15 November 2019

Future plc

Record levels of profitability

Future plc (LSE: FUTR, "Future", "the Group"), the global platform for specialist media, today publishes results for the year ended 30 September 2019.

Highlights

Financial results for the year ended 30 September 2019

Adjusted results	**2019**	**2018**	**Var**
Revenue (£'m)	221.5	130.1	70%
Adjusted Operating Profit[2] (£'m)	52.2	18.5	182%
Adjusted Operating Profit margin (%)	24%	14%	+10ppt
Adjusted diluted EPS (p)	47.5	24.3	95%

Statutory results			
Operating profit (£m)	26.7	5.3	404%
Diluted EPS (p)	9.3	4.7	98%

- Transformative year; new scale achieved through successful execution of core organic[1] growth strategy, augmented by focused acquisitions
- Strong organic revenue performance with 11% organic revenue growth and Media organic revenue growth of 32%
- Media revenue continues to drive growth (70% of total revenues in FY19) with online audience increasing 44%, up 31% in like-for-like portfolio
- US expansion progressing well with 54% (2018: 31%) of revenue from US delivering organic revenue growth of 40%
- Focus on cash with adjusted free cash flow[3] of £53.7m (2018: £17.4m), conversion[4] of over 100% of adjusted EBITDA (2018: 96%)
- Further progress in growth strategy with three acquisitions in FY19 period: two specialist cycling brands, Mobile Nations (MoNa) and SmartBrief
  - MoNa earn-out accelerated to expedite integration
  - SmartBrief integration well progressed
- Purch integration now complete one year on from acquisition; all key sites migrated to Vanilla
- Return to Premium Listing in March, reflecting enhanced scale and profile of Group, and admission to FTSE 250
- Scale of business significantly enhanced by proposed acquisition of TI Media announced post year-end on 30 October 2019, funded in large part by successful placing
- Acquisition of independent content creator Barcroft Studios agreed on 14 November 2019
  - Total consideration of 23.5m in cash and shares, completion on 30 November 2019

Zillah Byng-Thorne, Future's Chief Executive, said:

"Future has had an outstanding year. Our strong financial results provide clear evidence of the continued and effective execution of our strategy, leveraging our technology platform across all our brands to diversify our revenue streams.

"Our acquisitions during the financial year – two specialist cycling brands, Mobile Nations and SmartBrief - have significantly broadened and strengthened our B2C and B2B portfolios and materially increased our US presence.

"The proposed acquisition of TI Media announced post year-end will bring complementary new verticals along with an array of opportunities to further leverage our proprietary technology platform and develop new digital monetisation models and geographic expansion across the TI Media portfolio.

"The current year has started very positively with continuing strong growth. As a consequence, we expect the full year to be ahead of the Board's previous expectations."

1) Organic defined as the like for like portfolio excluding acquisitions made during FY18 and FY19 at constant FX rates

2) 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 on currency option, non-trading foreign exchange gains and exceptional items and any related tax effects.

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.

4) Adjusted cash conversion represents adjusted operating cash inflow as a percentage of adjusted EBITDA.

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Certain information contained in this announcement would have constituted inside information (as defined by Article 7 of Regulation (EU) No 596/2014) prior to its release as part of this announcement.

Note to editors

Future is a global platform business for specialist media with diversified revenue streams.

The Media division is high-growth with three complementary revenue streams: eCommerce, events and digital advertising including advertising within newsletters. It operates in a number of sectors including technology, games, music, home interest, hobbies and B2B and its brands include TechRadar, PC Gamer, Tom's Guide, Android Central, Homebuilding & Renovating Show, GamesRadar+, The Photography Show, Top Ten Reviews, Live Science, Guitar World, MusicRadar, Space.com and Tom's Hardware.

The Magazine division focuses on publishing specialist content, with over 75 publications and over 568 bookazines published per year, totalling global circulation of 1.5 million. The Magazine portfolio spans technology, games and entertainment, music, creative and photography, hobbies, home interest and B2B. Its titles include Classic Rock, Guitar Player, FourFourTwo, Homebuilding & Renovating, Digital Camera, Guitarist, How It Works, Total Film, What Hi-Fi? and Music Week.

Strategy update

Successful execution of organic strategy delivers new scale in FY19

In FY19 the Group achieved a significant step change in scale; in executing our strategy we have seen a strong performance by the core business resulting in growth and an improved quality of earnings, which complements the expanding geographic and revenue stream diversification across the Group.

At 30 September 2019, the Group derived 70% of revenues from the higher margin Media business, with the remaining revenue from Magazines. The shift in revenue mix and expanded scale of the business has resulted in an improvement in EBITDA margin, which has increased to 25% in FY19 from 16% in FY18.

Future's core business has seen strong organic revenue[1] growth of 11% at constant currency. This has been driven by continued strong revenue growth within the Media business of 32%, significantly offsetting the decline in Magazine revenues (down 10% in FY19).

US revenues have underpinned this performance and now account for 54% of Group revenues and 67% of Media revenues. In addition, our acquisitions have enabled us to build operations of sufficient scale to attract a talented workforce and our US staff now totals 39% of the total workforce.

Content is at the centre of everything we do at Future, and a key measure of our success is the continued growth of our online audiences, combined with our ability to then monetise them. Whilst the total online audience grew 44% on the back of several acquisitions, we also saw organic media online audience growth of 31% during the year as we have continued to provide a place where our loyal communities want to spend their time and where they go to meet their needs.

We continue to invest in our people and in FY19 launched a number of new initiatives in order to attract and retain outstanding talent at Future. In October, we were pleased to announce that Rachel Addison, the CFO of TI Media, will become the CFO of Future group on completion of the TI Media acquisition and Penny Ladkin-Brand will move into a new role within the Group as Chief Strategy Officer. The deal is expected to complete in Spring 2020 and Rachel will step into the new role at this point.

In addition, Timothy Maw has been appointed as Company Secretary. Tim is a Chartered Secretary and brings a wealth of experience from FTSE-100 and FTSE-250 companies including Flutter Entertainment plc, Tullow Oil plc and Old Mutual plc.

Acquisitions

Future's business model is to achieve growth both organically and through acquisition where the Future team can add value that allows the combined group to be more than the sum of the parts. During the 12 months to 30 September 2019, Future made three acquisitions.

In February 2019, Future acquired the Cycling News and Procycling brands for £1.65m. These are strong brands in their own right, and the editorial team's expertise enabled us to launch Bikeperfect.com, a third brand in the cycling category, in July 2019.

Bike Perfect is targeted at the growing popularity of mountain biking as well as more mainstream cyclists and at this early stage is showing good growth and potential for its ability to scale.

In March 2019 we announced the acquisition of Mobile Nations , a leading US-based global digital publisher focused on consumer electronics. The asset was acquired for an initial consideration of $60m with a further $55m in deferred consideration. The addition of Mobile Nations' brands has deepened our presence and expanded monetisation of our significant US online audience.

Following a strong performance by Mobile Nations with 34% YoY growth, payment of the contingent portion of the consideration was accelerated to facilitate integration and knowledge sharing across the group. The founders of Mobile Nations will remain with the business to lead the newly created Future Labs, a centre of innovation within the Group that will provide greater incubation for new assets and monetisation channels.

In July 2019 we acquired SmartBrief, a digital media publisher of targeted business news and information, for an initial consideration of $45m, with a contingent consideration up to a total cap of $20m based on certain financial targets being achieved in the year ending 31 July 2020.

SmartBrief provides a further monetisation route for Future through the creation of curated email newsletters and we expect to grow this both organically and through crossover opportunities for Future's existing business and content.

During the earnout period, SmartBrief is operating as a standalone business and is continuing to show encouraging growth.

Key details of the acquisitions in FY19 are listed below:

Acquisition	Revenue*
Cycling brands	£2.0m
Mobile Nations	$16.4m
SmartBrief	$35.1m

*Revenue figures obtained from most recent annual financial information or where more relevant, financial information relating to the acquired assets to demonstrate the relative size of the acquisitions (reflecting 12 months of revenues). Note that Mobile Nations includes revenues that became intra-group on acquisition by Future.

After the year end, Future announced the acquisition of TI Media for £140m. TI Media is a UK-based, print-led consumer magazine and digital publisher incorporating 41 brands including Decanter, Country Life, Wallpaper* and Woman & Home. TI Media brings to Future a presence in three new verticals; Lifestyle, Women's Interest and Sport as well as deepening and extending Future's strength and position in Gaming & Entertainment and Home Interest. TI Media generated continuing revenue of £201.5m and adjusted EBITDA of £28.7m in the 12 months to 31 May 2019. The deal is expected to complete in the Spring following a review by the Competition and Markets Authority.

On 14 November 2019, Future signed a contract to purchase Barcroft Studios, a small independent studio 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. The deal is expected to complete on 30 November 2019. Total consideration will be £23.5m (based on a current multiple of 9.4x EBITDA) of which 40% will be satisfied by the issue of consideration shares. An application is to be made for the admission of those shares following the completion of the acquisition.

Progress on building a scalable media platform

Future's strategy is to be a technology enabled global specialist media platform business with scalable, diversified brands.

The September 2018 acquisition of the consumer division of Purch has enabled us to build substantial scale in our US division. The Purch integration is now complete with all core Purch websites now migrated to Future's Vanilla website template. This brings the total number of websites migrated onto the Vanilla platform to 24 and demonstrates the scalability of the platform.

Following migration to Vanilla, a number of brands have achieved significant online audience growth during the year with the editorial sites of Tom's Guide and Tom's Hardware up 28% and 36% year-on-year, respectively. The organic sites also continue to perform well on Vanilla with organic online audience up 31% year on year[1].

Future has also enhanced its technology platform through the rollout of "Hybrid", a best of breed advertising technology solution formed from "RAMP" the advertising technology which was acquired as part of Purch and Future's legacy proprietary technology solution, "Bordeaux". Hybrid has now been rolled out across all the Vanilla sites. This has resulted in improvements in viewability and optimisation of inventory, resulting in overall digital advertising increasing organically by 25% YoY. At the end of the year, programmatic advertising moved from a predominantly second price auction to first price auction approach and, whilst it is early days, we are pleased with the performance of Hybrid and Future's ability to adapt to these market shifts.

Mobile Nations has continued to perform well and the sites provide an optimal testing platform outside of Vanilla. The Mobile Nations team have been working with Future to realise benefits following the acceleration of the earn out.

eCommerce continues to perform strongly with organic revenue growth of 73% YoY at constant currency and total revenue growth of 156% over the prior year. The total eCommerce results benefit from leveraging Future's Hawk eCommerce technology across the Purch sites and from the benefits of trading terms harmonisation across the enlarged group. The organic results are driven by continued strong performance of Hawk as well as expansion into new product adjacencies.

Current trading and outlook

The year has started very positively, with continuing strong growth. As a consequence, we expect the full year to be ahead of the Board's previous expectations.

1 *Organic growth is defined as year on year growth for the like-for-like portfolio of brands and excludes all acquisitions made during FY18 and FY19.*

Financial summary

	2019 £m	2018[1] £m	Var
Revenue	**221.5**	130.1	70%
Adjusted EBITDA[2]	**54.5**	20.7	163%
Depreciation	**(0.9)**	(0.6)	(50%)
Adjusted amortisation	**(1.4)**	(1.6)	13%
Adjusted operating profit[2]	**52.2**	18.5	182%
Adjusted net finance costs[3]	**(2.1)**	(1.1)	91%
Other income	**0.2**	-	100%
Adjusted profit before tax[2]	**50.3**	17.4	189%
Operating profit	**26.7**	5.3	404%
Profit before tax	**12.7**	4.4	189%
Earnings per share (p)	**9.9**	5.1	94%
Adjusted earnings per share (p)[2]	**50.1**	26.2	91%
Adjusted diluted earnings per share (p)[2]	**47.5**	24.3	95%

1) 2018 restated for the impact of adopting IFRS 15 *Revenue from contracts with customers.* Revenue and net operating expenses have both increased by £5.5m with a net nil impact on operating profit.
2) Adjusted EBITDA and adjusted operating profit represent 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 on currency option, non-trading foreign exchange gains and exceptional items.
3) Adjusted net finance costs represent net finance costs before the increase in fair value of contingent consideration and unwinding of discount (in the prior year non-trading foreign exchange gain).

Revenue

	Media £m	Magazines £m	Total £m	Media £m	Magazines £m	Total £m
		Sub-segment	**2019 £m**		Sub-segment	2018[1] £m
Segment:						
UK	**50.4**	**52.3**	**102.7**	36.8	53.2	90.0
US	**104.5**	**14.3**	**118.8**	29.5	10.6	40.1
Total	**154.9**	**66.6**	**221.5**	66.3	63.8	130.1

1) Restated for the impact of adopting IFRS 15 *Revenue from contracts with customers*. Revenue and net operating expenses have both increased by £5.5m. There is a net nil impact on operating profit.

Group revenue increased 70% to £221.5m (2018: £130.1m restated for IFRS 15), which includes a £8.5m uplift as a result of adopting IFRS 15 (2018: £124.6m with £5.5m uplift). The adjustment for IFRS 15 relates principally to revenues which have previously been shown net of agents' commission and have therefore now been grossed up, with an equal and opposite adjustment in cost of sales. The impact of the IFRS 15 adjustment has increased in the year due to the change in revenue mix.

Revenue growth has been achieved both organically (increase of 11% at constant currency and 13% on actual currency) and through acquisition.

UK and US operations have both performed well with US Media revenue growth of 51% on an organic basis. The US results were also boosted by the acquisition of Newbay and Purch in 2018 and Mobile Nations in 2019, meaning 54% of Group revenue (net of intra-group revenues) is now derived from the US with total US revenue up 196% to £118.8m (2018: £40.1m). UK revenue also performed well and was up 14% to £102.7m (2018: £90.0m).

Media revenue increased by 134% to £154.9m (2018: £66.3m), driven by the acquisition of Purch, as a pure-play digital business, as well as organic growth in eCommerce and digital display advertising, which has seen a strong performance in programmatic revenues. On an organic basis, Media revenues increased by 32%.

Magazine revenue increased by 4% to £66.6m (2018: £63.8m) largely driven by the acquisition of Newbay, the four specialist brands from Haymarket in 2018 and the acquisition of the Procycling Magazine in February 2019. On an organic basis, Magazine revenues declined 10% to £47.9m in line with our expectations.

The Group is constantly looking for ways to innovate and as a content-led business seeks to meet the needs of its specialist communities which it measures through the strength of its audience and the effective monetisation of that audience. In the year Future saw its online audience increase organically (31% YoY) and through the increased scale of the Group, with online audience growing by 44% YoY.

Operating profit and EBITDA

Reported operating profit increased by £21.4m to £26.7m (2018: £5.3m). Reported operating margin increased to 12% (2018: 4%) as a result of the increasing scale of the Group and the shifting revenue mix.

Adjusted operating margin increased to 24% (2018: 14%) and gross profit margin increased to 48% (2018: 43% restated for the impact of IFRS 15) as the Group benefited from strong growth in higher margin Media revenues.

The Group's adjusted EBITDA was up 163% to £54.5m (2018: £20.7m), of which £31.2m (2018: £15.3m) was UK and £23.3m (2018: £5.4m) was US, reflecting the strong growth of the Media division, the US business and the operating leverage provided by the increased scale of the Group.

Statutory exceptional items

Exceptional costs were £3.4m (2018: £4.4m). These are mainly acquisition-related, with deal fees in respect of the acquisition of Mobile Nations and SmartBrief and the subsequent integration-related activities of SmartBrief and Purch totalling £2.5m. Costs also include £0.8m of professional fees relating to the Group's transfer to a Premium Listing on the Official List of the Financial Conduct Authority.

Net finance costs

During the period the Group obtained a new multi-currency Revolving Credit Facility ("RCF") of £90m. The RCF, which replaced Future's existing debt facilities, has an initial maturity of February 2023 and includes an incremental £45m accordion which following the year end was committed in order to fund the acquisition of TI Media.

Net finance costs increased to £14.2m (2018: £0.9m), mainly relating to a £11.7m increase in fair value of the contingent consideration for the Mobile Nations acquisition, as well as £1.2m arising on the unwinding of the discount of the associated contingent consideration recognised in the year. External interest payable of £1.5m reflects the draw-down of the RCF to fund the Mobile Nations and SmartBrief acquisitions. Included within amortisation of bank loan arrangement fees is the release of prepaid costs of £0.4m in relation to the previous loan facility.

Taxation

The tax charge for the year amounted to £4.6m (2018: £1.5m), comprising a current tax charge of £7.0m (2018: £1.9m) and a deferred tax credit of £2.4m (2018: £0.4m). The deferred tax credit predominantly related to the recognition in full of the brought forward deferred tax asset on losses in the US due to the Group's increasing profitability. The current tax charge mainly arises in the UK where the standard rate of corporation tax is 19%.

The Group's adjusted effective tax rate is 18% (2018: 14%) being reflective of the credit arising on the recognition in full of the brought forward deferred tax asset on losses in the US and the charge relating to the provision recognised for uncertain tax positions. The Group's statutory effective tax rate is 36% (2018: 34%) with the difference between the statutory rate and adjusted effective rates being the impact of the fair value movement on the contingent consideration recognised in respect of the Mobile Nations LLC acquisition.

The Directors have assessed the Group's uncertain tax positions and in the current year a provision for uncertain tax positions of £5.2m has been recognised. Further information is provided in the accounting policies section and note 6.

Earnings per share

	2019	2018	Var
Basic earnings per share (p)	**9.9**	5.1	94%
Adjusted basic earnings per share (p)	**50.1**	26.2	91%
Diluted earnings per share (p)	**9.3**	4.7	98%
Diluted Adjusted basic earnings per share (p)	**47.5**	24.3	95%

Basic earnings per share are calculated using the weighted average number of Ordinary shares in issue during the year of 82.2m (2018: 56.9m), the increase reflecting the impact of the rights issue that was completed in August 2018 to fund the Purch acquisition, as well as the issue of 0.6m shares in the period for the acquisition of Mobile Nations and 1.0m to fund the acquisition of SmartBrief.

Adjusted earnings per share is based on the 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 currency option, exceptional items, amortisation of intangible assets arising on acquisitions, exchange gains and any related tax effects. The adjusted profit after tax amounted to £41.2m (2018: £14.9m).

Dividend

The Board is recommending a final dividend of 1p per share for the year ended 30 September 2019, payable on 14 February 2020 to all shareholders on the register at close of business on 17 January 2020.

Cash flow and net debt

Net debt at 30 September 2019 was £40.3m (2018: £17.8m) reflecting the additional draw-down of debt to fund both the acquisitions of Mobile Nations and SmartBrief.

During the year, there was a cash inflow from operations of £53.7m (2018: £14.7m) reflecting the Group's strong trading performance and continued focus on improving the working capital cycle.

Excluding exceptional items, adjusted operating cash inflow was £57.7m (2018: £19.8m). A reconciliation of adjusted operating cash inflow to cash inflow from operations is included below:

	2019 £m	2018 £m	Var
Adjusted operating cash inflow	**57.7**	19.8	191%
Cash flows related to exceptional items	**(4.0)**	(5.1)	22%
Cash inflow from operations	**53.7**	14.7	265%

Other significant movements in cash flows include £4.0m (2018: £2.4m) of capital expenditure, draw-down of bank loans and overdraft (net of repayments and arrangement fees) of £19.3m (2018: £4.0m) and payments of £65.8m (2018: £117.1m) to fund acquisitions. The Group recommenced the payment of dividends in the year (£0.4m, 2018: £nil) and also acquired a foreign exchange option in order to hedge the cash exposure in respect of the MoNa Mobile Nations LLC contingent consideration (£0.7m, 2018: £nil). Foreign exchange and other movements accounted for the balance of cash flows.

Adjusted cash conversion was 106% (2018: 96%) and adjusted free cash flow increased to £53.7m (2018: £17.4m) reflecting the ongoing efficient cash management by the Group.

The Group remains a very low capital intensive business with capital expenditure as a percentage of adjusted EBITDA of only 7% (2018: 12%).

Financial statements

Consolidated income statement

for the year ended 30 September 2019 (unaudited)

	Note	**2019** Non-GAAP Adjusted results £m	**2019** Adjusting items £m	**2019** Statutory results £m	2018 restated[1] Non-GAAP Adjusted results £m	2018 restated[1] Adjusting items £m	2018 restated[1] Statutory results £m
Revenue	1,2	**221.5**	**-**	**221.5**	130.1	-	130.1
Net operating expenses	3	**(169.3)**	**(25.5)**	**(194.8)**	(111.6)	(13.2)	(124.8)
Operating profit		**52.2**	**(25.5)**	**26.7**	18.5	(13.2)	5.3
Finance income	5	**-**	**0.8**	**0.8**	-	-	-
Finance costs	5	**(2.1)**	**(12.9)**	**(15.0)**	(1.1)	0.2	(0.9)
Net finance costs		**(2.1)**	**(12.1)**	**(14.2)**	(1.1)	0.2	(0.9)
Other income		**0.2**	**-**	**0.2**	-	-	-
Profit before tax	1	**50.3**	**(37.6)**	**12.7**	17.4	(13.0)	4.4
Tax (charge)/credit	6	**(9.1)**	**4.5**	**(4.6)**	(2.5)	1.0	(1.5)
Profit for the year attributable to owners of the parent		**41.2**	**(33.1)**	**8.1**	14.9	(12.0)	2.9

[1] Restated for the impact of adopting IFRS 15 *Revenue from contracts with customers*. Revenue and net operating expenses have both increased by £5.5m with a net nil impact on operating profit.

Earnings per 15p Ordinary share

	Note	**2019 pence**	2018 pence
Basic earnings per share	8	**9.9**	5.1
Diluted earnings per share	8	**9.3**	4.7

Consolidated statement of comprehensive income

for the year ended 30 September 2019 (unaudited)

	2019 £m	2018 £m
Profit for the year	**8.1**	2.9
Items that may be reclassified to the consolidated income statement		
Currency translation differences	**8.3**	(0.3)
Other comprehensive profit/(loss) for the year	**8.3**	(0.3)
Total comprehensive income for the year attributable to owners of the parent	**16.4**	2.6

Items in the statement above are disclosed net of tax.

Consolidated statement of changes in equity

for the year ended 30 September 2019 (unaudited)

Group	Note	Issued share capital £m	Share premium account £m	Merger reserve £m	Treasury reserve £m	Accumulated losses £m	Total equity £m
Balance at 1 October 2017		6.8	47.4	122.5	(0.3)	(115.1)	61.3
Profit for the year		-	-	-	-	2.9	2.9
Currency translation differences		-	-	-	-	(0.3)	(0.3)
Other comprehensive income for the year		-	-	-	-	(0.3)	(0.3)
Total comprehensive income for the year		-	-	-	-	2.6	2.6
Share capital issued during the year		5.4	97.2	2.4	-	-	105.0
Share premium reduction		-	(47.4)	-	-	47.4	-
Share schemes							
- Value of employees' services		-	-	-	-	2.6	2.6
- Deferred tax on options		-	-	-	-	1.1	1.1
Balance at 30 September 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		**0.3**	**-**	**15.5**	**-**	**-**	**15.8**
Share schemes							
- Value of employees' services		**-**	**-**	**-**	**-**	**3.4**	**3.4**
- Deferred tax on options		**-**	**-**	**-**	**-**	**5.6**	**5.6**
Dividends paid to shareholders	7	**-**	**-**	**-**	**-**	**(0.4)**	**(0.4)**
Balance at 30 September 2019		**12.5**	**97.2**	**140.4**	**(0.3)**	**(36.4)**	**213.4**

Consolidated balance sheet

as at 30 September 2019 (unaudited)

	Note	**2019 £m**	2018 £m
Assets			
Non-current assets			
Property, plant and equipment		**2.5**	1.7
Intangible assets – goodwill	9	**218.7**	99.8
Intangible assets – other	9	**110.3**	103.6
Investments		**0.2**	0.2
Deferred tax		**3.7**	5.3
Total non-current assets		**335.4**	210.6
Current assets			
Corporation tax recoverable		**1.1**	0.1
Trade and other receivables		**41.9**	37.6
Cash and cash equivalents	10	**6.6**	6.4
Financial assets - derivatives	13	**1.4**	-
Total current assets		**51.0**	44.1
Total assets		**386.4**	254.7
Equity and liabilities			
Equity			
Issued share capital		**12.5**	12.2
Share premium account		**97.2**	97.2
Merger reserve		**140.4**	124.9
Treasury reserve		**(0.3)**	(0.3)
Accumulated losses		**(36.4)**	(61.4)
Total equity		**213.4**	172.6
Non-current liabilities			
Financial liabilities - interest-bearing loans and borrowings	11	**42.6**	15.7
Deferred tax		**0.4**	5.1
Provisions	12	**2.1**	2.8
Other non-current liabilities		**0.4**	0.5
Contingent consideration	13	**10.9**	-
Total non-current liabilities		**56.4**	24.1
Current liabilities			
Financial liabilities - interest-bearing loans and borrowings	11	**4.3**	8.5
Trade and other payables		**62.4**	48.4
Corporation tax payable		**6.0**	1.1
Deferred consideration	13	**43.9**	-
Total current liabilities		**116.6**	58.0
Total liabilities		**173.0**	82.1
Total equity and liabilities		**386.4**	254.7

Consolidated cash flow statement
for the year ended 30 September 2019 (unaudited)

	Group 2019 £m	Group 2018 £m
Cash flows from operating activities (note A)		
Cash generated from/(used in) operations	**53.7**	14.7
Interest paid	**(1.5)**	(0.9)
Tax paid	**(3.1)**	(4.0)
Net cash generated from operating activities	**49.1**	9.8
Cash flows from investing activities		
Purchase of property, plant and equipment	**(1.4)**	(1.2)
Purchase of computer software and website development	**(2.6)**	(1.2)
Purchase of magazine titles and events	**(1.6)**	-
Purchase of subsidiary undertakings, net of debt and cash acquired	**(64.6)**	(117.1)
Disposal of magazine titles and brands	**0.4**	-
Net cash used in investing activities	**(69.8)**	(119.5)
Cash flows from financing activities		
Proceeds from issue of Ordinary share capital	**-**	105.7
Costs of share issue	**-**	(3.4)
Draw down of bank loans	**84.2**	7.4
Repayment of bank loans	**(68.4)**	(3.3)
Drawdown of overdraft	**4.3**	-
Bank arrangement fees	**(0.8)**	(0.1)
Purchase of derivative	**(0.7)**	-
Dividends paid	**(0.4)**	-
Net cash generated from financing activities	**18.2**	106.3
Net decrease in cash and cash equivalents	**(2.5)**	(3.4)
Cash and cash equivalents at beginning of year	**6.4**	10.1
Exchange adjustments	**2.7**	(0.3)
Cash and cash equivalents at end of year	**6.6**	6.4

Notes to the Consolidated cash flow statement

for the year ended 30 September 2019

A. Cash generated from operations

The reconciliation of profit for the year to cash generated from operations is set out below:

	2019 £m	2018 £m
Profit for the year	**8.1**	2.9
Adjustments for:		
Depreciation charge	**0.9**	0.6
Amortisation of intangible assets	**14.5**	7.3
Share schemes		
-Value of employees' services	**3.4**	2.6
Net finance costs	**14.2**	0.9
Tax charge	**4.6**	1.5
Profit on the sale of operations	**(0.2)**	-
Profit before changes in working capital and provisions	**45.5**	15.8
Decrease in provisions	**(0.7)**	-
Decrease in inventories	**-**	0.7
Decrease/(increase) in trade and other receivables	**3.5**	(7.0)
Increase in trade and other payables	**5.4**	5.2
Cash generated from operations	**53.7**	14.7

B. Analysis of net debt

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)**

C. Reconciliation of movement in net debt

	2019 £m	2018 £m
Net debt at start of year	**(17.8)**	(10.0)
Decrease in cash and cash equivalents	**(2.5)**	(3.4)
Increase in borrowings	**(19.3)**	(4.4)
Other non-cash changes	**(0.5)**	0.3
Exchange movements	**(0.2)**	(0.3)
Net debt at end of year	**(40.3)**	(17.8)

Accounting policies

Compliance statement and basis of preparation

Future plc (the Company) is incorporated and registered in England and Wales and is a public company limited by shares. 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 2019, and those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

The principal accounting 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 share awards which are measured at fair value.

The going concern basis has been adopted in preparing these financial statements.

Status of this preliminary announcement

The financial information contained in this preliminary announcement is unaudited and does not constitute the Company's statutory accounts for the years ended 30 September 2019 or 2018. Statutory accounts for 2018, which were prepared under International Financial Reporting Standards as adopted by the EU, have been delivered to the registrar of companies, and those for 2019 will be delivered in due course. Full financial statements for the year ended 30 September 2019 will shortly be posted to shareholders.

New or revised accounting standards and interpretations adopted in the year

The following standards and amendments became effective in the year:

- IFRS 9 *Financial instruments*;
- IFRS 15 *Revenue from contracts with customers*;
- amendments as a result of Annual Improvements 2014-2016 Cycle; and
- amendments to IFRS 2 Classification and measurement of share-based payment transactions.

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 9 *Financial instruments* and IFRS 15 *Revenue from contracts with customers* from 1 October 2018.

Applying IFRS 9 has resulted in changes to the measurement and disclosure of financial instruments and introduces a new expected loss impairment model. The standard has been applied fully retrospectively, as required by IFRS 9, but the designation of financial assets and liabilities has been taken at the date of initial application. The Group has adopted the simplified approach to recognise lifetime credit losses for trade receivables. The adoption of the standard has not had a significant impact on the Group's consolidated results or financial position.

IFRS 15 replaces the risk and reward approach of IAS 18 *Revenue* with a contract based five-step model. The Group has elected to apply the fully retrospective method for initial application, applying IFRS 15 retrospectively (and restating comparatives) from the period beginning 1 October 2017.

As part of the implementation, the Group has conducted a thorough analysis of all material revenue streams and customer contracts and reviewed sales and accounting processes. Print and digital magazine newstrade and subscription revenue, and digital advertising revenues and expenses have changed as a result of the new standard. Based on the enhanced guidance around the principal/agent approach, 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. There has been no material impact on transition relating to any other revenue streams within the Group.

The adoption of IFRS 15 has resulted in an increase in revenue of £8.5m for the year ending 30 September 2019, along with an increase in cost of sales of £8.5m, compared to what would have been reported under IAS 18. The comparative period income statement for the year ending 30 September 2018 has been restated for an increase in revenue of £5.5m and an increase in cost of sales of £5.5m. There has been no impact on retained earnings at the date of transition or subsequently.

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 2019 and which the Group has chosen not to adopt early. These include the following standards which are relevant to the Group:

- IFRS 16 *Leases*;
- IFRIC 23 *Uncertainty over income tax treatments*;
- amendment to IFRS 9 Prepayment features with negative compensation and modifications of financial liabilities;
- amendment to IFRS 3 Clarifying the definition of a business;
- amendment to IAS 1 and IAS 8 Definition of material; and
- Annual Improvements to IFRS Standards 2015-2017 Cycle.

The Group is continuing to assess the impact of IFRS 16 *Leases*, which will be effective for the year ending 30 September 2020. Adoption of this standard will result in the recognition on balance sheet of assets and liabilities relating to leases which are currently being accounted for as operating leases. On transition the Group intends to apply 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 liabilities being recognised within retained earnings. The discount rate used will be the incremental borrowing rate determined on a lease-by-lease basis at 1 October 2019, being the date of initial application. Prior periods will not be restated. The Group anticipates an increase of around £15.3m in reported assets and around £16.2m in reported liabilities as a result of adopting IFRS 16. The Group is expecting to take advantage of the following practical expedients on transition:

- 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 will be no change to actual cash outflows, under IFRS 16 repayments relating to the principal portion of the lease liability will be 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. Additional disclosures will be made in the 2020 Annual Report.

IFRIC 23 *Uncertainty over income tax treatments* provides guidance and clarifies how to apply the recognition and measurement requirements in IAS 12 where there is uncertainty over income tax treatments. Historically, the Group has not recognised any specific provisions for uncertain tax positions in its accounts, but in the current year it has chosen to recognise a provision. This is not due to the introduction of IFRIC 23, but instead is due to the changing risk profile of the group, and in particular as it relates to cross border transfer pricing arising from the Group's increasing US presence. However, the guidance in IFRIC 23 has been considered in the measurement of this provision, notwithstanding the fact that it will not be mandatory for the group until the year ending 30 September 2020.

The Group does not expect that the other 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 the 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.

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 users of the financial statements to better understand the results of the Group. Details of exceptional items are shown in note 4.

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.

Non-trading foreign exchange gains and losses – certain other items are excluded from adjusted results where their inclusion distorts the comparability of core trading results year-on-year.

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:

	2019 £m	2018 £m
Adjusted operating profit	**52.2**	18.5
Adjusted finance costs	**(2.1)**	(1.1)
Other income	**0.2**	-
Adjusted profit before tax	**50.3**	17.4
Adjusting items:		
Share-based payments (including social security costs)	**(9.0)**	(3.1)
Exceptional items	**(3.4)**	(4.4)
Amortisation of acquired intangibles	**(13.1)**	(5.7)
Increase in fair value of contingent consideration	**(11.7)**	-
Unwinding of discount	**(1.2)**	-
Fair value gain on currency option	**0.8**	-
Non-trading foreign exchange gain	**-**	0.2
Profit before tax	**12.7**	4.4

A reconciliation of adjusted free cash flow to cash flow from operations is shown below:

	2019 £m	2018 £m
Adjusted free cash flow	**53.7**	17.4
Cash flows related to capital expenditure	**4.0**	2.4
Adjusted operating cash inflow	**57.7**	19.8
Cash flows related to exceptional items	**(4.0)**	(5.1)
Cash inflow from operations	**53.7**	14.7

A reconciliation between adjusted and statutory earnings per share measures is shown in note 8.

Notes

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 and Magazines for further analysis. The Group considers that the assets within each segment are exposed to the same risks.

(a) Reportable segments

(i) Segment revenue

		Sub-segment	**2019 £m**		Sub-segment	2018 £m
	Media £m	**Magazines £m**	**Total £m**	Media[1] £m	Magazines[1] £m	Total[1] £m
Segment:						
UK	**50.4**	**52.3**	**102.7**	36.8	53.2	90.0
US	**104.5**	**14.3**	**118.8**	29.5	10.6	40.1
Total	**154.9**	**66.6**	**221.5**	66.3	63.8	130.1

[1] Restated for the impact of adopting IFRS 15 *Revenue from contracts with customers*. Media revenue and net operating expenses have both increased by £5.5m. There is a net nil impact on operating profit. This also excludes intra-group adjustments as these are not allocated to either Media or Magazine.

Transactions between segments are carried out at arm's length.

(ii) Segment adjusted EBITDA

Adjusted EBITDA is used by the Executive Directors to assess the performance of each segment. EBITDA for the Media and Magazines sub-segments is not reported internally, as overheads are not fully allocated on this basis. The table below shows EBITDA for the UK and US segments:

			2019 £m			2018 £m
	Underlying adjusted EBITDA £m	**Intragroup adjustments £m**	**Adjusted EBITDA £m**	Underlying adjusted EBITDA £m	Intragroup adjustments £m	Adjusted EBITDA £m
UK	**12.8**	**18.4**	**31.2**	7.5	7.8	15.3
US	**41.7**	**(18.4)**	**23.3**	13.2	(7.8)	5.4
Total	**54.5**	**-**	**54.5**	20.7	-	20.7

Intra-group adjustments relate to the net impact of charges from the UK to the US in respect of management fees (for back office 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 EBITDA to profit before tax is provided as follows:

	2019 £m	2018 £m
Total segment adjusted EBITDA	**54.5**	20.7
Share-based payments (including social security costs)	**(9.0)**	(3.1)
Depreciation	**(0.9)**	(0.6)
Amortisation	**(14.5)**	(7.3)
Exceptional items	**(3.4)**	(4.4)
Net finance costs	**(14.2)**	(0.9)
Other income	**0.2**	-
Profit before tax	**12.7**	4.4

(b) Business segment

(i) Gross profit by business segment

	Sub-segment				**2019 £m**	Sub-segment				2018 £m
	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	**42.5**	**32.8**	**(35.2)**	**4.5**	**44.6**	28.8	33.5	(32.2)	4.0	34.1
US	**84.7**	**8.6**	**(33.9)**	**2.5**	**61.9**	25.4	6.2	(11.9)	1.5	21.2
Total	**127.2**	**41.4**	**(69.1)**	**7.0**	**106.5**	54.2	39.7	(44.1)	5.5	55.3

Revenue of £38.2m arose from sales to the Group's largest single customer (2018: £19.1m and £13.2m from the Group's two largest single customers). No 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 has applied IFRS 15 from 1 October 2018, using the fully retrospective method for initial application, meaning comparative periods have been restated from 1 October 2017.

The Group has applied the practical expedient to allow incremental costs of obtaining a contract to not be capitalised where the amortisation period is 12 months or less. No contract assets or liabilities have been recognised on application of IFRS 15.

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 following table provides detail for each revenue stream:

Revenue stream	**Nature, timing and satisfaction of performance obligations**	**Revenue recognition under IFRS 15**
Online advertising revenue	The Group operates a number of websites with advertising space on their webpages	Revenue is recognised at the point the advert is presented to the customer or over the

Revenue stream	Nature, timing and satisfaction of performance obligations	Revenue recognition under IFRS 15
	which are sold via 1st party and programmatic/3rd party routes. Customers can purchase advertising 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.	period during which the advertisements are served. No change in timing of revenue recognition from the previous accounting standard, IAS 18. Principal vs agent considerations have meant revenue under certain contracts is recognised on a gross basis (further detail provided below).
eCommerce commissions	The Group earns commission when purchases are made directly from 3rd 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 subsribers 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. No change in timing of revenue recognition from the previous accounting standard, IAS 18. Principal vs agent considerations have meant revenue under certain contracts is recognised on a gross basis (further detail provided below).
Magazine newsstand circulation and advertising revenue	Single issues of magazines are sold in stores and online.	Revenue is recognised at a point in time on the date that the related publication goes

Revenue stream	Nature, timing and satisfaction of performance obligations	Revenue recognition under IFRS 15
	The provision of each issue is a separate performance obligation, which is satisfied when the issue goes on sale. See below for assessment of principal vs agent considerations.	on sale based on the estimate of sales net of returns. No change in timing of revenue recognition from the previous accounting standard, IAS 18. Principal vs agent considerations have meant revenue under certain contracts is recognised on a gross basis (further detail provided below).
Event income	Future holds a number of events throughout the year, including shows and awards events. 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. No change in timing of revenue recognition from the previous accounting standard, IAS 18.
Licensing revenue	License fees are charged for the use of Future's brands and content. Performance obligations are satisfied at a point in time when content is provided.	Revenue is recognised on the supply of the licensed content, based on usage. No change in timing of revenue recognition from the previous accounting standard, IAS 18.

The table below disaggregates revenue according to the timing of satisfaction of performance obligations:

			2019 £m			2018 £m
	Over time £m	**Point in time £m**	**Total revenue £m**	Over time £m	Point in time £m	Total revenue £m
Total revenue	**6.4**	**215.1**	**221.5**	5.9	124.2	130.1

Principal vs agent

On application of IFRS 15, the Group has made an assessment of all contracts to determine whether distributors are acting as agents for the Group. Where the Group retains the following risks and responsibilities, which are indicators of an agency relationship, revenue has been recorded on a gross basis:

- discretion in establishing pricing of products, with the third party receiving a fixed percentage of consideration;
- primary responsibility for fulfiling the contract, for example by determining sales volumes and retaining responsibility for delivery to the end customer.

Following this assessment the Group has concluded that it sells via an agent for certain print and digital magazine newstrade and subscription revenues, and digital advertising revenues.

Under IFRS 15, revenue recognised is 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. This differs from the Group's assessment under the previous accounting standard for revenue, IAS 18, and has resulted in a gross up of revenue and cost of sales in the current and prior year.

The impact is an increase in revenue of £8.5m for the year ending 30 September 2019, along with an increase in cost of sales of £8.5m, compared to what would have been reported under IAS 18. The comparative period income statement for the year ending 30 September 2018 has been restated for an increase in revenue of £5.5m and an increase in cost of sales of £5.5m. There has been no impact on retained earnings at the date of transition or subsequently.

There has been no material impact on transition relating to any other revenue streams within the Group.

3. Net operating expenses

Operating profit is stated after charging:

	2019 Adjusted results £m	**2019 Adjusting items £m**	**2019 Statutory results £m**	2018 Adjusted results £m	2018 Adjusting items £m	2018 Statutory results £m
Cost of sales	**(115.0)**	**-**	**(115.0)**	(74.8)[1]	-	(74.8)[1]
Distribution expenses	**(7.0)**	**-**	**(7.0)**	(5.5)	-	(5.5)
Share-based payments (including social security costs)	**(1.2)**	**(9.0)**	**(10.2)**	-	(3.1)	(3.1)
Exceptional items (note 4)	**-**	**(3.4)**	**(3.4)**	-	(4.4)	(4.4)
Depreciation	**(0.9)**	**-**	**(0.9)**	(0.6)	-	(0.6)
Amortisation	**(1.4)**	**(13.1)**	**(14.5)**	(1.6)	(5.7)	(7.3)
Other administration expenses	**(43.8)**	**-**	**(43.8)**	(29.1)	-	(29.1)
	(169.3)	**(25.5)**	**(194.8)**	(111.6)	(13.2)	(124.8)

[1] Restated for the impact of adopting IFRS 15 *Revenue from contracts with customers*. Revenue and net operating expenses have both increased by £5.5m with a net nil impact on operating profit

4. Exceptional items

	2019 £m	2018 £m
Premium listing costs	**0.8**	-
Acquisition and integration related costs	**2.5**	4.3
Restructuring and redundancy costs	**-**	0.2
Vacant property provision movements	**0.1**	(0.1)
Total charge	**3.4**	4.4

Premium listing costs include legal fees relating to the Group's transfer to a Premium Listing on the Official List of the Financial Conduct Authority in accordance with Listing Rule 5.4A of the Listing Rules.

The acquisition and integration related costs represent expenses incurred in respect of the acquisition and subsequent integrations of MoNa Mobile Nations, LLC and SmartBrief, Inc and the integration of Purch which was acquired in September 2018.

Further details in respect of the acquisitions are shown in note 17.

5. Finance income and costs

	2019 £m	2018 £m
Interest payable on interest-bearing loans and borrowings	**(1.5)**	(0.9)
Amortisation of bank loan arrangement fees	**(0.6)**	(0.2)
Adjusted finance costs	**(2.1)**	(1.1)
Increase in fair value of contingent consideration	**(11.7)**	-
Unwinding of discount	**(1.2)**	-
Non-trading foreign exchange gain	**-**	0.2
Total reported finance costs	**(15.0)**	(0.9)
Fair value gain on currency option	**0.8**	-
Total reported finance income	**0.8**	-
Net finance costs	**(14.2)**	(0.9)

On 14 February 2019 the Group signed a £90 million multicurrency Revolving Credit Facility ("RCF"), including an incremental uncommitted £45 million accordion, providing additional flexibility. Included within amortisation of bank loan arrangement fees is the release of prepaid costs of £0.4m in relation to the previous loan facility.

The £11.7m increase in fair value of contingent consideration arose in respect of the MoNa Mobile Nations, LLC acquisition, which is measured at fair value through profit or loss account and for which a final amount payable of $55 million was agreed on 11 October 2019. Refer to note 17 for further detail. Similarly, £1.2m arose from unwinding of the discount on contingent consideration recognised in the year.

6. Tax on profit

The tax charged/(credited) in the consolidated income statement is analysed below:

	2019 £m	2018 £m
Corporation tax		
Current tax at 19% (2018 : 19%) on the profit for the year	**7.5**	1.8
Adjustments in respect of previous years	**(0.5)**	0.1
Current tax charge	**7.0**	1.9
Deferred tax origination and reversal of temporary differences		
Current year (credit)/charge	**(3.2)**	0.5
Adjustments in respect of previous years	**0.8**	(0.9)
Deferred tax	**(2.4)**	(0.4)
Total tax charge	**4.6**	1.5

The Directors have assessed the Group's uncertain tax positions and in the current year a provision for uncertain tax positions of £5.2m has been recognised under IAS 12, taking into account the guidance published in IFRIC 23. Further information is provided in the accounting policies section.

Historically, the deferred tax asset in the US arising on tax losses brought forward remained partially unrecognised. Due to the Group's increasing profitability (particularly in the US) this asset has now been recognised in full. The impact on the current tax charge has been a credit of £6.6m.

7. Dividends

Equity dividends	**2019**	2018
Number of shares in issue at end of year (million)	**83.6**	81.5
Dividends paid and payable in the year (pence per share)	**0.05**	-
Dividends paid and payable in year (£m)	**(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 2018 was paid on 15 February 2019. On 15 November 2019 the Board proposed a dividend of 1p per share in respect of the year ended 30 September 2019, which, subject to shareholder consent at the AGM, will be to be paid on 14 February 2020 to shareholders on the register on 17 January 2020.

8. Earnings per share

		2019			2018	
	Adjusted results pence	**Adjusting items pence**	**Statutory results pence**	Adjusting results pence	Adjusted items pence	Statutory results pence
Basic earnings/(loss) per share	**50.1**	**(40.2)**	**9.9**	26.2	(21.1)	5.1
Diluted earnings/(loss) per share	**47.5**	**(38.2)**	**9.3**	24.3	(19.6)	4.7

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.

Adjusted earnings per share is based on the profit after taxation which is then adjusted to exclude 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 on currency option, non-trading foreign exchange gains and exceptional items and any related tax effects.

Total Group	**2019**	2018
Adjustments to profit after tax:		
Profit after tax (£m)	**8.1**	2.9
Share-based payments (including social security costs) (£m)	**9.0**	3.1
Exceptional items (£m)	**3.4**	4.4
Amortisation of intangible assets arising on acquisitions (£m)	**13.1**	5.7
Exchange gains included in finance costs (£m)	**-**	(0.2)
Increase in fair value of contingent consideration (£m)	**11.7**	-
Unwinding of discount (£m)	**1.2**	-
Fair value gain on currency option (£m)	**(0.8)**	-
Tax effect of the above adjustments (£m)	**(4.5)**	(1.0)
Adjusted profit after tax (£m)	**41.2**	14.9
Weighted average number of shares in issue during the year:		
- Basic	**82,190,827**	56,886,851
- Dilutive effect of share options	**4,536,480**	4,453,155
- Diluted	**86,727,307**	61,340,006
Basic earnings per share (in pence)	**9.9**	5.1
Adjusted basic earnings per share (in pence)	**50.1**	26.2
Diluted earnings per share (in pence)	**9.3**	4.7
Adjusted diluted earnings per share (in pence)	**47.5**	24.3
The adjustments to profit after tax have the following effect:		
Basic earnings per share (pence)	**9.9**	5.1
Share-based payments (including social security costs) (pence)	**11.0**	5.4
Exceptional items (pence)	**4.1**	7.7
Amortisation of intangible assets arising on acquisitions (pence)	**15.9**	10.0
Exchange gains included in finance costs (pence)	**-**	(0.3)
Increase in fair value of contingent consideration (pence)	**14.2**	-
Unwinding of discount (pence)	**1.5**	-
Fair value gain on currency option (pence)	**(1.0)**	-
Tax effect of the above adjustments (pence)	**(5.5)**	(1.7)
Adjusted basic earnings per share (pence)	**50.1**	26.2
Diluted earnings per share (pence)	**9.3**	4.7
Share-based payments (including social security costs) (pence)	**10.4**	5.1
Exceptional items (pence)	**3.9**	7.2
Amortisation of intangible assets arising on acquisitions (pence)	**15.1**	9.3
Exchange gains included in finance costs (pence)	**-**	(0.3)
Increase in fair value of contingent consideration (pence)	**13.5**	-
Unwinding of discount (pence)	**1.4**	-
Fair value gain on currency option (pence)	**(0.9)**	-
Tax effect of the above adjustments (pence)	**(5.2)**	(1.7)
Adjusted diluted earnings per share (pence)	**47.5**	24.3

9. Intangible assets

Group	Goodwill £m	Acquired intangibles £m	Other £m	Total £m
Cost				
At 1 October 2017				
Additions through business combinations	329.2	38.2	18.8	386.2
Other additions	34.1	83.3	-	117.4
Adjustments to fair value on prior year	-	-	1.2	1.2
acquisitions	(0.2)	-	-	(0.2)
Exchange adjustments	0.9	0.1	-	1.0
At 30 September 2018	**364.0**	**121.6**	**20.0**	**505.6**
Additions through business combinations				
Other additions	**78.1**	**51.6**	**0.1**	**129.8**
Adjustments to fair value on prior year	**-**	**-**	**2.6**	**2.6**
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**
Accumulated amortisation and impairment				
At 1 October 2017	(263.4)	(14.2)	(16.3)	(293.9)
Charge for the year	-	(5.7)	(1.6)	(7.3)
Exchange adjustments	(0.8)	(0.2)	-	(1.0)
At 30 September 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)**
Net book value at 30 September 2019	**218.7**	**106.9**	**3.4**	**329.0**
Net book value at 30 September 2018	99.8	101.5	2.1	203.4
Net book value at 1 October 2017	65.8	24.0	2.5	92.3

Acquired intangibles relate mainly to brands, subscriber databases, trademarks, advertising relationships, creative services relationships, publishing rights, content and customer lists. These assets are amortised over their estimated economic lives, typically ranging between one and fifteen years.

Impairment assessments for goodwill

The net book value of goodwill at 30 September 2019 consists of £73.9m (2018: £72.8m) relating to the UK and £144.8m (2018: £27.0m) relating to the US.

At 30 September 2019 the Group performed its annual impairment assessment of goodwill and concluded that no impairment of goodwill was required.

10. Cash and cash equivalents

Cash and cash equivalents include the following for the purposes of the cash flow statement:

	2019 £m	2018 £m
Cash and cash equivalents	**6.6**	6.4

11. Financial liabilities – loans, borrowings and overdrafts

Non-current liabilities

	Interest rate at 30 Sept 2019	Interest rate at 30 Sept 2018	**2019 £m**	2018 £m
Sterling term loan	**n/a**	3.0%	**-**	7.6
Sterling revolving loan	**2.5%**	3.0%	**14.3**	8.1
US dollar revolving loan	**3.8%**	n/a	**28.3**	-
Total			**42.6**	15.7

Current liabilities

	Interest rate at 30 Sept 2019	Interest rate at 30 Sept 2018	**2019 £m**	2018 £m
Multi-currency overdraft	**1.95%**	n/a	**4.3**	-
Sterling term loan	**n/a**	3.0%	**-**	2.3
Sterling revolving loan	**n/a**	3.0%	**-**	0.9
US dollar term loan	**n/a**	4.8%	**-**	5.3
Total			**4.3**	8.5

The interest-bearing loans are repayable as follows:

	2019 £m	2018 £m
Within one year	**4.3**	8.8
Between one and two years	**-**	4.9
Between two and five years	**42.6**	11.0
Total	**46.9**	24.7

On 14 February 2019 the Group signed a £90 million multicurrency Revolving Credit Facility ("RCF"), including an incremental uncommitted £45 million accordion, providing additional flexibility. The facility replaced existing debt facilities and has an initial maturity of February 2023.

All material companies in the Group are guarantors to the facility and the availability of the facility is subject to certain covenants.

Total fees relating to the new facility amounted to £0.8m 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 current facility for sterling denominated loans is calculated as the cost of one-month LIBOR (currently approximately 0.7%) plus an interest margin of between 1.75% and 3.0%, dependent on the level of Leverage.

Interest payable under the current credit facility for the US dollar denominated loan is calculated as the cost of one-month USD LIBOR (currently approximately 2.1%) plus an interest margin of between 1.75% and 3.0%, dependent on the level of Leverage.

The term of RCF 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.

12. Provisions

Group	Property £m
At 1 October 2018	2.8
Charged in the year	0.7
Released in the year	(0.7)
Utilised in the year	(0.7)
At 30 September 2019	**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 two years, with the remainder utilised over seven years.

13. Financial instruments

Adoption of IFRS 9 *Financial Instruments*

IFRS 9 *Financial Instruments* became effective for the Group from 1 October 2018. The standard has been applied fully retrospectively, as required by IFRS 9, but the designation of financial assets and liabilities has been taken at the date of initial application. The Group has adopted the simplified approach to recognise lifetime credit losses for trade receivables. The change in approach has not had a material impact on the provision for bad debt.

IFRS 9 largely retains the existing classifications for financial liabilities. For the Group's financial assets, the following table shows the new measurement categories under IFRS 9:

Financial asset	IFRS 9 classification	Previous classification under IAS 39
Cash and cash equivalents	Amortised cost	Loans and receivables
Trade and other receivables	Amortised cost	Loans and receivables
Derivative – purchased option	Fair value through profit or loss	N/a

There has not been a significant impact on the carrying amounts of assets held.

The following table presents the Group's financial assets and liabilities that are measured at fair value at 30 September 2019:

	Level 2 Fair value £m	Level 3 Fair value £m
Assets		
Financial asset – derivative	1.4	-
Liabilities		
Deferred consideration	-	(43.9)
Contingent consideration		(10.9)

All other financial assets and liabilities are classed as level 1.

Contingent consideration

Deferred consideration of £43.9m ($55m) relates to the acquisition of MoNa Mobile Nations, LLC and £10.9m of contingent consideration relates to the acquisition of SmartBrief, Inc. (see note 17 for further details).

The contingent consideration for SmartBrief has been valued using a scenario-based approach drawing from internal EBITDAE projections and forecasts and weighting them according to the perceived probability of being achieved. The outcome is then discounted to reflect the market risk related to the earn outs and underlying achievement of the EBITDAE targets.

The amount of deferred consideration for MoNa Mobile Nations, LLC was agreed on 11 October 2019 (see note 17), so therefore other than in determining the discount rate to apply there is little judgement involved in estimating the amount of deferred consideration payable.

The discount rates for both the acquisition of MoNa Mobile Nations, LLC and the acquisition of SmartBrief, Inc was determined using a Capital Asset Pricing Model (CAPM) approach.

The main level 3 inputs used in valuing the deferred and contingent consideration are shown in the table below.

Assumption	**MoNa Mobile Nations, LLC**	**SmartBrief, Inc.**
Discount rate	3%	10%
EBITDAE/gross profit	n/a	$26.4m - $31.5m

A 10% change in the discount rate applied to the MoNa Mobile Nations, LLC deferred consideration, which is considered to be a reasonably possible alternative assumption would give rise to less than £0.1m impact on the quantum of the liability recognised.

The table below sets out the sensitivity of level 3 inputs to a 10% change in the assumptions for the SmartBrief, Inc. contingent consideration, which is considered to be a reasonably possible alternative assumption:

Assumption	**Increase/(decrease)**	**Increase/(decrease) in liability**
Discount rate	10%	£(0.1)m
Discount rate	(10)%	£0.1m
Gross profit	10%	£3.2m
Gross profit	(10)%	£(8.4)m

14. Issued share capital

	2019		2018	
	Number of shares	**£m**	Number of shares	£m
Allotted, issued and fully paid Ordinary shares of 15p each				
At beginning of year	**81,518,591**	**12.2**	45,392,814	6.8
Issued as consideration for acquisition	**1,642,658**	**0.2**	654,400	0.1
Placing of Ordinary shares	-	-	34,880,772	5.2
Share scheme exercises	**433,578**	**0.1**	589,895	0.1
Share Incentive Plan matching shares	**594**	-	710	-
At end of year	**83,595,421**	**12.5**	81,518,591	12.2

On 1 March 2019, the Company issued 615,166 Ordinary shares with a nominal value of £92,275 as consideration for the acquisition of MoNa Mobile Nations, LLC.

Between 1 August and 6 August 2019, the Company issued 1,027,492 Ordinary shares with a nominal value of £154,124 as consideration for the acquisition SmartBrief, Inc.

Further details of acquisitions are shown in note 17.

During the year 433,578 Ordinary shares with a nominal value of £65,037 were issued by the Company pursuant to share scheme exercises and a further 594 Ordinary shares were issued under the Share Incentive Plan for a combined total cash commitment of £nil.

15. Contingent liabilities

During the year, a contingent liability of £43.9m was recognised for variable deferred contingent consideration on the acquisition of MoNa Mobile Nations, LLC and £10.9m was recognised for variable deferred contingent consideration on the acquisition of SmartBrief, Inc. Following the reporting date, the contingent consideration for MoNa Mobile Nations, LLC was agreed, with the deferred consideration being settled 50% in shares, with 1,792,534 shares in Future plc being issued in October 2019 and 50% in cash payable on 28 February 2020. See note 17 for further details regarding the acquisitions. There were no material capital commitments as at 30 September 2019 (2018: £nil).

16. Related party transactions

The Group had no material transactions with related parties in 2019 or 2018 which might reasonably be expected to influence decisions made by users of these financial statements.

17. Acquisitions

Acquisition of Immediate Media titles
On 13 February 2019 Future Publishing Limited acquired two specialist consumer brands from Immediate Media, CyclingNews.com and Procycling Magazine, for consideration of £1.65 million. Cycling News is the leading cycling news website in the UK, while Procycling is the market-leading magazine within the professional cycling arena.

The impact of the acquisition on the consolidated balance sheet was:

	Fair value
Intangible assets	
- Customer lists	0.1
- Brands	0.7
Subscription liabilities	(0.1)
Deferred tax	(0.1)
Net assets acquired	0.6
Goodwill	1.1
	1.7
Consideration:	
Cash	1.7
Total consideration	**1.7**

The acquisition provides the Group with market-leading positions in the pro-cycling sector, complementing the Group's specialist media strategy and bringing organic growth opportunities.

Acquisition of MoNa Mobile Nations, LLC

On 1 March 2019 Future plc acquired MoNa Mobile Nations, LLC ("Mobile Nations"), a leading global digital publisher focused on consumer electronics and based in the US. The initial cash consideration paid was $55 million with a further $5 million satisfied through the issue of 615,166 new ordinary shares. In addition, a further variable deferred consideration up to a total value of $60 million could be paid, subject to meeting certain financial targets based on the year ending 31 March 2020. The table below includes £29.3m as contingent consideration, which represents its fair value at the date of acquisition. At the reporting date, the deferred consideration had increased to £43.9m ($55m) following agreement of the final amount payable on 11 October 2019. 100% of the voting equity interest was acquired.

The impact of the acquisition on the consolidated balance sheet was:

	Fair value £m
Intangible assets	
- Brands	23.8
- Creative services relationships	3.2
- Software	1.4
- Other intangibles	1.7
Trade and other receivables	2.5
Trade and other payables	(0.6)
Net assets acquired	32.0
Goodwill	43.6
	75.6
Consideration:	
Equity shares	4.3
Cash	42.0
Consideration	**46.3**
Contingent consideration (at acquisition date fair value)	29.3
Total consideration	**75.6**

The goodwill is attributable to significant further opportunities available through sharing of best practice and leveraging the Group's specialist media platform. The brands will be amortised over a period of between 10 and 15 years, creative services relationships over a period of 8 years and other intangibles over 3 years. The intangibles recognised including goodwill, are expected to be deductible for tax purposes.

Gross trade receivables were £2.5m, of which £2.5m on acquisition were expected to be recovered.

The acquisition enhances the Group's market-leading position in consumer electronics and combine content, community and commerce to deliver shopping enablement systems. The complementary brands acquired further diversify and strengthen the Group's presence in the US.

Included within the Group's results for the year are revenues of £5.6m (after elimination of intra-group revenues) and a profit before tax of £4.7m (excluding deal fees and acquired intangible amortisation) from Mobile Nations.

If the acquisition has been completed on the first day of the financial year, it would have contributed £8.9m of revenue (after elimination of intra-group revenues) and profit before tax of £7.7m (excluding deal fees and acquired intangible amortisation) during the year.

Acquisition of SmartBrief, Inc.

On 29 July 2019 Future plc acquired SmartBrief, Inc. ("SmartBrief"), a leading US based digital media publisher. The initial cash consideration paid was $30.3 million (being the original agreed amount of $32.2m less working capital and debt like adjustments) which includes a $4.6m payment to settle debt on acquisition, with a further $12.8 million satisfied through the issue of 1,027,492 new ordinary shares. In addition, a further contingent deferred contingent consideration up to a total value of $20 million will be paid, subject to meeting certain financial targets based on the year ending 31 July 2020. The Group has included £10.8m as contingent consideration in the table below, which represents its fair value at the date of acquisition. At the reporting date, the contingent consideration had increased to £10.9m, representing the impact of discounting. The impact of the acquisition on the consolidated balance sheet was:

	Provisional 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	(4.3)
Net assets acquired	12.2
Goodwill	31.4
	43.6
Consideration:	
Equity shares	11.6
Cash	21.2
Consideration	**32.8**
Contingent consideration	10.8
Total consideration	**43.6**

The goodwill is attributable to opportunities to utilise the CRM solution for Future's existing B2B and B2C customers and through combining back office functions. The subscriber base will be amortised over a period of seven years, the brands over three years and other intangible assets over 10 years. The intangibles recognised, including goodwill, are not expected to be deductible for tax purposes.

Gross trade receivables were £5.7m, of which £5.3m on acquisition were expected to be recovered.

The acquisition strengthens the Group’s presence in the US B2B market and expands our audience reach through targeted email marketing and daily digital newsletters for business professionals, as well as enhancing the Group’s proprietary technology stack.

Included within the Group’s results for the year are revenues of £5.2m and a profit before tax of £1.0m (excluding deal fees, associated integration costs, depreciation and amortisation) from SmartBrief, Inc.

If the acquisition has been completed on the first day of the financial year, it would have contributed £28.4m of revenue and profit before tax of £4.3m (excluding deal fees, associated integration costs, depreciation and amortisation) during the year.

Following the acquisition, the legal form of the entity was changed from an Incorporation to an LLC.

The fair values included for the SmartBrief, Inc. acquisition are described as 'provisional' as it occurred within three months of the balance sheet date and so further time is required in order to fully ascertain the fair value of assets and liabilities acquired and the consideration is subject to customary adjustments on finalisation of completion accounts.

See note 4 for details of the total amount of acquisition and integration related costs recognised as exceptional items in respect of these acquisitions.

Acquisition of Purch Group LLC – update to fair values
On 4 September 2018, Future US Inc. acquired 100% of the share capital of Purch Group LLC, as disclosed in the Annual Report for the year ended 30 September 2018. An update to the fair value of the assets has been performed, as detailed below:

	Fair value £m
Intangible assets	
- Customer relationships	12.2
- Brands	21.9
- Software	2.8
Trade and other receivables	10.9
Trade and other payables	(5.3)
Net assets acquired	42.5
Goodwill	57.3
	99.8
Consideration:	
Cash	99.8
Total consideration	**99.8**

The Purch acquisition occurred within one month of the 2018 balance sheet date and following the passage of time further information has become available to the Directors which has enabled the calculation of the fair value of the assets and liabilities acquired to be refined. As part of this exercise, assets previously identified as websites were re-categorised as brands to better reflect the underlying nature of the intangible assets acquired.

Following the acquisition of MoNa Mobile Nations LLC, existing customer relationships of £5.0m between the two parties that had been included as an identified intangible asset in the original purchase price allocation exercise were reclassified to goodwill – reflecting the fact that the relationship is now between entities within the Future Group.

18. Post balance sheet events

MoNa Mobile Nations, LLC contingent 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. With the attainment of the financial targets for the year ended March 2020 likely to be above the top end of earn out range, a total contingent consideration of $55m has been agreed, split equally between cash and the issuance of new shares in Future plc. The cash element ($27.5m) will be paid on the 28 February 2020 and 1,792,534 new shares were issued in October 2019 representing the balance of the payment (see note 17).

This move recognises the achievement of certain financial targets ahead of the anticipated timeframe and will enable the businesses to work together to deliver additional benefits across the combined businesses.

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. 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. The acquisition will be funded by a placing of 8,184,906 new ordinary shares with the balance being settled by increasing the Group’s debt facilities to £135 million with the drawdown of an additional £45 million through exercise of the accordion option.

Acquisition of Barcroft Studios

On 14th November 2019, Future signed a contract to purchase Barcroft Studios, a small independent studio that creates original content, which is then published on a variety of owned and operated social sites in additional to being distributed across mass media channels. The deal is expected to complete on the 30th November 2019. Total consideration will be £23.5m (9.4x multiple of last 12 months EBITDA) of which 40% will be satisfied by the issue of consideration shares. An application is to be made for the admission of those shares following the completion of the acquisition.