but may be modified to take account of local tax, exchange control or securities laws. Any Shares made available under such further overseas VCPs must be treated as counting against the limits on individual and overall participation under the VCP.

Termination

No Awards may be granted more than five years after approval of the VCP by the Shareholders.

Special Resolutions

For each of the following resolutions to be passed, at least 75 per cent of the votes cast must be in favour of the resolution.

Resolution 19: DIRECTORS' GENERAL POWERS TO DISAPPLY PRE-EMPTION RIGHTS

At last year's meeting, a special resolution was passed, under sections 570 and 573 of the Companies Act 2006, empowering the Directors to allot equity securities for cash without a prior offer to existing shareholders. It is proposed that this authority also be renewed. If approved, the resolution will authorise the Board to allot equity securities (as defined in the Companies Act 2006) for cash and/or to sell ordinary shares held by the Company as treasury shares for cash as if section 561 of the Companies Act 2006 did not apply. The authority is limited to:

a. allotments for rights issues and other pre-emptive issues; and
b. allotments of equity securities or sale of treasury shares (otherwise than under paragraph (a) above) up to a nominal amount of £735,113.25, which represents approximately 5 per cent of the issued share capital of the Company as at 10 December 2020.

The Directors do not intend to issue more than 7.5 per cent of the issued share capital of the Company for cash on a non preemptive basis in any rolling three-year period (other than in connection with an acquisition or specified capital investment, as described in the Pre-emption Group's Statement of Principles) without prior consultation with shareholders and the Investment Committees of the Investment Association and the Pensions and Lifetime Savings Association.

Resolution 19 will be proposed as a special resolution to renew this authority until the conclusion of the next Annual General Meeting or, if earlier, the close of business on 10 May 2022. Prior to its expiry, the Company may make offers, and enter into agreements, which would or might require equity securities to be allotted (and treasury shares to be sold) after the authority expires and the Board may allot equity securities (and sell treasury shares) under any such offer or agreement as if the authority had not expired.

Resolution 20 DIRECTORS' POWERS TO DISAPPLY AN ADDITIONAL FIVE PER CENT PRE-EMPTION RIGHTS

In line with the advice published by the Pre-Emption Group and in addition to any authority granted under Resolution 19, this resolution, to be proposed as a special resolution, will, if passed, authorise the Directors to allot equity securities and/or sell ordinary shares held by the Company as treasury shares for cash, as if section 561 of the Companies Act 2006 did not apply to any such allotment or sale. This authority will be:

a. limited to the allotment of equity securities or sale of treasury shares up to a nominal amount of £735,113.25 which represents approximately five per cent of the issued share capital of the Company as at 10 December 2020; and
b. 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 published by the Pre-Emption Group and which is announced at the same time as the allotment, or has taken place in the preceding six month period and is disclosed in the announcement of the allotment.

Resolution 20 seeks to renew this authority until the conclusion of the next Annual General Meeting or, if earlier, the close of business on 10 May 2022. Prior to its expiry the Company may make offers, and enter into agreements, which would or might, require equity securities to be allotted (and treasury shares to be sold) after the authority expires and the Board may allot equity securities (and sell treasury shares) under any such offer or agreement as if the authority had not expired. The maximum nominal value of equity securities which could be allotted if the authorities granted in resolutions 19 and 20 were both used would be £1,470,226.50, which represents approximately 10 per cent of the issued share capital of the Company as at 10 December 2020.

Resolution 21: NOTICE OF GENERAL MEETINGS

The notice period for general meetings, as governed by the Companies Act 2006, is 21 days. The notice can be less if the shareholders approve a shorter notice period, however it cannot be shorter than 14 clear days. AGMs cannot be held at shorter notice and must always be held on at least 21 clear days' notice.

At last year's AGM, shareholders authorised the calling of general meetings other than an AGM on not less than 14 clear days' notice and it is proposed that this authority be renewed. The authority granted by this resolution, which will be proposed as a special resolution, if passed, will be effective until the Company's next Annual General Meeting, when it is intended that a similar resolution will be proposed.

Note, that if a general meeting is called on less than 21 clear days' notice, the Company will arrange for electronic voting facilities to be available to all shareholders. The flexibility offered by this resolution will be used where, taking into account the circumstances, and noting the recommendations of the UK Corporate Governance Code, the Directors consider this appropriate in relation to the business of the meeting and in the interests of the Company and shareholders as a whole.

Resolution 22: ARTICLES OF ASSOCIATION

This resolution seeks shareholder approval to adopt the New Articles reflecting developments in market practice since the Company's Articles were last amended in 2017. Due to the nature of the changes, the Company is proposing the adoption of the New Articles rather than amendments to the current Articles. The principal changes being proposed in the New Articles are summarised below

A copy of the current Articles and the New Articles, marked to show all changes proposed, will be available for inspection during normal business hours (Saturdays, Sundays and public holidays excepted) at the registered office of the Company up until the close of the AGM. A copy can be requested from the Company Secretary.

General meetings

The New Articles provide that the Company may hold 'hybrid' general meetings (including annual general meetings) to allow members to attend and participate in the business of the meeting by attending a physical location or by attending remotely by means of an electronic facility. Voting at hybrid meetings will, by default, be decided on a poll. Hybrid meetings may be adjourned in the event of a technological failure.

The New Articles allow the Company, where appropriate, to postpone general meetings and/or change the electronic facilities after notice of the meeting has been issued if it considers that holding the meeting would be impractical or unreasonable in the circumstances.

These changes were introduced to provide the Board greater flexibility to align with technological advances, changes in investor sentiment and evolving best practice, particularly in light of the outbreak of COVID-19. In line with the views expressed by the Investment Association and Institutional Shareholder Services, the changes will not permit meetings to be held solely by electronic means, so a physical meeting will still be required. (If Government guidance or health regulations make any form of physical general meeting inadvisable or not allowed, the Company can still use overriding temporary changes to the law to allow virtual only meetings.) In deciding whether to hold a hybrid general meeting in future, the Company will have regard to the views of shareholders and institutional governance bodies at the relevant time.

Various other consequential amendments have been made to the New Articles.

Untraced shareholders

The New Articles amend the position of untraced shareholders. Rather than requiring the Company to take out two newspaper advertisements, the New Articles require the Company to use reasonable efforts to trace the shareholder. These changes reflect best practice and provide the Company with appropriate flexibility when trying to locate untraced shareholders.

Reappointment of Directors

The New Articles also contain updated provisions relating to the appointment of Directors so that these are in line with the requirements of the UK Corporate Governance Code, which recommends that all Directors retire (and should they wish to remain in office, seek re-election) at each annual general meeting.

Vacation of office of directors

The New Articles include further circumstances in which a Director's office may be vacated so that these are in line with market practice.

FURTHER INFORMATION ABOUT THE AGM

1. Information regarding the meeting, including the information required by section 311A of the Act, is available from **www.futureplc.com/invest-in-future**

ATTENDANCE AT THE AGM

2. The Company is closely monitoring developments relating to the current outbreak of COVID-19, including the related public health guidance and legislation issued by the Government. The health of our shareholders, employees and other stakeholders remains extremely important to us and, accordingly, the Future Board may need to take further steps to comply with COVID-19 regulations and guidance, including any future compulsory 'Stay At Home' measures which may be introduced by the UK Government. Should such measures be in place at the time of the General Meeting, or if similar restrictions are in place to protect the safety of the people attending the General Meeting or any of the Company's stakeholders, then shareholders, advisers and other guests may not be allowed to attend the General Meeting in person and anyone seeking to attend the meeting will be refused entry. No guests will be permitted and there will be no refreshments served at the AGM.

If you are attending the meeting in person, please bring the attendance card attached to your form of proxy and arrive at Future's London office, 1-10 Praed Mews, London, W2 1QY, in sufficient time for registration.

We will keep you updated should the plans for our AGM change in light of future developments. Any change to the location, time or date of our AGM will be communicated to shareholders in accordance with our Articles of Association and by Stock Exchange Announcement.

Appointment of a proxy does not preclude a member from attending the meeting and voting in person. If a member has appointed a proxy and attends the meeting in person, the proxy appointment will automatically be terminated.

APPOINTMENT OF PROXIES

3. Any member entitled to attend and vote at the meeting may appoint one or more proxies to attend, speak and vote in their place. A member may appoint more than one proxy provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. If you appoint multiple proxies for a number of shares in excess of your holding, the proxy appointments may be treated as invalid. A proxy need not be a member of the Company. A proxy card is enclosed. To be effective, proxy cards should be completed in accordance with these notes and the notes to the proxy form, signed and returned so as to be received by the Company's Registrars:

Computershare Investor Services PLC,
The Pavilions,
Bridgwater Road,
Bristol
BS99 6ZY

not later than 3:30pm on 8 February 2021 being two business days before the time appointed for the holding of the meeting. If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

ELECTRONIC APPOINTMENT OF PROXIES

4. As an alternative to completing the printed proxy form, you may appoint a proxy electronically by visiting the following website: www.investorcentre.co.uk/eproxy.

You will be asked to enter the Control Number, the Shareholder Reference Number (SRN) and PIN as printed on your proxy form and to agree to certain terms and conditions. To be effective, electronic appointments must have been received by the Company's Registrars not later than 3:30pm on 8 February 2021.

NUMBER OF SHARES IN ISSUE

5. As at the close of business on 10 December 2020 (being the last business day prior to the publication of this notice) the Company's issued share capital consisted of 98,015,038 Ordinary shares of 15 pence each. Each Ordinary share carries one vote. There are no shares held in treasury. The total number of voting rights in the Company is therefore 98,015,100.

DOCUMENTS AVAILABLE FOR INSPECTION

6. Printed copies of the service contracts of the Company's Directors, the letters of appointment for the Non-Executive Directors, and the proposed Articles, will be available for inspection during usual business hours on any weekday (Saturdays, Sundays and public holidays excluded) at the Company's London office at 1-10 Praed Mews, London, W2 1QY and at the Company's registered office at Quay House, The Ambury, Bath, BA1 1UA including on the day of the meeting from 10:15am until its completion.

ELIGIBLE SHAREHOLDERS

7. The Company, pursuant to Regulation 41 of The Uncertificated Securities Regulations 2001, specifies that only those members on the register of the Company as at 6pm on 8 February 2021 or, if this meeting is adjourned, in the register of members 48 hours before the time of any adjourned meeting, are entitled to attend and vote at the meeting in respect of the number of shares registered in their name at that time. Changes to entries on the Register after 6pm on 8 February 2021 or, if this meeting is adjourned, in the register of members 48 hours before the time of any adjourned meeting, will be disregarded in determining the rights of any person to attend or vote at the meeting.

INDIRECT INVESTORS

8. Any person to whom this notice is sent who is a person that has been nominated under section 146 of the Companies Act 2006 ('Act') to enjoy information rights (a 'Nominated Person') does not have a right to appoint a proxy. However, a Nominated Person may, under an agreement with the registered shareholder by whom they were nominated (a 'Relevant Member'), have a right to be appointed (or to have someone else appointed) as a proxy for the meeting. Alternatively, if a Nominated Person does not have such a right, or does not wish to exercise it, they may have a right under any such agreement to give instructions to the Relevant Member as to the exercise of voting rights.

A Nominated Person's main point of contact in terms of their investment in the Company remains the Relevant Member (or, perhaps, the Nominated Person's custodian or broker) and the Nominated Person should continue to contact them (and not the Company) regarding any changes or queries relating to the Nominated Person's personal details and their interest in the Company (including any administrative matters). The only exception to this is where the Company expressly requests a response from the Nominated Person.

APPOINTMENT OF PROXIES THROUGH CREST

9. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the meeting and any adjournment(s) thereof by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

For a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID 3RA50) by 3:30pm on 8 February 2021 or, if the meeting is adjourned, not less than 48 hours before the time fixed for the adjourned meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his/her CREST sponsor or voting service provider(s) take(s)) such action as is necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

AMENDING A PROXY

10. To change a proxy instruction, a member needs to submit a new proxy appointment using the methods set out above. Note that the deadlines for receipt of proxy appointments (see above) also apply in relation to amended instructions; any amended proxy appointment received after the relevant deadline will be disregarded. Where a member has appointed a proxy using the paper proxy form and would like to change the instructions using another such form, that member should contact the Registrars on +44 (0)370 7071443.

If more than one valid proxy appointment is submitted, the appointment received last before the deadline for the receipt of proxies will take precedence.

REVOKING A PROXY

11. In order to revoke a proxy instruction, a signed letter clearly stating a member's intention to revoke a proxy appointment must be sent by post or by hand to the Company's Registrars:

Computershare Investor Services PLC, The Pavilions, Bridgwater Road,
Bristol BS99 6ZY.

Note that the deadlines for receipt of proxy appointments (see above) also apply in relation to revocations; any revocation received after the relevant deadline will be disregarded.

CORPORATE MEMBERS

12. In the case of a member which is a company, any proxy form, amendment or revocation must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the documents are signed (or a duly certified copy of such power of authority) must be included. A corporate member can appoint one or more corporate representatives who may exercise, on its behalf, all its powers as a member provided that no more than one corporate representative exercises powers over the same share. Members considering the appointment of a corporate representative should check their own legal position, the company's articles of association and the relevant provision of the Companies Act 2006.

JOINT HOLDERS

13. Where more than one of the joint holders purports to vote or appoint a proxy, only the vote or appointment submitted by the member whose name appears first on the register will be accepted.

QUESTIONS AT THE AGM

14. Under section 319A of the Act, the Company must answer any question you ask relating to the business being dealt with at the meeting unless:

(a) answering the question would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information;
(b) the answer has already been given on a website in the form of an answer to a question; or
(c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

MEMBERS' RIGHT TO REQUIRE CIRCULATION OF A RESOLUTION TO BE PROPOSED AT THE AGM

15. Under section 338 of the Act, a member or members meeting the qualification criteria set out at note 18 opposite, may, subject to conditions set out at note 19, require the Company to give to members notice of a resolution which may properly be moved and is intended to be moved at that meeting.

MEMBERS' RIGHT TO HAVE A MATTER OF BUSINESS DEALT WITH AT THE AGM

16. Under section 338A of the Act, a member or members meeting the qualification criteria set out at note 18 opposite, may, subject to the conditions set out at note 19, require the Company to include in the business to be dealt with at the AGM a matter (other than a proposed resolution) which may properly be included in the business (a matter of business).

WEBSITE PUBLICATION OF ANY AUDIT CONCERNS

17. Pursuant to Chapter 5 of Part 16 of the Act, where requested by a member or members meeting the qualification criteria set out at note 18 below, the Company must publish on its website a statement setting out any matter that such members propose to raise at the AGM relating to the audit of the Company's accounts (including the auditors' report and the conduct of the audit) that are to be laid before the AGM.

Where the Company is required to publish such a statement on its website:

(a) it may not require the members making the request to pay any expenses incurred by the Company in complying with the request;
(b) it must forward the statement to the Company's auditors no later than the time the statement is made available on the Company's website; and
(c) the statement may be dealt with as part of the business of the AGM.

The request:

(d) may be in hard copy form or in electronic form and must be authenticated by the person or persons making it (see note 19(d) and (e) below);
(e) should either set out the statement in full or, if supporting a statement sent by another member, clearly identify the statement which is being supported; and
(f) must be received by the Company at least one week before the AGM.

MEMBERS' QUALIFICATION CRITERIA

18. In order to be able to exercise the members' rights set out in notes 15 to 17 above the relevant request must be made by:

(a) a member or members having a right to vote at the AGM and holding at least 5% of total voting rights of all the members having a right to vote on the resolution to which the request relates; or
(b) at least 100 members having a right to vote at the AGM and holding, on average, at least £100 of paid up share capital.

CONDITIONS

19. The conditions are that: (a) any resolution must not, if passed, be ineffective (whether by reason of inconsistency with any enactment or the Company's constitution or otherwise);

(b) the resolution or matter of business must not be defamatory of any person, frivolous or vexatious;
(c) the request:
(i) may be in hard copy form or in electronic form;
(ii) must identify the resolution or the matter of business of which notice is to be given by either setting it out in full or, if supporting a resolution/matter of business sent by another member, clearly identifying the resolution/matter of business which is being supported;
(iii) in the case of a resolution, must be accompanied by a statement setting out the grounds for the request;
(iv) must be authenticated by the person or persons making it; and
(v) must be received by the Company not later than six weeks before the date of the AGM; and
(d) in the case of a request made in hard copy form, such request must be:
(i) signed by you and state your full name and address; and
(ii) sent either: by post to
Company Secretary,
Future plc,
Quay House,
The Ambury,
Bath BA1 1UA; or by fax to
+44(0)1225 732266
marked for the attention of the Company Secretary; and
(e) in the case of a request made in electronic form, such request must:
   (i) state your full name and address; and
   (ii) be sent to cosec@futurenet.com. Please state 'AGM' in the subject line of the email. You may not use this electronic address to communicate with the Company for any other purpose.

Shareholder information

Financial calendar

Annual General Meeting	Announcement of half year results to the six months ending 31 March 2021	Announcement of preliminary results for the year ended 30 September 2021
10 February 2021	May 2021	December 2021

Company website

The Company's website at **www.futureplc.com** contains the latest information for shareholders, including press releases. Email alerts of the latest news, press releases and financial reports about Future plc may be obtained by registering for the email news alert service on the website.

Share price information

The latest price of the Company's ordinary shares is available on www.londonstockexchange.com. Future's ticker symbol is FUTR. It is recommended that you consult your financial adviser and verify information obtained before making any investment decision.

Registrar

The Company's share register is maintained by Computershare.

Shareholders should contact the Registrar, Computershare, in connection with changes of address, lost share certificates, transfers of shares and bank mandate forms to enable automated payment of dividends.

Computershare also has a service to provide shareholders with online access to details of their shareholdings. The service is free, secure and easy to use.

To register, please visit **www.investorcentre.co.uk**

Dividends

The quickest, most efficient and secure way to receive your dividends is to have them paid direct to your bank or building society account. It saves waiting for the funds to clear and reduces the paper and postage we use. Using BACS (Bank Automated Clearing System) we are able to pay your dividend straight to your account on the payment date.

The account information you provide will not be shared with third parties. It will be held by Computershare as part of your shareholder account details. Those selecting this method will receive a tax voucher at their registered address when the corresponding dividend is paid.

Shareholders wishing to benefit from this service should register at www.investorcentre.co.uk or call our registrar, Computershare Investor Services PLC, for a form by phone on 0870 707 1443 (a text phone facility for those with hearing difficulties is available on 0870 702 0005) or by post at Computershare Investor Services PLC at the address below.

Registered office
Quay House
The Ambury
Bath
BA1 1UA

Auditor
PricewaterhouseCoopers LLP
2 Glass Wharf
Temple Quay
Avon Street
Bristol
BS2 0FR

Solicitor
Simmons & Simmons LLP
Aurora
Floors 5 and 6
Finzels Reach
Counterslip
Bristol
BS1 6BX

Principal clearing bank
HSBC Bank plc
8 Canada Square
London
E14 5HQ

Stockbroker
Numis Securities Ltd
10 Paternoster Square
London
EC4M 7LT

Goldman Sachs
Plumtree Court
25 Shoe Lane
London
EC4A 4AU2

Registrar
Computershare Investor Services PLC
The Pavilions
Bridgwater Road
Bristol
BS13 8AE

Contacts

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Future Publishing Ltd
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The Ambury
Bath BA1 1UA

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1-10 Praed Mews
London W2 1QY

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