Future plc

Annual Report and Accounts 2017

Future
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Annual Report
and Accounts
2017

Group overview

Future plc is an international media group, listed on the London Stock Exchange (symbol: FUTR). These highlights refer to the Group's annual results for the year ended 30 September 2017.

Strategic Report

Financial Review

Corporate Governance

Financial Statements

Continuing Revenue

£84.4m

2016: £59.0m

Net Debt

£(10.0)m

2016: Net cash £0.5m

Continuing Adjusted EBITDA

£11.0m

2016: £5.2m

Continuing Exceptional items

£(3.7)m

2016: £(16.5)m

Continuing Adjusted Operating Profit

£8.9m

2016: £2.8m

Continuing Profit Before Tax

£0.2m

2016: Loss £(14.9)m

Continuing Digital Advertising

76%

of total continuing advertising revenues (2016: 78%)

Unique Users

53.3m

a month (Q4 up 18% on Q3)

Continuing Recurring Revenues

£23.0m

2016: £15.0m

- Adjusted EBITDA represents earnings before share based payments and related social security costs, interest, tax, depreciation, amortisation, impairment, and exceptional items.

- Adjusted operating profit represents adjusted EBITDA less depreciation and amortisation of acquired intangibles.

- Recurring revenues encompass eCommerce and subscriptions.

- Exceptional items for 2016 above includes impairment of intangible assets of £13.0m.

Chairman's statement

A global specialist media platform with diversified revenue streams

I am pleased to report that the Group has had an outstanding year and the business has gained strong momentum. Over the past year, the Group has made material progress in expanding the business. There has been significant growth, both organically and through acquisition, which has resulted in a fantastic set of results.

"The Group's focus on its strategy has produced clear momentum, with strong progress in both revenue diversification and development of the platform."

Peter Allen
Chairman

The Group's full year results are extremely positive, with year-on-year growth in revenue of 43% and exceptional growth in adjusted operating profit of 218%. In addition there has been strong cash conversion throughout the year.

Last year the Group launched its strategy to be a global specialist media platform business with diversified revenue streams. This year has produced clear momentum on this strategy, with strong progress in both revenue diversification and development of the platform.

Both Media and Magazine divisions are performing well with fast revenue growth in Media revenue streams, particularly in eCommerce and events, and significant added scale and operational efficiencies in the Magazine division from acquisitions.

The Group has made a number of acquisitions during the year, having completed the acquisition of Imagine Publishing in October 2016, acquired Team Rock at the beginning of 2017 and acquired the home interest division of Centaur Media in August 2017. The integration of home interest is well on track.

The Board and I were shocked by the tragic news that Manjit Wolstenholme, the Group's senior independent non-executive Director and Chairman of the Audit and Remuneration Committees, passed away suddenly on 23 November 2017. Manjit was a tower of strength and support to me and my colleagues, both personally and professionally, for many years and she will be sadly missed.

I will be stepping down from the Future Board on 1 February 2018. I have been Chairman of Future for over six years. During that time the Company has had to confront a hugely challenging market place and has now come through as a significantly changed business, well positioned to offer value growth to shareholders. With the acquisitions over the last 18 months and the executive management leadership, the Company is entering a new phase. I believe the time has come for a new Chairman to take over, to ensure stability and continuity during this exciting next phase. I have every confidence that Future will prosper in the coming years.

After a rigorous search for my successor, and on the recommendation of the Nomination Committee, the Board has appointed Richard Huntingford as my replacement. Richard brings extensive media industry and public company experience from his CEO role at Chrysalis plc and his Chairman roles at Virgin Radio, Wireless Group plc (formerly UTV Media plc) and Creston plc. Richard will initially serve as acting Chairman of the Audit and Remuneration Committees and will take over from me as Chairman of the Board on 1 February.

The hard work and professionalism of Future's employees has been the driver behind the amazing results this year. On behalf of the Board, I would like to thank everyone for their commitment this year.

Peter Allen
Chairman

Chief Executive's review

Strategic report

Future is a global platform for specialist media with scalable, diversified brands. We have made significant progress against our strategic objectives this year and have delivered some strong results, with revenue growth of 43% year-on-year and adjusted operating profit growth of 218% year-on-year. The acquisitions we have made this year have added significant scale and operational efficiencies.

"We have delivered significant growth in both operating profitability and cash conversion, driven by strong revenue growth in eCommerce and events. The three acquisitions we have made this financial year have further strengthened and diversified our revenue streams."

Zillah Byng-Thorne
Chief Executive

Future has delivered another year of growth, with revenue up 43% year-on-year to £84.4m (2016: £59.0m), driven by organic growth of 8% and acquisitions, adjusted EBITDA up 112% year-on-year to £11.0m (2016: £5.2m), with adjusted EPS up 144%. In addition, adjusted free cash flows totalled £15.3m (2016: £4.6m) and reported EPS increased to 4.3p (2016: loss of 59.6p).

The Group has delivered growth in both operating profitability and cash generation, driven by strong revenue growth in eCommerce, digital advertising and events.

Future has seen clear benefits in operational gearing from the investment in central functions and technology infrastructure, evident in the significant improvement in adjusted EBITDA margin to 13% (2016: 9%). The investment has also allowed a number of new brand launches to be delivered quickly with minimal incremental investment cost.

The Media division is performing well with fast revenue growth in all areas; eCommerce revenue has more than doubled year-on-year, while events have grown 58% year-on-year. In addition, digital display advertising revenue has increased by 21% year-on-year as a result of valuing the quality of our audience, combined with the investment we have made in a technology stack that capitalises on the growth in programmatic advertising while maximising digital yields.

The Magazine division has benefited from added scale and operational efficiencies through the acquisitions of Imagine Publishing, Team Rock and the home interest portfolio.

The growth in revenues and operating profitability and resulting strong cash conversion in the period led to year-end net debt of less than 1x adjusted EBITDA.

In light of the continued focus on debt reduction, confidence in the Group's growth strategy and the continued development of the business leading to more consistent cash flows and diversified revenue streams, the Board is now in a position to consider returning to paying a dividend to shareholders, whilst maintaining sufficient resources to continue investing in the business.

Global platform business for specialist media

In 2016 Future outlined its strategy of becoming a global platform business for specialist media with diversified revenue streams. Clear momentum on this strategy gained throughout the year is reflected in the Group's financial performance.

The Group continues to diversify its revenue streams; eCommerce revenues continue to

We reach 53.3m users through our websites

75.6k people attend our events

We sell 960k magazines and bookazines per month

We have 31m social media followers

grow well organically and growth in events has been bolstered by the acquisitions of Team Rock and the home interest portfolio. With the introduction of a new content vertical through the home interest acquisition, audience diversification has increased to seven audience communities.

Investment in digital assets and the continued tight management of costs has increased operating margins and helped deliver on this strategy.

Loyal communities

Future attracts a large passionate audience across online, events and print of 85 million; the Group's influential and market-leading brands offer our audiences the opportunity to do the things they love, through an exciting combination of experiences, unique content and eCommerce offerings.

Future is focused on meeting its audience's needs with specialised and high-quality content and experiences. This connection can occur wherever the audience is, with strong engagement with users through a large social media reach of 31 million followers across Facebook, Twitter and YouTube and generating seven million sessions to the digital properties from social media.

High engagement was evident at The PC Gaming Show at E3 in June, which was watched live on specialist gaming channel Twitch by an audience of industry-leading scale, with over two million unique viewers and 630,000 concurrent video viewers across all platforms.

The brands are market-leading and have seen significant audience growth of 18% year-on-year, reaching 53.3 million online users. In the US, the 10% year-on-year growth in online users to 20.4 million has resulted in an increase in our market share, particularly in technology.

Acquisitions

Future has made three acquisitions this year, in line with the Group's strategy to expand global reach through acquisitions. These acquisitions have added significant scale to the business and we have benefited from the resulting operational efficiencies.

The acquisitions have further diversified revenue streams by adding new verticals including knowledge, music listening and home interest.

Current trading and outlook

Trading in the current financial year has started well and, at this early stage, is performing in line with the Board's expectations.

The integrations of both Imagine and Team Rock have been completed with synergies delivered in line with expectations and both are trading in line with expectations.

The integration of the home interest portfolio, acquired in early August, is progressing well and is expected to be fully completed by the end of this calendar year, with the launch of Realhomes.com in November 2017 a key part of the acquisition strategy.

Zillah Byng-Thorne
Chief Executive

Key details of the acquisitions we have made in 2017 are included below:

Acquisition	Revenue*
Imagine Publishing	£16.4m
Team Rock	£2.8m
Centaur Media's home interest division**	£12.8m

*Revenue figures obtained from most recent annual financial information or, in the case of Centaur Media's home interest division, financial information relating to the acquired assets
** Centaur Media's home interest division comprised Ascent Publishing Ltd and Centaur Consumer Exhibitions Ltd

Strategic overview

A global platform for specialist media

At Future, we pride ourselves on the heritage of our brands and loyalty of our communities. Offering core expertise, we help dedicated enthusiasts follow their passion through high-quality content, unique experiences and innovative technology.

Our strategy

Last year we launched our strategy which is focused on becoming a global platform business with scalable, diversified brands. Building a platform business allows us to unlock and create significant new revenue streams, expanding our brands and reaching our audience in different ways.

This year we have clear momentum on this strategy with strong progress in both revenue diversification and development of the platform. We have achieved this through organic growth, acquisitions and strategic partnerships which have also expanded our global reach.

The investment we have made over the last couple of years has created an infrastructure that we can scale and that is underpinned by market-leading global brands in diversified verticals. We have scalable technology which we combine with data insight to support organic growth.

We continue to innovate with our magazine brands, with re-launches of Airgun Shooter and Total Guitar in 2017 and T3 magazine in the current financial year. We have focused on growing our online and print subscriptions and clubs in order to drive recurring revenue streams and further engage with our passionate audiences.

Our highly-engaged audience

We are proud of our purpose which is simple; changing people's lives through sharing our knowledge and expertise with others to make it easier and more fun for them to do what they want. Our audience is key to everything we do; we understand the importance and value of our highly engaged audience and our content and experiences are specifically tailored to these communities.

Reaching a global audience of 85 million through our websites, events, social media and magazines, we continue to create loyal communities by giving them a place they want to spend their time and where they go to meet their needs.

We are focused on enhancing and building the recurring revenue streams of online and print subscriptions and memberships, such as Team Rock+, PC Gamer Club and photography premium subscriptions. Membership gives users access to exclusive member content and offers. Across our online and print products we have over 500,000 subscribers, up 26% year-on-year.

Our brands

Future today boasts a portfolio of over 120 brands across online, magazines and events. Our specialist media brands cover a broad range of sectors enabling the Group to mitigate risk and lessen its cyclical exposure to any one vertical.

Our events connect our communities through meaningful experiences; small and intimate to truly national events. We now have 24 annual events across two countries, 10 of which we acquired this year.

We have also seen strong organic revenue growth from our core global super brands – TechRadar revenue is up 37% year-on-year, PCGamer.com revenue is up 52% year-on-year, GamesRadar revenue is up 33% year-on-year and T3.com revenue is up 88% year-on-year.

Our brands continue to be market leaders, holding the number one market positions in the UK in online consumer technology, online creative & design and the global number one position in PC gaming.

In addition we are capitalising on emerging opportunities through bookazines, which is a low cost innovation model, with over 430 bookazines produced in the year totalling revenue of £10.1m.

Data-led innovation through content and technology

Our global platform business enables us to facilitate and accelerate growth opportunities and unlock significant new sources of revenue.

This year we have seen strong organic growth, particularly from eCommerce and events. This has been driven by a number of new initiatives, including new content genres within the current brands such as broadband or T3 Home and using data to optimise conversion rates.

Following the successful test launch of T3 Baby during the course of 2017, we have launched a number of new sites including DigitalCameraWorld and TheRadar. Launched in October 2017, TheRadar is an eCommerce-led website aimed at allowing users to find, review and buy products across a number of categories including tech, homeware and beauty.

Following the recent acquisition of the home interest portfolio we launched Realhomes.com during November 2017, a home interiors website accompanied by buying guides to take advantage of current trends in our audience's online search and purchase intent.

By scaling investment in our platform business coupled with our leading content, we are expanding our global reach through digital and print licensing. These strategic partnerships leverage our unique platform proposition by offering high-margin licensing and franchising of key brands. We have signed a total of 10 new licensing partners this year including Panini in Spain, Beijing Muchuan Culture Development in China and Tbreak in the Middle East.

The digital licensing opportunities that we offer enable global partners to optimise their local offering by accessing trusted brands and authoritative content, and leveraging a unique commercial model developed by Future. Two of the 10 licensing partners signed this year, one in India and the other in the Middle East, are strategic in nature, where our partner is licensing our digital content and technology platform.

Acquisitions

Our investments this year in our platform and data-led decision making tools underpin our buy and build strategy, as we create additional diversified revenue streams for these acquired brands to generate further organic growth.

In October 2016, we completed the acquisition of Imagine Publishing, the integration of which is now complete. The acquisition of Imagine has resulted in significant cost synergies and cash generation. It has also added significant scale to our Magazine division and introduced another vertical, knowledge, to our portfolio. The knowledge vertical provides specialist content on science, history, wildlife and crime.

In January 2017, Future acquired Team Rock, a portfolio of music listening magazines, website and events. The new music listening vertical complements our existing music making assets as well as expanding our events portfolio. The acquisition of Team Rock brings scalable brands with a loyal fan base.

In August 2017, we acquired the home interest division from Centaur Media. The acquisition has significantly enhanced the scale of our events business, with the addition of market-leading, national home interest shows, and has presented us with growth opportunities across our platform business with the launch of a new digital brand to maximise digital advertising and eCommerce opportunities.

These acquisitions have allowed us to expand our events profiles, whilst strengthening the Magazine division and continuing to provide synergistic benefits.

What we do

Our divisions

Future plc is an international media business organised into two divisions, Media and Magazine.

Media

The Media division focuses on being at the forefront of digital innovation with three complementary revenue streams: eCommerce, events and digital advertising. It operates in a number of sectors, including the growing technology and games markets, and has a number of leading brands, including TechRadar, PC Gamer, GamesRadar+, The Photography Show, Generate and Golden Joysticks.

Our flagship technology website, TechRadar, is the UK's largest consumer technology website and a leading authority on products. Our technology brands combined reach over 30 million users as well as a huge reach of 4.3 million across social media.

Leveraging data and SEO expertise means that we can provide content and eCommerce functionality suited to our audience's needs.

In October 2017 we launched TheRadar, an eCommerce-led technology content website aimed at allowing users to find, review and buy products. In November 2017 we launched Realhomes.com, a home interiors and home building website.

Our gaming portfolio is the voice of authority for gamers across the globe, guiding players and influencing culture for over 30 years. Our two core gaming brands are GamesRadar+ and PC Gamer. The portfolio covers the games, films and TV our media audience love and has an engaged social media audience of 23.8 million and reached 18.5 million monthly users this year, its largest ever month.

PC Gamer is the biggest PC gaming brand in the world, including two successful events, The PC Gaming Show and PC Gamer Weekender. In June 2017 The PC Gaming Show was watched by 630,000 concurrent viewers harnessing our video expertise for multi-channel for clients and live streaming.

One of our core photography brands is The Photography Show, which is the UK's largest live photography exhibition. The award-winning show took place again in March and attracted 32,000 visitors.

In July we launched DigitalCameraWorld, a global photography website dedicated to helping photographers of all skill levels improve their images, buy the best gear and get inspired by other photographers.

Our creative and design website, CreativeBloq, is the number one creative and design content website in the UK and the US, reaching an audience of over 2.9 million. We also host the Generate conferences, the event for web designers and developers, which take place in London and New York.

The acquisitions made this year have added a number of new events to our portfolio, including the national Homebuilding & Renovating Show, as well as a number of music events from Team Rock, including Metal Hammer Golden Gods.

Magazine

The Magazine division creates specialist magazines and bookazines, with 60 magazines and over 430 bookazines published a year, with a total global circulation of over one million. The Magazine portfolio spans technology, games and entertainment, music, creative and photography, field sports, knowledge and home interest verticals. Its titles include T3, Total Film, How It Works, Edge and All About History.

We are one of the largest specialist magazine and bookazine publishers in the UK, a position that has been strengthened by the Imagine Publishing, Team Rock and home interest acquisitions this year. The acquisitions also introduced the new verticals of knowledge, music listening and home interest.

Our gaming magazines and bookazines are a leading authority on all types of video gaming, including our official PlayStation and Xbox titles.

Future's technology titles cover all aspects of consumer technology from the very best tech products in T3 magazine to specialist areas covered by MacFormat and Linux Format.

Our film and TV titles, Total Film and SFX, take a passionate and authoritative look at every part of the film and TV world, from all the latest blockbusters, comic books and sci-fi extravaganzas to the very best Oscar baiters, arthouse masterpieces, hidden gems and festival hits.

Future is the UK's leading publisher of photography magazines. Our portfolio of specialised photography brands allows leading brands to access and to simultaneously engage valuable in-market consumers.

Our music portfolio is the UK's leading and most influential music network reaching passionate consumers through the world's favourite music making brands.

Our extensive creative and design portfolio is market-leading, providing creative inspiration for the global design community.

Brands

Technology brands
TechRadar
T3
TheRadar
Gizmodo UK
Lifehacker UK
ITProPortal
Mobile Industry Awards
MacFormat
Maximum PC
Linux Format
MacLife

Games & entertainment brands
GamesRadar+
PC Gamer
Kotaku UK
Golden Joysticks
Official PlayStation
SFX
Total Film
Official Xbox
GamesTM
Edge

Creative & photography brands
CreativeBloq
DigitalCameraWorld
The Photography Show
Generate conferences
Digital Camera
N-Photo
PhotoPlus
Digital Photographer
Computer Arts
Net
ImagineFX
Photoshop Creative

Music brands
MusicRadar
TeamRock
The London Acoustic Show
The London Drum Show
Metal Hammer Golden Gods Awards
Progressive Music Awards
Classic Rock
Metal Hammer
Prog
Guitarist
Total Guitar
Guitar Techniques
Rhythm
Computer Music
Bass Guitar Magazine

Home interest brands
Homebuilding & Renovating
Homebuilding & Renovating Show
Real Homes
Period Living

Field sports brands
Airgun Shooter
Sporting Rifle
Bow International
Clay Shooting

Knowledge brands
How It Works
All About History
History of War
World of Animals
All About Space

Business review

Key Performance Indicators

The key performance indicators are presented on a continuing basis.

	2017	2016
Corporate KPIs		
Adjusted EBITDA (£m):	**11.0**	5.2
Adjusted operating profit (£m):	**8.9**	2.8
Media Division KPIs		
Number of users visiting our websites (monthly)	**53.3m**	45.2m
Number of event attendees (thousands)	**75.6**	38.3
Number of eCommerce transactions (thousands)	**1,982**	1,128
Magazine Division KPIs		
Number of copies sold per month (thousands)	**961**	739
Subscriber base (thousands)	**461**	399
Copies sold as a percentage of copies printed (including subscriptions)	**40%**	45%

Risks and uncertainties

Risks and uncertainties

Like all businesses, our business faces risks and uncertainties that could impact the Group's achievement of its objectives. Risk is accepted as being a part of operating any business and we have therefore established a continuous process of identifying, evaluating and managing risk.

Risk management

Risks	Description
Operating environment	The structural change in our operating environment and the pace of the transition from print remain a real risk. There is a risk that print circulation volumes and print advertising revenues decline at a faster rate than anticipated and digital revenues do not grow at a rate to offset the decline.
Intellectual property	Future uses, and grants licences to its licensees allowing them to use, various types of third-party content including music, audiovisual material, photos, images and text. As a publisher, Future is responsible for any intellectual property or other infringement relating to the same and as licensor, Future is responsible to its licensees.
Financial	The long lag time for reporting on sales of exported printed copies continues to be an area of forecasting uncertainty. Forecasting remains difficult in all consumer markets. As we diversify our revenue streams, new activities are inherently more difficult to forecast accurately. Advertising pipelines can be subject to slippage, with the risk that resulting revenue is pushed into later accounting periods. Future has available bank facilities totalling £25.4m at 30 September 2017. Failure to comply with the financial covenants of these facilities could result in additional finance costs and the possible withdrawal of the facilities. The significant issues considered in relation to the financial statements for the year ended 30 September 2017 are set out in the Audit Committee section of the Corporate Governance report on pages 26 to 28.
IT	The business is increasingly dependent on technology. In the event of a total network or server failure, or data loss, there would be a major impact on the production of magazines, operation of websites and the operational effectiveness of the business.
Staff	The Group's strong reputation as a leading content provider makes its staff potentially attractive to competitors. There is a risk that key staff will move elsewhere if offered significant increases in remuneration with which Future is unable to compete.
Personal data and cyber fraud	A loss of personal data or a cyber attack would trigger the need to notify users and the Information Commissioner's Office (ICO) and Future may suffer reputational risk, as well as a significant financial penalty, if it is responsible for the breach. The General Data Protection Regulation (GDPR) comes into force in May 2018. GDPR extends the scope of EU data protection law by giving data subjects additional rights and increasing the accountability obligations on companies processing data. The maximum penalties under GDPR are significantly higher than under the current regime.
Major supplier or retailer fails	Major distributor or retailer goes into administration resulting in loss of magazine sales and associated revenue.
Acquisitions	The Group continues to search for opportunities to grow through acquisition. There is a risk that any such acquisition or its subsequent integration fails to create value for shareholders.

Mitigation

Future continues to innovate, making available its special-interest content to consumers in a number of formats, in print, online and at events. The diversification of revenues helps protect against rapid changes in operating enviroment. We create best-in-class content to create an emotional connection with our audiences of engaged enthusiasts, who represent an attractive audience for advertisers. We have become an integral part of the purchase cycle which can be monetised via eCommerce.

Future produces guidance and in-house training to educate its staff on the importance of obtaining appropriate rights or licences and has a dedicated in-house rights management team. Future's legal team reviews all significant licences relating to third-party content and, where appropriate, seeks warranties and indemnities relating to the same. Future licenses content to third parties based on standard contracts which seek to limit Future's liability.

On printed products, in particular bookazines, a more conservative initial view on sales estimates continues, with emerging trends becoming more apparent.

Future's forecasting in respect of innovative products will become easier as those products develop a more consistent customer base and stable business model.

Careful monitoring of the advertising pipeline and bookings to close the gap in the event of any shortfall.

Future continually monitors its cash flows and covenants and has operated within all its covenants throughout the year. The Group negotiated increased facilities (up from £5.0m in 2016) following the acquisitions of Imagine and the home interest division which expire in June 2021. There is currently significant headroom on these facilities. See note 18 to the financial statements for more detail.

Review by Audit Committee with external auditors.

Future's network has at least two diverse routes for all key offices and business-critical data is held on three highly resilient storage devices in different locations. In addition, all core switches are duplicated in different buildings so there are no single points of failure. Servers are distributed across two main data centre locations and several controlled server rooms in different buildings in Bath and San Francisco. Future can switch services from one server to another within a few hours. In addition, all mission-critical services have more than one server so there is no single point of failure. Further investment in the IT infrastructure has been made in 2017 and more is already underway in 2018.

Future employs people who are passionate about their subject. Future offers a number of staff benefits and incentive programmes to attract and retain key staff, and steps are taken to ensure that the Group is not excessively reliant upon any one employee.

Future seeks to ensure all of its systems comply with best practice as regards to security and has in place a plan to mitigate the effects of any hack. The Group is continually investing and upgrading its IT systems and processes to ensure that they are sufficiently robust and appropriate for the digital age.

A GDPR steering committee has been established to ensure Future's readiness for GDPR when it comes into force. Data policies and procedures are being reviewed and legislative updates and ICO guidance are being monitored regularly.

Future carefully selects its suppliers, taking into account a number of factors including financial stability. Newsstand sales are spread across a number of retailers in the UK and US. In addition, the growth in bookazines continues to diversify the retailers we work with.

The Group has successfully completed and integrated several acquisitions over the last 18 months. The management team has become experienced and adept at identifying suitable acquisition opportunities, executing the deal and integrating the acquired business into the wider Future group. The risk is further mitigated through the performance of due diligence appropriate to the size and scale of the acquisition and the preparation of a clear and detailed integration plan.

There are a number of general business risks to which Future is naturally exposed in the UK and US. In addition, the range of industry-specific risks faced by Future has increased since last year, due to the increasingly digital focus of the media landscape and the increasing number of evolving business models.

Our internal controls seek to minimise the impact of risks, as explained in our Corporate Governance report on page 25, and during the year we have continued to develop those controls in response to the wider range of risks.

Corporate responsibility

Responsible business

Corporate responsibility is integral to the way Future conducts its business. We focus our efforts around five key areas where we think we can make a difference.

1. The environment

A responsible approach to the environment is essential to ensure the future sustainability of our business.

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 in a way that is ethically responsible and environmentally sustainable. In 2017, 100% of our paper across the Group was sourced from either recycled fibre or sustainable forests where at least one tree is planted for every tree felled.

All of 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.

In 2017, over 90% of the paper we used in the UK was FSC certified. We actively encourage our suppliers to work towards FSC certification or one of the other internationally recognised and independently audited certification schemes for environmental care in forest management and conservation.

Recycling and waste
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 recycled. We also support the PPA's initiative encouraging readers to recycle their magazines after use and we comply with our obligations under the Producer Responsibility Obligations (Packaging Waste) Regulations. The disposal of waste materials is also included in our print supplier audit.

Quartet Community Foundation

We work in partnership with Bath-based charitable foundation, Quartet.

recycle
When you have finished with this magazine please recycle it.

We are members of the Professional Publishers Association (PPA) and support its initiative encouraging readers to recycle their magazines after use. We incorporate the recycle logo in all our UK magazines.

Supplier audits
We undertake environmental and ethical audits on our main suppliers which include aspects such as the processing and disposal of effluents, emissions and waste materials, and the use of labour.

2. Our people

Future's employees are our most important assets; they are the driving force behind our success as a business.

Health and safety
The health and safety of all employees is a key priority for the Group. Future is largely an office-based environment. All companies 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 2017, there were no fatalities, one reportable (RIDDOR) injury and two minor injuries. There were no fatalities or injuries in the US or Australia during the year.

Diversity
We are committed to creating an inclusive culture which gives everyone the freedom to succeed, irrespective of their gender, race, religion, disability, age or sexual orientation. We treat each other with respect. We are proud of the fact that 50% of our Board were female during 2017 and the gap between the female:male employee split has reduced considerably in recent years.

Future's business is underpinned by six core values, the first of which is that 'we are part of the audience and their community'. We strive to ensure that our workforce reflects the consumers across our portfolios to maximise engagement with our passionate audience.

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.

Internal communication
Future has policies on employee communication, acceptable use of IT, health and safety and whistle-blowing, and we have a commitment to diversity and opportunity.

We hold regular town hall sessions for all employees, and extended leadership team meetings where we discuss key strategic initiatives and the performance of the business. In October 2017 we held an all company conference in the UK, US and Australia. These initiatives ensure that communication is constantly improving across the business, reinforce the building of a positive working environment where we celebrate successes and also help to ensure there is alignment across the business. Our environment is one where we encourage employees to give their views freely and contribute to initiatives, as this continuously develops and improves our offering for the benefit of our consumers and clients.

Whistle-blowing 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 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 whistle-blowing and anti-bribery policies which are updated regularly and published on our intranet to encourage employees to report, in good faith, any genuine suspicions of fraud, bribery or malpractice. The whistle-blowing policy is also designed to ensure that any employee who raises a genuine concern is protected. 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.

Employment data across the Group	2017
Split of female:male employees as at 30 September 2017	**40%:60%**
Split of female:male Directors of the Company as at 30 September 2017	**3:3**
Split of female:male members of the Executive Committee as at 30 September 2017	**1:6**
Earnings meet at least legal minimum or minimum set by industry	**Yes**
Cases of reported and proven discrimination or harassment	**None**
Consultation and communication procedures in place for all areas of the business	**Yes**
Code of conduct circulated to all existing and new employees	**Yes**
Employment of young people under the age of 15	**None**

3. The community

Giving something back
In the UK the Group has worked in partnership with Bath-based charitable foundation Quartet, who make donations to local charities on our behalf, and SpecialEffect, a charity which uses video games and technology to enhance the quality of life of people with disabilities.

Future in the wider community
Future people have been actively involved in the year with a number of national organisations including the Professional Publishers Association, European Magazine Media Association, Association of Online Publishers, NABS, European & Leisure Software Publishers Association, the IPA, the Marketing Society and the International Federation of the Periodical Press.

4. Modern slavery

The Modern Slavery Act 2015 is aimed at combating crimes of slavery and human trafficking and addresses the role which a commercial organisation has to play in preventing these crimes, both within its own business and within its supply chains. We are committed to doing business ethically and have a zero-tolerance approach to modern slavery. Future's Modern Slavery Act statement is published on our corporate website, www.futureplc.com.

5. Human rights

Future is committed to respecting human rights. We believe our business positively impacts human rights by, for example, promoting freedom of opinion and expression and facilitating the ability to seek, receive and impart information and ideas through all media and across borders. In addition, we provide a means to participate in the cultural life of the community and enjoy the arts.

As an international company, Future is also aware of the potential for adversely impacting human rights and we seek to mitigate any such effects through, for example, our efforts to combat bribery, corruption and forced labour in our business or in our supply chain.

Statement of Greenhouse Gas (GHG) Emissions for the Group

Global GHG emissions in tonnes of CO_2 equivalent:

Emissions from		2013 (base year)	2017
		Total	Total
The combustion of fuel: gas for heating and fuel; for vehicles (Scope 1)	UK	470	73
	US	102	-
	Total	572	73
The purchase of electricity: heat, steam or cooling by the Group for its own use (Scope 2)	UK	1,310	385
	US	376	4
	Total	1,686	389
Total Emissions (CO2e Tonnes)		2,258	462
Total Revenue		£112.3m	£84.4m
Intensity Ratio (CO2e Tonnes per £1m)		20.1	5.5

We have reported on all of the emission sources required under the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013.

The emissions sources fall within our financial statements. We do not have responsibility for any emission sources that are not included in our financial statements.

Methodology:
We have used the UK Government's Environmental Reporting Guidance. We have applied the 2017 DEFRA GHG Conversion Factor Repository to calculate the CO2e. As a Group with only office-based activities and no manufacturing activities, under the GHG Protocol Corporate Standard, our emissions fall under Scope 1 (the combustion of fuel) and Scope 2 (the purchase of electricity).

Notes:
- Scope 1 – Time periods for combustion of gas for heating – figures for all offices are for the financial year. All figures are estimates based on % share of office space within leased buildings except for UK Bath offices which are actual consumption where whole buildings or floors within buildings have their own meters.
- Scope 1 – Time periods for combustion of fuel in vehicles – only the UK operates leased vehicles and figures for the consumption of fuel are based on averaged annual mileage.
- Scope 2 – Time periods for consumption of electricity – figures for the UK and US offices are for the financial year. Figures for the Australian office are pro-rated from typical (August 2017) monthly consumption. All figures are estimates based on % share of office space within leased buildings except for the US office in 2017 and UK Bath offices which are actual consumption where whole buildings or floors within buildings have their own meters.
- Scope 2 – Electricity Sources – No electricity was purchased from owned or controlled sources.
- Fugitive Emissions – the Group benefits from air conditioning in some of its leasehold buildings. The scale of emissions from leaks is very small (estimated to be less than 0.5% of total emissions) and is deemed to be immaterial to overall reporting and trends.
- Base Year - Financial year 2013 is our baseline year.
- Intensity Ratio - we are using 'Tonnes per £1million revenue'.
- We have maintained our focus on other environmental impacts, particularly initiatives to reduce waste and to continue sourcing all our magazine paper from sustainable forestry.

Financial review

Growth

The financial results demonstrate that the Group is progressing well with exciting times ahead as the business builds scale and increasing profitability.

"Adjusted EPS has grown 144% to 23.2p."

Penny Ladkin-Brand
Chief Financial Officer
and Company Secretary

Financial summary

The financial review is based primarily on a comparison of continuing results for the year ended 30 September 2017 with those for the year ended 30 September 2016. Unless otherwise stated, change percentages relate to a comparison of these two periods.

Continuing operations	**2017 £m**	2016 £m
Revenue	**84.4**	59.0
Adjusted EBITDA	**11.0**	5.2
Depreciation	**(0.3)**	(0.4)
Adjusted amortisation	**(1.8)**	(2.0)
Adjusted operating profit	**8.9**	2.8
Adjusted net finance costs	**(0.6)**	(0.5)
Adjusted profit before tax	**8.3**	2.3
Operating profit/(loss)	**0.8**	(14.2)
Profit/(loss) before tax	**0.2**	(14.9)
Earnings/(loss) per share (p)	**4.3**	(59.6)
Adjusted earnings per share (p)	**23.2**	9.5

A reconciliation of adjusted operating profit to profit/(loss) before tax is shown below:

	2017 £m	2016 £m
Adjusted operating profit	**8.9**	2.8
Adjusted net finance costs	**(0.6)**	(0.5)
Adjusted profit before tax	**8.3**	2.3
Adjusting items:		
Share-based payments (including related social security costs)	**(2.1)**	(0.5)
Exceptional items	**(3.7)**	(3.5)
Amortisation of acquired intangibles	**(2.3)**	-
Impairment of intangible assets	**-**	(13.0)
Non-trading foreign exchange loss	**-**	(0.2)
Profit/(loss) before tax	**0.2**	(14.9)

Revenue

Group revenue was up 43% to £84.4m (2016: £59.0m), which was achieved both organically (increase of 8%) and through acquisition. UK revenue was up 50% to £67.2m (2016: £44.7m) with US revenue up 26% to £19.1m (2016: £15.2m).

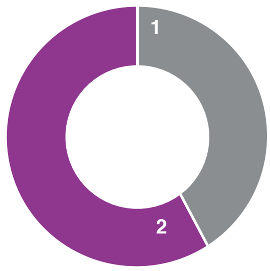
The Group's strategy is to continue to build recurring revenue streams. These encompass eCommerce and subscriptions, and now represent 27% of the Group's total revenue (2016: 25%).

Media

Media revenue has increased by 43% to £34.1m (2016: £23.9m), driven by the Group's fast growing revenue streams; eCommerce, events and through acquisition. On an underlying basis, excluding the impact of 2017 acquisitions, Media revenues increased by 34%.

In the UK, Media revenues increased by 50% to £21.1m (2016: £14.1m), driven by eCommerce growth of 88% to £4.9m (2016: £2.6m) and events growth of 58% to £5.2m (2016: £3.3m).

The US also experienced exceptional growth, up 41% year-on-year to £14.7m (2016: £10.4m), with eCommerce revenues being the biggest driver of this growth – up 135% to £4.0m (2016: £1.7m). Digital advertising in the US now represents 90% (2016: 88%) of US advertising revenues.



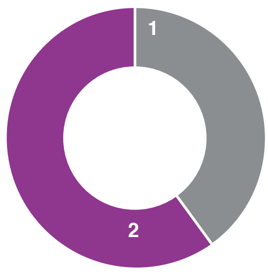
Group revenue 2017

1: Media 40%
2: Magazine 60%

Magazine

Magazine revenue increased by 43% to £50.3m (2016: £35.1m) largely driven by acquisitions. On an underlying basis, excluding the impact of 2017 acquisitions, Magazine revenues declined 9% to £31.9m.

The division is constantly looking for ways to innovate and published over 430 bookazines in the year totalling revenue of £10.1m.



Group revenue 2016

1: Media 41%
2: Magazine 59%

EBITDA and operating profit

The Group's adjusted EBITDA was up 112% to £11.0m (2016: £5.2m), of which £6.9m (2016: £3.2m) was UK and £4.1m (2016: £2.0m) was US. Operating profit increased £15.0m to £0.8m (2016: loss of £14.2m).

Future's headcount increased to 634 from 449 employees as additional staff joined the Group through acquisition. Rationalisation of the Group's overhead base continues with a focus on process re-engineering. The global content management system migration (CMS) was completed in early 2017, which puts the Group in a strong position to benefit from economies of scale as the number of brands increases. The Team Rock and Imagine acquisitions have been fully integrated and the home interest acquisition is expected to be fully integrated into the Group's operations and systems by the end of the calendar year.

Exceptional items and impairment

Exceptional costs were £3.7m (2016: £3.5m). Restructuring costs of £1.1m include headcount reduction and transformation related activity. The vacant property provision movement during the year of £1.2m mainly relates to surplus office space in the US.

Acquisition related costs include deal fees and subsequent integration related activity and total £1.4m (2016: £2.3m) and relate to the acquisitions of Imagine, Team Rock and home interest.

A non-cash impairment charge of £13.0m was recognised in the prior year against goodwill attributable to the UK business, which reflected a shift in the underlying profitability and cash flows of the Group and the continued decline of print.

Net finance costs

Net finance costs fell to £0.6m (2016: £0.7m) as strong cash conversion allowed the Group to repay additional debt facilities arranged to fund acquisitions and due to lower interest on the legacy HMRC settlement agreement which will be fully repaid during 2018.

The Group's adjusted pre-tax profit was £8.3m (2016: £2.3m) and reported pre-tax profit was £0.2m (2016: loss of £14.9m) reflecting significantly improved performance.

Financial review

Taxation

The tax credit for the year amounted to £1.4m (2016: £0.5m), comprising a current tax charge of £0.8m (2016: £1.3m) and a deferred tax credit of £2.2m (2016: £1.8m) predominantly related to the recognition of further US losses, acquired intangible assets and share schemes. The current tax charge arises in the UK where the standard rate of corporation tax is 19.5%.

Earnings/(loss) per share

	2017	2016
Basic earnings/(loss) per share (p)	**4.3**	(59.6)
Adjusted earnings per share (p)	**23.2**	9.5

Adjusted earnings per share is based on the profit/(loss) after taxation which is then adjusted to exclude share-based payments (including related social security costs), exceptional items, amortisation of acquired intangible assets, impairment of intangible assets, non-trading foreign exchange and related tax effects.

The continuing adjusted profit after tax amounted to £8.6m (2016: £2.3m) and the weighted average number of shares in issue was 37m (2016: 24m).

Dividend

The Board is not recommending a final dividend for the year ended 30 September 2017.

In light of the continued focus on debt reduction, confidence in the Group's growth strategy and the continued development of the business leading to more consistent cash flow and diversified revenue streams, the Board is now in a position to consider returning to payment of a dividend whilst maintaining sufficient resources to continue investing in the business in 2018.

Cash flow and net debt

Net debt at 30 September 2017 was £10.0m (2016: net cash of £0.5m), which reflects the additional debt taken on to fund the Imagine and home interest acquisitions.

During the year, there was a cash inflow from operations before exceptional items of £17.1m (2016: £6.5m) reflecting a significant focus on improving the Group's working capital cycle and trading performance.

A reconciliation of adjusted operating cash inflow to cash inflow from operations is included below:

	2017 £m	2016 £m
Adjusted operating cash inflow	**17.1**	6.5
Cash flows related to exceptional items	**(5.1)**	(3.4)
Cash inflow from operations	**12.0**	3.1

Other significant movements in cash flows include exceptional payments of £5.1m (2016: £3.4m), £1.8m (2016: £1.9m) of capital expenditure, net proceeds from issuing shares of £21.0m, draw down of bank loans (net of repayments and arrangement fees) of £10.6m and payments of £32.6m (net of cash acquired) to fund acquisitions. Foreign exchange and other movements accounted for the balance of cash flows.

Credit facility and covenants

The Group had available facilities of £25.4m at 30 September 2017, expiring in June 2021. Further details of these new facilities are included within note 18 to the financial statements.

Going concern

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 the foreseeable future. For this reason the Directors continue to adopt the going concern basis in preparing the consolidated financial statements for the year ended 30 September 2017.

Key performance indicators (KPIs)

Management uses a number of KPIs to measure the Group's operational and financial performance, the most important of which are set out on page 8.

Conclusion

The Group has completed several transformational acquisitions in the last 12 months and moves into a new exciting phase of its development. The Group is well placed to achieve its ambitions for 2018 and beyond.

The Strategic Report (which comprises the Group overview, Chairman's statement, Chief Executive's review, Strategic overview, What we do, Risks and uncertainties and Corporate responsibility sections) and the Financial Review are approved by the Board of Directors and signed on its behalf by:

Penny Ladkin-Brand
Chief Financial Officer
and Company Secretary
8 December 2017

Board of Directors

Strong leadership

Peter Allen
Independent non-executive Chairman

Richard Huntingford
Independent non-executive and Chairman Designate

Zillah Byng-Thorne
Chief Executive

James Hanbury
Deputy Chairman

Penny Ladkin-Brand
Chief Financial Officer and Company Secretary

Hugo Drayton
Independent non-executive

Peter Allen
Chairman
▲●■

Peter was named Chairman in August 2011. He was Chief Financial Officer of Celltech Group plc between 1992 and 2004. In 2003 he was also appointed Deputy Chief Executive Officer of Celltech until the company was sold in 2004. He was Chief Financial Officer of the electronics company Abacus Group plc from 2005 until the company was sold to Avnet Inc in January 2009. Peter is currently Chairman of Clinigen plc, Advanced Medical Solutions Group plc, Oxford Nanopore Technologies Limited and Diurnal Limited and a non-executive Director of Istesso Limited. Peter has decided not to seek re-election to the Board and will step down on 1 February 2018.

Richard Huntingford
Independent non-executive and Chairman Designate
▲●■

Richard was appointed to the Board on 1 December 2017 and will take over as Chairman on 1 February 2018. 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 Wireless Group plc (formerly UTV Media plc) from 2012 to 2016 and non-executive Director/Chairman of Creston plc from 2011 to 2016. He is currently Chairman of Crown Place VCT plc and non-executive Director of JP Morgan Investment Trust plc. He is a chartered accountant, having qualified with KPMG.

James Hanbury
Deputy Chairman
▲●

James was appointed Deputy Chairman in October 2016 as the representative of Disruptive Capital Investments Limited. Prior to his appointment he was Chairman of Imagine Publishing, which was acquired by Future in October 2016. James joined the Board of Imagine in March 2014 soon after leaving Incisive Media, a publishing business he co-founded in 1994. He has also previously chaired the Business Media Council of the PPA. James also acts as an adviser to a number of VC backed businesses, is a trustee for a charitable trust and has set up and chairs WARpaint, a fundraising organisation for several armed forces charities.

Zillah Byng-Thorne
Chief Executive

Zillah was appointed as Chief Executive on 1 April 2014. She joined Future in November 2013 as Chief Financial Officer and Company Secretary. Prior to her appointment to the Future plc Board, she was CFO of Trader Media Group – owner of Auto Trader – from 2009 to 2012, and interim CEO of Trader Media from 2012 to 2013. Before this, Zillah was Commercial Director and CFO at Fitness First Limited and Chief Financial Officer of the Thresher Group. Zillah is currently a non-executive Director of Paddy Power Betfair plc and Gocompare.com Group plc. Zillah is a qualified accountant and corporate treasurer.

Penny Ladkin-Brand
Chief Financial Officer and Company Secretary

Penny was appointed as Chief Financial Officer and Company Secretary on 3 August 2015, having joined the business as interim Chief Financial Officer in June 2015. Prior to this she was Commercial Director at AutoTrader Group plc. Penny is a chartered accountant with a background in digital media and expertise in digital monetisation models. Penny is currently a non-executive Director of Next Fifteen Communications Group plc.

Hugo Drayton
Independent non-executive
▲●

Hugo joined Future on 1 December 2014. He is CEO of the advertising technology business, Inskin Media. 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. Hugo is a Trustee of the British Skin Foundation, chaired the British Internet Publishers' Alliance, and is a regular contributor to trade press and publishing conferences.

▲ Member of the Nomination Committee

● Member of the Remuneration Committee

■ Member of the Audit Committee

Directors' report

For the year ended 30 September 2017

Directors' report

The information presented in this Directors' report relates to Future plc and its subsidiaries. The Chairman's statement, Chief Executive's review, Financial review and Corporate responsibility statement are each incorporated by reference into, and form part of, this Directors' report.

Principal activity

The principal activity of the Company and its subsidiaries (the 'Group') as a whole is the publishing of special-interest consumer magazines and websites and the operation of events notably in the areas of: technology; games and entertainment; music; knowledge; creative and photography; field sports and home interest.

The Company is a public company limited by shares listed on the London Stock Exchange and is incorporated and domiciled in the UK. It has subsidiaries operating in the UK, the US and Australia.

Business review

The purpose of the Annual Report is to provide information to the shareholders of the Company.

Reviews of the Group's activities during the year, the position at the year-end and developments since then are set out in the Chairman's statement, the Chief Executive's review, the Corporate Governance report and the Financial review. The Financial review and Strategic report explain financial performance, KPIs, the position at the year-end, any post balance sheet events, any likely future developments and a description of the principal risks and uncertainties facing the Group and how these are managed.

The Annual Report contains certain forward-looking statements with respect to the operations, performance and financial condition of the Group. By their nature, these statements involve uncertainty since future events and circumstances can cause results to differ from those anticipated. The forward-looking statements reflect knowledge and information available at the date of preparation of this Annual Report and the Company undertakes no obligation to update those forward-looking statements.

Result of 2017 Annual General Meeting

All resolutions put to the Annual General Meeting held on 1 February 2017 were passed unanimously on a show of hands. Shareholders holding more than 50% of all issued shares submitted proxy votes and of those, more than 95% of all proxy votes cast were in favour of all resolutions.

Reported financial results

The audited financial statements for the year ended 30 September 2017 are set out on pages 49 to 86. Details of the Group's results are set out in the consolidated income statement on page 50 and in the notes to the financial statements on pages 60 to 86.

Dividends

The Board's policy is that dividends should be covered at least twice by adjusted earnings per share. The Company's Employee Benefit Trust (EBT) waives its entitlement to any dividends. The Board is not recommending a final dividend for the year.

Share capital

The Company has a single class of share capital which is divided into Ordinary shares of fifteen pence each. The rights and obligations attaching to the Company's Ordinary shares and provisions governing the appointment and replacement of, as well as the powers of, the Directors are set out in the Company's Articles of Association, copies of which can be obtained from Companies House in the UK or by writing to the Company Secretary. Save for restrictions that may from time to time be set out in the Company's Articles of Association or imposed by laws and regulations (including the Listing Rules of the Financial Conduct Authority), there are no restrictions on the voting rights attaching to the Ordinary shares or on the transfer of the Ordinary shares. The Articles of Association may be amended only by a special resolution of the Company's shareholders.

Details of all movements in share capital are given in note 23 on page 79. As at 30 September 2017, the number of shares in issue was 45.4 million. This represents an increase of 85% compared with the number of shares in issue as at 30 September 2016. In October 2016, 12.0 million shares were issued by the Company as consideration for the acquisition of Imagine. In July 2017, 8.8 million shares were issued by way of a placing of Ordinary shares in the Company to part fund the acquisition of home interest. The balance of shares issued during the year were issued in satisfaction of employee share awards vesting or Share Incentive Plan matching share awards during the year.

Directors

Biographical details of the Directors holding office as at 8 December 2017 are set out on page 18.

Directors' shareholdings in the Company's share capital are set out opposite. No Director has any interest in any other share capital of the Company or any other Group company, nor

Significant shareholdings

At 8 December 2017, the Company had been notified of the following significant interests in its Ordinary shares:

Shareholder	Number of shares	Percentage of issued share capital
Aberforth Partners LLP	8,498,699	18.62%
Hargreave Hale (Discretionary)	5,542,538	12.14%
Disruptive Capital Investments Limited	4,621,412	10.12%
Lombard Odier Investment Managers	3,457,051	7.57%
River and Mercantile Asset Management	3,302,786	7.23%
Invesco Perpetual	2,245,508	4.92%
AXA Framlington Investment Managers	2,003,460	4.39%
JO Hambro Capital Management	1,768,029	3.87%
Herald Investment Management	1,734,333	3.80%
	33,173,816	72.66%
Directors' holdings (see opposite)	361,462	0.79%
Total of significant holdings	33,535,278	73.45%
Total number of shares in issue	45,655,967	100%

Directors' shareholdings (audited)

Directors in office at 30 September 2017	Restated Balance as at 30 September 2016	On appointment	Purchases during the year	Balance as at 30 September 2017
Executive				
Zillah Byng-Thorne	72,758	-	40,258[2]	113,016
Penny Ladkin-Brand	10,000	-	21,780	31,780
Non-executive				
Peter Allen	73,333	-	12,834	86,167
James Hanbury	-	31,336[3]	14,100	45,436
Manjit Wolstenholme	16,859	-	-	16,859
Hugo Drayton	-	-	-	-
Total	**172,950**	**31,336**	**88,972**	**293,258**

Notes:
1. All holdings are beneficial.
2. The purchase of 4,615 of these shares was effected by the exercise of 4,615 Sharesave options on 1 August 2017.
3. James Hanbury received 31,336 shares as consideration for his shareholding in Miura (Holdings) Limited on 21 October 2016.
4. Details of the share options and awards for executive Directors are set out on page 33. No such options or awards are granted to non-executive Directors.
5. The Group completed a share consolidation on 2 February 2017 whereby 15 Ordinary shares of one pence were exchanged for one new Ordinary share of 15 pence. All references to the number of shares prior to this date have been restated.
6. On 27 November 2017, following the full vesting of the PSP award granted on 16 July 2014, Zillah Byng-Thorne received 166,667 Ordinary shares which she sold on 29 November 2017. Also on 27 November 2017, following the achievement of the 2017 Annual Bonus EBITDA target, Zillah Byng-Thorne received a bonus share award of 56,022 Ordinary shares (of which 26,333 shares were sold on 29 November 2017 to cover the tax and national insurance arising). Zillah Byng-Thorne's total shareholding following these transactions was 142,705 Ordinary shares.
7. On 27 November 2017, following the achievement of the 2017 Annual Bonus EBITDA target, Penny Ladkin-Brand received a bonus share award of 38,515 Ordinary shares, resulting in a total holding of 70,295 Ordinary shares.

does any Director have a material interest in any contract of significance to the Group.

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 (details of which are set out in note 18 on page 73) 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 page 31 and note 24 on page 79) 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.

Financial instruments

Information in relation to the Group's use of financial instruments is set out in note 22 on pages 75 to 78.

Corporate governance

The Board's report on this subject is set out on pages 23 to 28.

Political contributions

No political contributions were made during either the current or prior years.

Conflicts of interest

The Board has a set of procedures to ensure that: (i) conflicts of interest are raised by Directors (and any potential Directors prior to appointment); (ii) appropriate guidelines are followed before any conflict is authorised (including ensuring that only Directors who have no interest in the matter being considered will be able to take the relevant decision and in taking the decision the Directors act in a way they consider, in good faith, will be most likely to promote the Company's success); and (iii) records are kept of conflicts of interest and authorisations. The Directors are satisfied that the Board's powers of authorisation of conflicts are operating effectively and that the procedures have been followed. The procedures and any authorisations will continue to be reviewed annually.

Corporate responsibility

The Board considers that issues of corporate responsibility are important. The Board's report, including the Group's policies on employee involvement and disability, and a statement on Greenhouse Gas Emissions for the Group, is set out on pages 11 and 12.

Annual General Meeting 2017

At the Company's nineteenth Annual General Meeting, which will be held on Monday 5 February 2018 at 10:30am at Future's London office at 1-10 Praed Mews, London, W2 1QY, a number of resolutions will be proposed. The resolutions are set out in the Notice of Annual General Meeting on pages 87 to 88 and an explanation of all proposed resolutions is provided below.

Ordinary resolution 1 – Financial statements

Shareholders will be asked to approve the financial statements of the Company for the financial year ended 30 September 2017, together with the reports of the Directors and auditors. The audited financial statements appear on pages 49 to 86.

Directors' report

For the year ended
30 September 2017

Ordinary resolution 2 – Directors' remuneration implementation report

Shareholders will be asked to approve the Directors' remuneration implementation report for the financial year ended 30 September 2017, which is set out on pages 30 to 36.

Ordinary resolution 3 – Directors' remuneration policy report

Shareholders will be asked to approve the amendments to the Directors' remuneration policy for the three year period commencing 1 October 2016, which are proposed within the Directors' remuneration policy report set out on pages 38 to 41.

Ordinary resolutions 4 to 8 – Election of Richard Huntingford and annual re-election of other Directors

Following Richard Huntingford's appointment to the Board on 1 December 2017, he stands for election to confirm his appointment.

Consistent with our policy since 2004, all Directors with the exception of Peter Allen, who has elected to stand down at the AGM in February 2018, and Manjit Wolstenholme, who sadly passed away on 23 November 2017, are proposed for re-election. Biographical details of all Directors are set out on page 18.

Ordinary resolutions 9 and 10 – Auditors

A resolution proposing the reappointment of PricewaterhouseCoopers LLP as auditors of the Company and authorising the Directors to determine their remuneration will be proposed at the Annual General Meeting. An explanation regarding the Board's proposal to reappoint PricewaterhouseCoopers LLP as auditors can be found on page 28 in the Corporate Governance report.

Ordinary resolution 11 – To authorise the Directors to issue and allot new Ordinary shares

Under the provisions of section 551 of the Companies Act 2006 (the "Act"), the Directors may allot and issue Ordinary shares only if authorised to do so by the Company's Articles of Association or by shareholders at a shareholders' meeting. Consistent with guidance issued by the Investment Association this resolution will, if passed, authorise the Directors to allot shares up to a maximum nominal value of £4,565,590 as follows:

(a) in relation to a pre-emptive rights issue only, equity securities (as defined by section 560 of the Act) up to a maximum nominal amount of £4,565,590 which represents approximately two thirds of the Company's issued Ordinary shares (excluding treasury shares) as at 8 December 2017. This maximum is reduced by the nominal amount of any equity securities allotted under paragraph 11.2 of the Notice of AGM; and

(b) in any other case, equity securities up to a maximum nominal amount of £2,282,795 which represents just under one third of the Company's issued Ordinary shares as at 8 December 2017. This maximum is reduced by the nominal amount of any equity securities allotted under paragraph 11.1 of the Notice of AGM in excess of £2,282,795. If granted, this authority would replace all previous authorities granted in this connection. The authority granted by this resolution will expire on 31 March 2019 or, if earlier, following the conclusion of the next AGM of the Company. If the Directors exercise the authority granted under paragraph 11.1 of the Notice of AGM, they will all stand for re-election at the following AGM.

The Directors shall exercise this authority in connection with exercises under share incentive schemes. In addition, there may be circumstances where it would be appropriate for the Company to issue new Ordinary shares, such as an acquisition where it might be appropriate for the consideration to be settled in whole, or in part, by the issue of new Ordinary shares. The Company does not hold any shares in treasury.

Ordinary resolution 12 – Approval of political donations

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.

Special resolution 13 – Disapplication of statutory pre-emption rights

Resolution 13 will, if passed, authorise the Directors in certain circumstances to allot equity securities (as defined by section 560 of the Act) or sell shares for cash other than in accordance with the statutory pre-emption rights (which require a company to offer all allotments for cash first to existing shareholders in proportion to their holdings). The relevant circumstances are either where the allotment takes place in connection with a rights issue or the allotment is limited to a maximum nominal amount of £342,420 representing approximately 5% of the nominal value of the issued Ordinary share capital of the Company as at 8 December 2017 being the latest practicable date before publication of the Notice of AGM. Unless revoked, varied or extended, this authority will expire at the conclusion of the next AGM of the Company or 31 March 2019, whichever is the earlier.

The figure of 5% reflects the Pre-Emption Group's Statement of Principles for the disapplication of pre-emption rights and the Directors will have due regard to the Principles in relation to the exercise of this authority.

Special resolution 14 – Additional disapplication of pre-emption rights

This resolution seeks a further power pursuant to the authority granted by resolution 11 to allot equity securities (as defined by section 560 of the Act) or sell shares for cash other than in accordance with the statutory pre-emption rights (which require a company to offer all allotments for cash first to existing shareholders in proportion to their holdings) up to a maximum nominal amount of £342,420, representing approximately 5% of the nominal value of the issued Ordinary share capital of the Company as at 8 December 2017, being the latest practicable date before publication of the Notice of AGM. This is in addition to the 5% referred to in resolution 13 above and, unless revoked, varied or extended, this authority will expire at the conclusion of the next AGM of the Company or 31 March 2019, whichever is the earlier.

The Directors will have due regard to the Pre-Emption Group's Statement of Principles in relation to the exercise of this authority and confirm they intend to use this power only where that allotment is in connection with an acquisition or specified capital investment (within the meaning given in the most recent Statement of Principles) which is announced contemporaneously with the allotment, or which has taken place in the preceding six-month period and is disclosed in the announcement of the allotment.

Special resolution 15 – General meetings on 14 days' notice

Notice periods for AGMs must give at least 21 days' clear notice. For other general meetings, the old minimum notice period of 14 days was increased to 21 days by the Companies (Shareholders' Rights) Regulations 2009, unless shareholders approve a shorter period of at least 14 clear days. In the interests of greater efficiency, resolution 15 seeks to renew approval for notice periods of at least 14 clear days.

Action to be taken

A form of proxy is included with this Annual Report for use in connection with the Annual General Meeting. Please complete and return the form in accordance with the instructions printed on it to Computershare Investor Services plc, The Pavilions, Bridgwater Road, Bristol BS99 6ZY as soon as possible and, in any event, no later than 10:30am on 1 February 2018. The return of the form of proxy will not prevent you from attending the Annual General Meeting and voting in person if you wish to do so. Further information about the AGM, including about electronic appointment of proxies, is provided on pages 89 to 91.

Recommendations

The Board believes that each of the resolutions to be proposed at the Annual General Meeting is in the best interests of the Company and its shareholders as a whole. Accordingly, the Directors unanimously recommend that you vote in favour of all of the resolutions proposed, as they intend to do in respect of their own beneficial holdings.

Annual General Meeting procedures and result

As in previous years, the Company will: (a) indicate the level of proxies lodged on each resolution; (b) announce the results of voting to the London Stock Exchange; and (c) post the results of voting on our corporate website, www.futureplc.com.

Statement of Directors' responsibilities

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the Group financial statements in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB) and Company financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group and Company 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 issued by the International Accounting Standards Board (IASB) have been followed for the Group financial statements and IFRSs as adopted by the European Union have been followed for the Company financial statements, 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 responsible for keeping adequate accounting records that are sufficient to show and explain the Group 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 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 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.

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 and Company's performance, business model and strategy.

Each of the Directors, whose names and functions are listed in the Board of Directors section on pages 17 and 18, confirm that to the best of their knowledge:

:: the Company financial statements, which have been prepared in accordance with IFRSs as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and loss of the Company;

:: the Group financial statements, which have been prepared in accordance with IFRSs as issued by the International Accounting Standards Board (IASB), give a true and fair view of the assets, liabilities, financial position and profit of the Group; and

:: the Directors' 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 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 and Company's auditors are aware of that information.

Approved by the Board of Directors and signed on its behalf by:

Penny Ladkin-Brand
Chief Financial Officer
and Company Secretary
8 December 2017

Corporate Governance report

Good Practice

Effective corporate governance requires not just compliance with legislative and regulatory requirements, but also applying the principle of good governance in the boardroom and throughout the business.

“Good corporate governance is underpinned by values, vision and strategic leadership.”

Penny Ladkin-Brand
Chief Financial Officer
and Company Secretary

Our approach to corporate governance

In this report, we 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 committees: the Audit 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.

As a Standard Listed entity the Group is not required to comply with the requirements of the UK Corporate Governance Code (April 2016) (the “Code”) and therefore the Group has not adopted the Code, however the Directors continue to comply with the spirit of the Code.

1. Board of Directors

Membership of the Board
The Board consists of two executive and four non-executive Directors. Biographies of Directors and details of their other time commitments are set out on page 18.

Board changes during the year
Following the acquisition of Imagine James Hanbury was appointed to the Board as Deputy Chairman on 21 October 2016. There were no other changes to the Board during the year ended 30 September 2017.

Subsequent to the year-end Peter Allen signalled his intention not to seek re-election to the Board and, very sadly, the Group’s senior independent non-executive Director, Manjit Wolstenholme, passed away unexpectedly in November 2017. In addition, Richard Huntingford was appointed to the Board as an independent non-executive Director on 1 December 2017. Richard brings a wealth of media experience and will succeed Peter Allen as Chairman.

Role of the non-executive Directors
The non-executives play a critical role on the Board in overseeing and scrutinising the running of the business and in ensuring that corporate governance remains at the top of the agenda.

The non-executive Directors all serve three-year terms, terminable by either party on three months’ notice at any time and subject to their election and annual re-election or removal by shareholders. Although annual re-election is not a requirement for Future, we believe it is the best way to ensure non-executives are directly accountable to shareholders.

All of the non-executive Directors, with the exception of James Hanbury, are considered to be independent by the Board. James Hanbury was appointed to the Board as a representative of Disruptive Capital Investments Limited, the Company’s third largest shareholder, which has the right to appoint a Director to the Board until such time as its shareholding in the Company falls below 10 per cent of the issued share capital. Consequently, the Board does not consider that James Hanbury meets the relevant independence criteria. Manjit Wolstenholme was the senior independent non-executive Director during 2017 and the search for her successor is underway. There is a genuine mix of views and insights, as well as experience.

Each non-executive Director is expected to commit 20 days a year to their role to allow for preparation for, and attendance at, Board and Committee meetings and keeping in touch with the senior management team, shareholders and other stakeholders.

Roles of the Chairman and Chief Executive
The duties and responsibilities of the Board are effectively divided so that the Chairman leads the Board and the Chief Executive leads the business.

Board meetings
The Board had seven scheduled meetings during the financial year and attendance is summarised opposite. The Board had five unscheduled telephone meetings to discuss and approve aspects of the Imagine and home interest acquisitions, during which a sufficient quorum of directors including the Chairman and Chief Executive were present.

All Directors are aware of the need to be available and there is a clear contact process. Board meetings are sometimes preceded by an informal dinner where Board Directors can meet with and discuss business issues with the Group’s senior management team.

There is a regular and comprehensive exchange of information between meetings to ensure Board members are well informed to participate effectively in meetings. Directors receive a Board pack before each meeting with minutes of the previous meeting, all papers for agenda items, a report from the Company Secretary summarising any key legal issues and providing any regulatory/legislative updates, and a summary of share ownership and recent share dealing. Similar packs are provided for all Committee meetings. Between meetings, the Board receives a monthly Board report written by the executive Directors which summarises financial and operational performance and provides updates on key programmes within the business.

There is a written schedule of matters reserved for the Board which sets out those matters that require Board approval including setting

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strategy, approving budgets and financial statements and setting up policies. It was noted that 42 matters had been considered by the Board during the year. The schedule is available on the Company's website at www.futureplc.com. The Board delegates day-to-day operational matters to the Group's senior management team.

Director	Attendance (7 scheduled meetings)
Peter Allen	7 of 7
Zillah Byng-Thorne	7 of 7
Manjit Wolstenholme	7 of 7
Hugo Drayton	7 of 7
Penny Ladkin-Brand	7 of 7
James Hanbury (appointed 21 October 2016)	7 of 7

Board decisions are made unanimously whenever possible, but can be made by majority. If Directors have concerns that cannot be resolved about the running of the Company or a proposed action, their concerns are recorded in the minutes. No such concerns arose in the year. The Board regularly appoints a sub-committee consisting of at least two Directors in order to finalise and approve those matters that have been approved in principle by the Board, subject to final amendments only. A permanent sub-committee consisting of at least two Directors exists to approve the issue and allotment of new shares in satisfaction of employee share schemes.

The Board has a number of nominated advisers (as listed on page 93). During the last financial year meetings were regularly held with key advisers to keep them aware of issues, and PricewaterhouseCoopers LLP attended Audit Committee meetings and briefings with members of the executive and senior finance teams.

Advice and support
All Directors have access to the Company Secretary who can advise them on issues of governance, best practice and any other legislative or regulatory matters.

The appointment and removal of the Company Secretary is a Board decision. The Directors may also take independent professional advice at the Company's expense provided that they give notice to the Chairman. No such advice was sought during 2017. The Company maintains appropriate insurance for its Directors.

Effective Development

Training and induction
The Board's training and development policy requires that all new Directors should receive appropriate induction on joining the Board, both in respect of the Group's activities as a whole and of each operating company individually. Ongoing training for Directors is available as appropriate whether by presentations to the Board by senior management or more formally where individual Directors request training on specific issues. The training and development needs of each individual Director are assessed and discussed as part of the annual Board performance evaluation process. The Board encourages appropriate training, and regular updates and refresher sessions are provided by the Company Secretary and the Company's legal advisers and auditors, to inform the Board or relevant Committees of important changes in legislation, regulation and best practice.

Performance evaluation
The Directors completed a detailed Board performance evaluation questionnaire as part of the annual performance evaluation process. Each questionnaire was analysed and the Chairman discussed the Board's performance during the year and any specific requirements for training and development with each Director. The Board considers this exercise to be of significant value in ensuring a functional and effective Board and Committees.

The Chairman also met with the non-executive Directors during the year without the executive Directors, in order to assess the performance of the executive Directors.

Terms of reference for the Audit, Remuneration and Nomination Committees

The terms of reference for all Committees are available on the Company's website at

www.futureplc.com

Summary of performance evaluation

Objectives for 2017	Steps taken during 2017
Support management in developing the Executive Leadership Committee	Provided guidance and advice on succession planning and the composition of the Committee
Support management grow the business through acquisition	Significant acquisitions completed in the year including Imagine and home interest

Corporate Governance report

“At Future, we remain committed to ensuring that good corporate governance is enshrined at the heart of our business.”

Peter Allen
Chairman

Going concern

The Directors are required to make an assessment of the Group's ability to continue to trade as a going concern. 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 the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the Group's financial statements.

Financial covenant compliance

Key covenants are tested quarterly and the Group was in full compliance with all covenants at all testing dates during the year. The Group has covenants in respect of net debt/bank EBITDA and bank EBITDA/interest. Further details are included within note 18 on page 73.

Risk management and internal controls

Details of the principal risks and the Group's approach to managing them are set out on pages 9 and 10. The Board conducted an annual review of financial, operational, legal and compliance risks with the assistance of members of the Group legal and finance teams and the Executive Committee to ensure that there is a sound system of internal controls in place and that these are sufficient to manage (rather than eliminate) those risks effectively. No significant failings or weaknesses were identified as part of this review.

The internal controls that are in place to ensure effective risk management are structured to ensure a timely flow of information within the Group and a clear structure of delegated authority and responsibility. The main features of the Group's internal control and risk management systems are explained further in the following paragraphs.

The Board reviewed and endorsed a summary of the Group's internal control framework during the year.

The Group finance team manages the financial reporting processes ensuring that there is appropriate control and review of the financial information including the production of the consolidated financial statements. Group finance is supported by commercial finance directors who have the responsibility and accountability to provide information in accordance with the Group's policies and procedures.

The Executive Committee holds monthly meetings with senior management in order to provide a proper opportunity for financial results and other business and operational issues to be explored and addressed in a timely manner.

Internal audit

The Audit Committee and the Board have again during 2017 reconsidered whether there is a need for an internal audit function. It was concluded that, whilst an independent internal audit department with the necessary technical skills is not currently justified, the Committee should continue to review this subject each year.

Whistle-blowing and anti-bribery policies

As part of its internal controls, the Group has whistle-blowing and anti-bribery policies which are updated regularly and published on the Group's intranet to encourage employees to report, in good faith, any genuine suspicions of fraud, bribery or malpractice in order to identify any problems within the Group at an early stage. The whistle-blowing policy is also designed to ensure that any employee who raises a genuine concern is protected.

Relations with shareholders/communication

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. Because more than 70% of the Company's shares are held by significant shareholders, the executive Directors hold a series of meetings presenting the interim and annual results to these shareholders in order to update them on the progress of the business and gauge their views following the analyst presentations of the results.

In order that all Directors are aware of the views of shareholders, Board packs include a note of views as 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.

2. Audit Committee

Member	Attendance (3 scheduled meetings)
Manjit Wolstenholme (Chairman in 2017)[1]	3 of 3
Peter Allen	3 of 3

1. As the Chairman of the Committee during 2017, Manjit Wolstenholme had recent and relevant financial experience and the acting Chairman, Richard Huntingford (appointed 1 December 2017), has recent and relevant financial experience.

The Audit Committee's primary objective is to provide effective financial governance and monitor the integrity of the Group's financial statements and internal controls.

The Audit Committee meets before the interim and annual results announcements and reviews the relevant financial results with the executive management team and the external auditors. The Audit Committee also meets separately for the purposes of planning the audit process, monitoring its effectiveness, reviewing the Group's relationship with the external auditors and undertaking a detailed review of the Group's internal controls and risk management systems. It considered whether the 2017 Annual Report was fair, balanced and understandable and advised the Board accordingly.

The Audit Committee carries out the functions required by rule 7.1.3 of the Disclosure and Transparency Rules.

Significant financial reporting judgements
The Audit Committee discussed the key risks and judgements with management and the auditors as part of the audit planning process in July 2017. At the same time they discussed and agreed upon appropriate levels of materiality in the context of the anticipated results for the year. As a result of those discussions an audit plan was agreed and subsequently executed.

The significant judgements considered in relation to the financial statements for the year ended 30 September 2017, which were originally identified and discussed as part of the planning process referred to above, are set out below and were addressed as follows:

1. Revenue recognition
The area of revenue which carries the most judgement is newstrade revenue (both domestic and export). Management has carefully considered the estimates of returns made in respect of newstrade revenues and the recognition of revenues on the larger advertising contracts and have concluded that they are appropriate. The estimates and judgements made have been discussed with the auditors and the Audit Committee.

2. Carrying value of goodwill and long lived assets
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 of the UK business at 30 September 2017 and concluded that no impairment was required.

The key assumptions made in that assessment were as follows:

- Long term growth rate to perpetuity 2.0%
- EBITDA margins assumed 12.0% to 12.9%
- Discount rate (post-tax) 7.7%

The Audit Committee agreed with management's conclusion that no impairment is required.

3. Exceptional items
Due to the continued restructuring of the business and significant acquisition related activity there are a number of items considered exceptional in nature. The Audit Committee has discussed the items with the auditors and agrees with the conclusion that these items should be presented as exceptional.

4. Acquisition accounting
The Audit Committee has reviewed the acquisition accounting prepared by management, including the fair value assessments performed on the opening balance sheets for both the Imagine and home interest acquisitions, and agrees with the judgements made.

Audit fees
The Audit Committee has reviewed the remuneration received by PricewaterhouseCoopers LLP for non-audit work conducted during the financial year. The fees for non-audit work were higher than the audit fee due to work performed in a reporting accountant capacity and due diligence in respect of the Imagine and home interest acquisitions. For further details regarding fees paid, see note 3 to the financial statements on page 61.

Auditors' independence
The Audit Committee monitors the Company's safeguards against compromising the objectivity and independence of the external auditors by performing an annual review of non-audit services provided to the Group and their cost, reviewing whether the auditors believe there are any relationships that may affect their independence and obtaining written confirmation from the auditors that they are

Re-election of Directors

We are not required to offer all our Directors up for annual election, however, all our Directors take individual and collective responsibility for the decisions that the Board makes and are happy to let shareholders judge their performance by standing for annual re-election. We have followed this practice since the AGM in 2005.


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Corporate Governance report

Investor Relations

For copies of all of the Group's public announcements made via the RNS and copies of the Committees' terms of reference visit

www.futureplc.com/invest-in-future

independent. The Committee has reviewed the Group's audit independence policy and is comfortable that it aligns to the Financial Reporting Council's latest guidance.

For the financial year ended 30 September 2017, the Audit Committee has conducted its review of the auditors' independence and concluded that no conflict of interest exists between PricewaterhouseCoopers LLP's audit and non-audit work, and that their involvement in non-audit matters, which (as noted on page 26) mainly comprised advice in respect of the Imagine and home interest acquisitions, was the most effective way of conducting the Group's business during the year.

Auditors appointment policy
The Audit Committee has reviewed its policy for appointing auditors and awarding non-audit work.

The Group has used PricewaterhouseCoopers LLP for reporting accountant work on both the acquisitions of Imagine and home interest and also working capital advisory work on the acquisition of home interest. The Audit Committee considered whether this constituted a threat to independence and confirmed that it was comfortable that there were appropriate safeguards in place.

On the recommendation of the Audit Committee, the Board has decided that it is in the best interests of the Company to put a resolution to shareholders that PricewaterhouseCoopers LLP, who have been the Company's external auditors for 19 years, be reappointed as auditors for the forthcoming year. The resolution to appoint PricewaterhouseCoopers LLP will propose that they hold office until the conclusion of the next Annual General Meeting at which accounts are laid before the Company, at a level of remuneration to be determined by the Directors.

3. Nomination Committee

Member	Attendance (1 scheduled meeting)
Peter Allen (Chairman)	1 of 1
Manjit Wolstenholme	1 of 1
Hugo Drayton	1 of 1
James Hanbury	1 of 1

Following discussion of the skills and contribution of each Director, the Nomination Committee supports the proposed re-election of all Directors standing for re-election at the 2018 AGM. In line with best practice, each Committee member seeking re-election was excluded from approving the proposal for their re-election.

4. Remuneration Committee

Member	Attendance (3 scheduled meetings)
Manjit Wolstenholme (Chairman in 2017)[1]	3 of 3
Peter Allen	3 of 3
Hugo Drayton	3 of 3
James Hanbury	3 of 3

1. Richard Huntingford was appointed acting Chairman of the Committee on 1 December 2017.

There were three scheduled meetings during the year.

The Remuneration Committee determines the remuneration packages of executive Directors, including performance-related awards and share-based incentives, remuneration policy, which includes the individual bonus targets for executive Directors and performance criteria attached to share-based incentives, the remuneration of the Chairman, recommendations of remuneration levels for non-executive Directors and senior management in line with industry remuneration packages and the implementation of any new share-based incentive scheme proposed to be implemented. The Directors' remuneration report is set out on pages 29 to 41.

Approved by the Board of Directors and signed on its behalf by:

Penny Ladkin-Brand
Chief Financial Officer
and Company Secretary
8 December 2017

Directors' remuneration report

For the year ended
30 September 2017

Annual statement

The remuneration philosophy is designed to ensure that reward for performance is competitive and appropriate for the future development of, and results delivered by, the Group. The remuneration policy seeks to align remuneration with shareholder interests based on the achievement of strategic objectives and financial performance.

Dear shareholders,

I am pleased to present the Directors' remuneration report for the financial year ended 30 September 2017. This report has been prepared on behalf of the Future plc Board by the Remuneration Committee, and has been approved by the Future plc Board.

As required under the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013 (SI 2013/1981) Directors' Remuneration Regulations, this report is split into three sections: this letter, an Implementation report, setting out details of Directors' remuneration for the financial year ended 30 September 2017, and a Remuneration policy report, setting out the Group's remuneration policy ("Policy") for executive and non-executive Directors for the three-year period from 1 October 2016.

The key challenges faced by the Remuneration Committee during the year involved assessing the level and make-up of the executive Directors' remuneration packages, including the grant of share-based incentive awards and the basis of performance-related bonuses, details of which are set out in the Implementation report and the Policy. In particular the Committee, after taking advice from remuneration specialists at Ernst & Young focused its efforts on ensuring that the remuneration packages received by the executive Directors recognise their contribution to transforming the Group's performance and market capitalisation as well as continue to incentivise going forwards.

The Committee also considered the remuneration of non-executive Directors and has proposed amendments to the current remuneration policy to be tabled at the AGM in February 2018 to ensure that these fees reflect prevailing market rates. The amendments to the policy will be subject to a binding shareholder vote at the Company's AGM on 5 February 2018 and will take effect immediately thereafter.

The remuneration philosophy is designed to ensure that reward for performance is competitive and appropriate to the significantly increased scale and market capitalisation of the Group following the transformation of the business combined with the significant acquisitions of Imagine and home interest in 2017, as well as the future development of the Group. The remuneration policy seeks to align remuneration with shareholder interests based on the achievement of strategic objectives and financial performance. As a result, remuneration levels are designed to reflect the relative performance of the business for the relevant period.

We believe that the Policy will incentivise the team to deliver growth in the short, medium and long term and hope to receive your continued support at the Company's 2018 AGM.

Peter Allen
(on behalf of the Remuneration Committee)
8 December 2017

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Implementation report

The following report provides details of Directors' remuneration for the year ended 30 September 2017. In setting remuneration for the year, the Committee applied the principles set out in the Remuneration policy report.

Remuneration Committee

Three independent non-executive Directors served on the Remuneration Committee during the year to 30 September 2017: Manjit Wolstenholme chaired the Committee during the year and both Peter Allen and Hugo Drayton served throughout the year. James Hanbury joined the Committee following his appointment to the Board on 21 October 2016. Richard Huntingford was appointed as acting Chairman of the Committee in December 2017. Penny Ladkin-Brand acted as Secretary to the Committee throughout the year.

The Committee is responsible for determining the basic annual salaries, incentive arrangements and terms of employment of executive Directors, for making recommendations regarding non-executive Directors' fees, 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. The Committee is also responsible for fixing the Chairman's remuneration and approving the terms of any new share-based incentive scheme for any employees of the Group, subject, where appropriate, to shareholder approval.

It is the Board that is responsible for determining the remuneration of non-executive Directors following the recommendation of the Committee as set out on page 32 and 35.

No Director is involved in deciding his or her own remuneration. As explained on page 24, the terms of reference of the Remuneration Committee, reviewed annually, are available on the Company's website.

Performance-related bonus (Annual Bonus Scheme)

Operation of the scheme

The performance-related bonus is subject to profit related performance criteria, although the Committee has 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 potential maximum bonus payable for any year shall not exceed 150% of salary and the bonus shall only be payable for over performance. During 2017, a profit pool bonus was introduced for all employees across the Group, including the executive Directors. The maximum bonus payable during 2017 was 95% of current basic annual salary for both Zillah Byng-Thorne as Chief Executive and Penny Ladkin-Brand as Chief Financial Officer.

Single Total Figure of Remuneration (audited)

The remuneration of the Directors is set out below:

	Salary/fees		Benefits[1]		Annual bonus[2]		PSP[3]		Pension		Total	
	2017 £'000	2016 £'000	**2017 £'000**	2016 £'000	**2017 £'000**	2016 £'000	**2017 £'000**	2016 £'000	**2017 £'000**	2016 £'000	**2017 £'000**	2016 £'000
Executive Directors in office as at 30 September 2017												
Zillah Byng-Thorne[4]	**350**	300	**10**	10	**640**	-	**1,452**	-	**44**	37	**2,496**	347
Penny Ladkin-Brand[4]	**250**	178	**-**	-	**324**	-	**921**	-	**11**	8	**1,506**	186
Total for executive Directors	**600**	478	**10**	10	**964**	-	**2,373**	-	**55**	45	**4,002**	533
Non-executive Directors in office as at 30 September 2017												
Peter Allen	**95**	101	**-**	-	**-**	-	**-**	-	**-**	-	**95**	101
Manjit Wolstenholme	**50**	50	**-**	-	**-**	-	**-**	-	**-**	-	**50**	50
James Hanbury[5]	**60**	-	**-**	-	**-**	-	**-**	-	**-**	-	**60**	-
Hugo Drayton	**40**	40	**-**	-	**-**	-	**-**	-	**-**	-	**40**	40
Total for non-executive Directors	**245**	191	**-**	-	**-**	-	**-**	-	**-**	-	**245**	191
Total	**845**	669	**10**	10	**964**	-	**2,373**	-	**55**	45	**4,247**	724

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. Details relating to the Annual Bonus Scheme are set out on pages 30 and 31. In addition to amounts included in respect of the Annual Bonus Scheme for 2017, both Zillah Byng-Thorne and Penny Ladkin-Brand received transaction bonuses of £350,000 and £125,000 respectively following the successful completion and integration of the Imagine acquisition in October 2016. During 2016, both Zillah Byng-Thorne and Penny Ladkin-Brand waived their entitlement to any performance bonus (although the criteria had been partly satisfied) and as a result no bonus payment was made in 2016.
3. Details relating to the Performance Share Plan ("PSP") are set out on page 31. The amount included in the table above in respect of Zillah Byng-Thorne relates to the PSP award granted on 16 July 2014 which vested in full on 27 November 2017, following the achievement of performance criteria over the three-year period ended 30 September 2017, and 25% of the PSP awards granted on 23 November 2016 and 2 February 2017 which will vest on 23 November 2019, following the achievement of the adjusted EBITDA target for the year ended 30 September 2017. The value of the July 2014 award has been calculated using the share price on the date of vesting of 382p and the value of the November 2016 and February 2017 awards has been calculated using the average share price for the last three months of the financial year of 308p, as the award had not vested at the date of this report. The amount included in respect of Penny Ladkin-Brand relates to the PSP award granted on 2 August 2015 which will vest in full on 2 August 2018, following the achievement of performance criteria over the three-year period ended 30 September 2017, and 25% of the PSP awards granted on 23 November 2016 and 2 February 2017 which will vest on 23 November 2019, following the achievement of the adjusted EBITDA target for the year ended 30 September 2017. As these awards had not vested at the date of this report, the value above has been calculated using the average share price for the last three months of the financial year of 308p.
4. Zillah Byng-Thorne received a cash supplement in lieu of pension contribution with effect from 1 July 2016 and Penny Ladkin-Brand received a cash supplement in lieu of pension contribution with effect from 1 November 2016. These additional cash payments are not included in determining their entitlement to any bonus, share-based incentive or pension entitlement.
5. James Hanbury was appointed to the Board on 21 October 2016.
6. Richard Huntingford was appointed to the Board on 1 December 2017 and consequently no remuneration is included in the table above.

Directors' remuneration report

For the year ended
30 September 2017

Payment of any performance-related bonus under the Annual Bonus Scheme is usually made in December, following announcement of the preliminary results and conclusion of the audit in respect of the preceding financial year. Payment of any performance-related bonus is also subject to the executive Director being in the Company's employment at the time of payment of such performance-related bonus and not having given or received notice of termination of employment and certain other events not having occurred.

Performance targets

The performance-related bonus for the executive Directors during 2017 comprised two elements. A maximum of 45% of current basic annual salary was payable under the profit pool bonus subject to the achievement of target EBITDA and a further 50% of current basic annual salary was payable in shares, which must be held for at least one year, subject to the achievement of target EBITDA.

The profit criteria for payment of the profit pool bonus set for 2017 was in a range from 101% to 120% target EBITDA, as follows:

:: If EBITDA is at or below target EBITDA, no profit-related bonus will be payable.

:: If EBITDA target is exceeded by 10% or more, 50% of the potential maximum of the profit-related bonus will be payable.

:: If EBITDA target is exceeded by 20% or more, 100% of the potential maximum of the profit-related bonus will be payable.

:: If EBITDA falls in between any of the above levels, a percentage of the potential maximum profit-related bonus will be payable, on a pro rata basis to the levels expressed above, in the event that the Committee determines, in its absolute discretion, that such payment is merited by the individual.

The profit criteria in respect of the shares bonus was a specified target EBITDA, which had to be met in full in order for the bonus shares to be issued.

The EBITDA target is not disclosed as this is believed to be a commercially sensitive number but it is set by the Committee to be challenging and is set by reference to the budget for the relevant financial year.

Actual performance against targets for the year

Based on EBITDA performance achieved for 2017, the Chief Executive and the Chief Financial Officer were each awarded a profit pool bonus of 22.5% of their current salary and a shares bonus of 50% of their current salary.

2005 Performance Share Plan (PSP)

Operation of the scheme

The PSP has been in operation since 2005 and is designed to reward performance, usually over a three-year period in the context of performance targets which are designed to align the interests of the executive Directors with those of the shareholders. Those targets are set out below. The maximum amount of an award in any financial year is normally 100% of basic annual salary. However, in exceptional circumstances, where it is felt necessary to provide further incentive to the executive Directors, awards of up to 400% of basic annual salary may be approved. Awards under this scheme are granted to executive Directors and certain key employees. The PSP will expire in January 2025, following its renewal in January 2015 for a further 10 years.

Subject to the executive Directors remaining in employment at the vesting date, awards granted shall vest subject to the following performance criteria having been met at the end of the relevant three-year measurement period.

Performance criteria in respect of awards granted during the year ended 30 September 2017

EBITDA (50% of award)

25% of the award will vest if the Group's adjusted EBITDA for the year ended 30 September 2017 is at or above target. If the Group's adjusted EBITDA is below target, none of that 25% of the award will vest.

25% of the award will vest if the Group's adjusted EBITDA for the year ending 30 September 2018 is at or above target. If the Group's adjusted EBITDA is below target, none of that 25% of the award will vest.

Share price performance (50% of award)

25% of the award will vest if the Company's share price performance in the period from the date of grant to 30 September 2018 is at or above target. If the Company's share price performance is below target, none of that 25% of the award will vest.

25% of the award will vest if the Company's share price performance in the period from the date of grant to 30 September 2019 is at or above target. If the Company's share price performance is below target, none of that 25% of the award will vest.

Performance criteria in respect of awards granted between 30 November 2015 and 30 September 2016

Earnings Per Share (50% of award)

Adjusted EPS for the last financial year of the performance period of at least 18.0p for this part of the award to vest (at this level the vested amount is 25% of this part of the award), with full vesting at 22.5p and on a straight-line basis between these amounts.

Net Cash Flow (50% of award)

Net Cash Flow for the last financial year of the performance period of at least £(0.25)m for this part of the award to vest (at this level the vested amount is 25% of this part of the award), with full vesting at £0.75m and on a straight-line basis between these amounts.

Performance criteria in respect of awards granted between 16 July 2014 and 29 November 2015

In July 2017, the Remuneration Committee exercised its discretion to change the performance criteria in respect of the award granted to Zillah Byng-Thorne in July 2014 from TSR performance and EPS growth to absolute EPS and net cash flow in order to align the performance criteria for awards made to the executive Directors. The Committee also extended the vesting date from 16 July 2017 to 27 November 2017. The performance criteria are as follows:

Earnings Per Share (50% of award)

Adjusted EPS for the last financial year of the performance period of at least 15.0p for this part of the award to vest (at this level the vested amount is 25% of this part of the award), with full vesting at 21.0p and on a straight-line basis between these amounts.

Net Cash Flow (50% of award)

Net Cash Flow for the last financial year of the performance period of at least £0.25m for this part of the award to vest (at this level the vested amount is 25% of this part of the award), with full vesting at £1.25m and on a straight-line basis between these amounts.

Performance against targets in respect of the 16 December 2013 awards

The movement in EPS for the relevant measurement period was -33% for the total Group and TSR performance placed the Company 13th within the group of 16 comparator companies. Consequently, the PSP award granted to Zillah Byng-Thorne on 16 December 2013 lapsed in its entirety on 16 December 2016.

Performance against targets in respect of the awards granted on 16 July 2014 and 2 August 2015

The adjusted diluted EPS for the relevant measurement period was 21.0p for the Group and the net cash flow was £8.9m (after making adjustments for net debt acquired with Imagine and debt drawn down to fund the acquisition of home interest). Consequently, the PSP award granted to Zillah Byng-Thorne on 16 July 2014 vested in full on 27 November 2017 and the PSP award granted to Penny Ladkin-Brand on 2 August 2015 will vest in full on 2 August 2018.

Non-executive Directors' remuneration

Non-executive Directors do not participate in any of the Company's share incentive arrangements, nor do they receive any benefits. Their fees are reviewed every three years. The Chairman's fees are set by the Committee, and those for the non-executive Directors are set by the Board as a whole.

Pension entitlements (audited)

The only element of remuneration that is pensionable is basic annual salary, excluding performance-related bonuses and benefits in kind. During the year ended 30 September 2017, employer's pension contributions were payable for the executive Directors at a rate of 12.5% for the Chief Executive and up to 6% for the Chief Financial Officer. The entitlement to employer's pension contributions was paid in cash as a salary supplement to Zillah Byng-Thorne, with effect from 1 July 2016, and to Penny Ladkin-Brand, with effect from 1 November 2016. 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 2017. Normal retirement age under the scheme rules is 75.

Payments to past Directors (audited)

No payments were made to any past Directors during the financial year ended 30 September 2017.

Payments for loss of office (audited)

During the financial year to 30 September 2017 no payments in respect of loss of office were made.

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 one times salary.

In respect of Zillah Byng-Thorne, the relevant five year period commenced on 1 November 2013 and will end on 31 October 2018. As at 30 September 2017, Zillah Byng-Thorne had a holding of 113,016 shares which, at the share price on the same date, were worth £349,785.

In respect of Penny Ladkin-Brand, the period commenced on 3 August 2015 and will end on 2 August 2020. As at 30 September 2017, Penny Ladkin-Brand had a holding of 31,780 shares which, at the share price on the same date, were worth £98,359.

Details of Directors' shareholdings are set out on page 20 of the Directors' report.

Share incentives awarded during the year (audited)

PSP Grants

	Date of award	% salary	Value (£)	% vesting at min performance	No. shares awarded	Performance period
Zillah Byng-Thorne	23 November 2016	200%	700,000	75%	529,702	1 October 2016 – 30 September 2019
Penny Ladkin-Brand	23 November 2016	200%	500,000	75%	378,358	1 October 2016 – 30 September 2019
Zillah Byng-Thorne	2 February 2017	200%	700,000	75%	529,702	1 October 2016 – 30 September 2019
Penny Ladkin-Brand	2 February 2017	200%	500,000	75%	378,358	1 October 2016 – 30 September 2019

Notes:
1. The value of the PSP awards are usually calculated using the share price at the date of grant, which was 132.15p per share for the 23 November 2016 awards to Zillah Byng-Thorne and Penny Ladkin-Brand. The value of the awards granted to Zillah Byng-Thorne and Penny Ladkin-Brand on 2 February 2017 was based on the same share price as the awards granted on 23 November 2016 as they were considered to be part of the same share award.
2. The PSP awards are exercisable at nil value.
3. The performance conditions attached to the grant of the above awards are the same as set out on page 31.
4. The percentage vesting at minimum performance represents the 50% vesting of the EBITDA element and the 100% vesting of the share price performance element of the award as the relevant criteria have been met in full at 8 December 2017.

Directors' remuneration report

For the year ended
30 September 2017

Company performance

The performance graph opposite shows the TSR on a holding of shares in the Company compared with the FTSE All Share Media Index (UK companies).

The following is a list of the companies currently included in the FTSE All Share Media Index (UK companies):

4 Imprint Group
Ascential
Auto Trader Group
Bloomsbury Publishing
Entertainment One
Euromoney Instl. Investor
Gocompare.com
Huntsworth
Informa
ITE Group
ITV
Moneysupermarket.com GP
Pearson
RELX
Rightmove
Sky
STV Group
Tarsus Group
Trinity Mirror
UBM
WPP
Zoopla Property Group

Directors' interests in share schemes (audited)

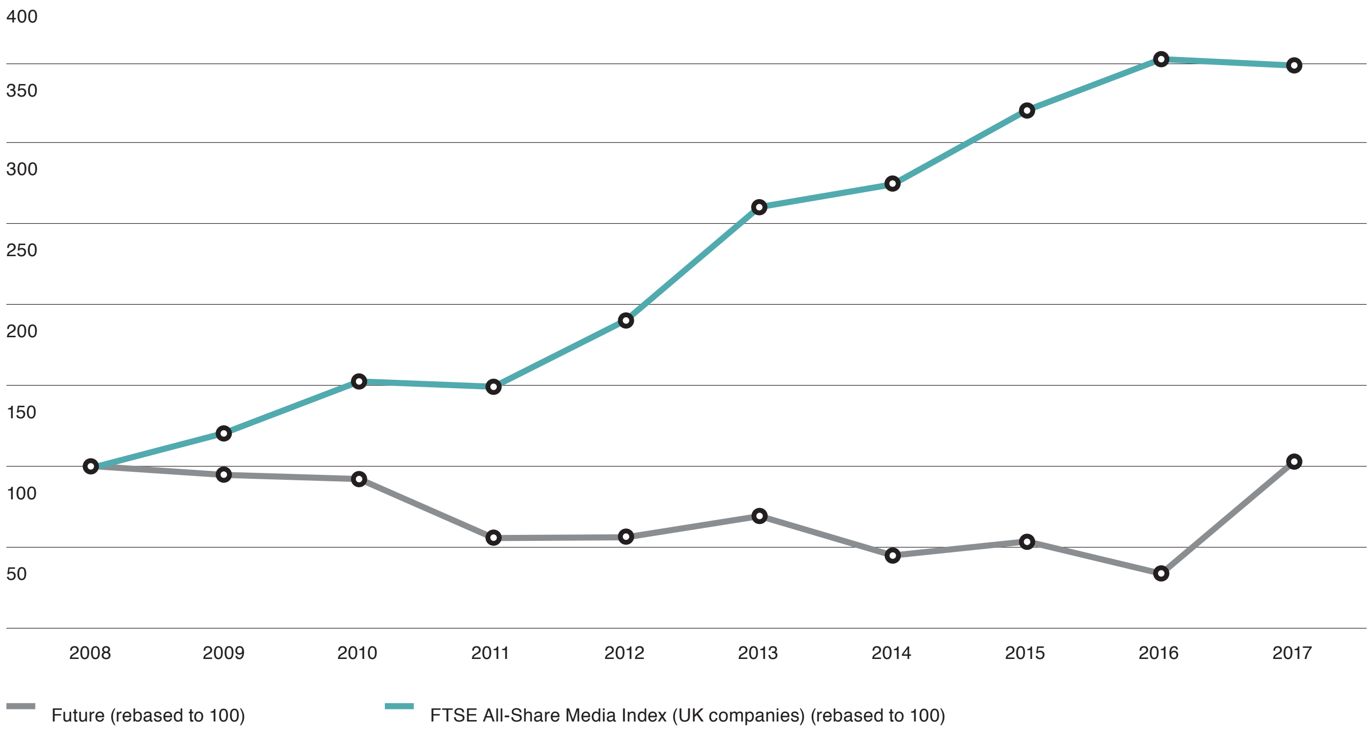
Details of options and other share incentives held by executive Directors and movements during the year are set out below, including details of the awards made during the year.

	Date of grant	Price paid for grant	Earliest exercise date	Expiry date	Restated Exercise price per share (p)	Restated Balance at 1 Oct 2016	Granted during the year[3]	Vested during the year	Lapsed unexercised during the year	**Balance at 30 Sept 2017**
PSP[1]										
Zillah Byng-Thorne[4]	16 Dec 2013	Nil	16 Dec 2016	N/A	Nil	133,334	-	-	(133,334)	**-**
	16 Jul 2014	Nil	27 Nov 2017	N/A	Nil	166,667	-	-	-	**166,667**
	30 Nov 2015	Nil	30 Nov 2018	N/A	Nil	166,667	-	-	-	**166,667**
	23 Nov 2016	Nil	23 Nov 2019	N/A	Nil	-	529,702	-	-	**529,702**
	2 Feb 2017	Nil	23 Nov 2019	N/A	Nil	-	529,702	-	-	**529,702**
Penny Ladkin-Brand	3 Aug 2015	Nil	3 Aug 2018	N/A	Nil	109,856	-	-	-	**109,856**
	30 Nov 2015	Nil	30 Nov 2018	N/A	Nil	83,334	-	-	-	**83,334**
	23 Nov 2016	Nil	23 Nov 2019	N/A	Nil	-	378,358	-	-	**378,358**
	2 Feb 2017	Nil	23 Nov 2019	N/A	Nil	-	378,358	-	-	**378,358**
Sharesave[2]										
Zillah Byng-Thorne	13 Dec 2013	Nil	1 Feb 2017	1 Aug 2017	195.0	4,615	-	(4,615)	-	**-**

Notes:
1. The performance criteria which apply to awards granted under the PSP scheme are set out on page 31.
2. Details of the Sharesave scheme, which has no performance conditions, are set out in note 24 on page 81.
3. The market price at the time of grant of the PSP award on 23 November 2016 was 132.15p per share and this price was also used for the grant of the PSP award on 2 February 2017 as they were considered to be part of the same share award.
4. In July 2017 the Remuneration Committee exercised its discretion to change the performance criteria in respect of the award granted to Zillah Byng-Thorne in July 2014 from TSR performance and EPS growth to absolute EPS and net cash flow in order to align the performance criteria for awards made to the executive Directors. The Committee also extended the vesting date from 16 July 2017 to 27 November 2017.
5. Zillah Byng-Thorne exercised 4,615 options under the Sharesave scheme on 1 August 2017. The exercise price of the options was 195p per share and the market price on the date of exercise was 320p per share.
6. The awards granted to Zillah Byng-Thorne on 16 December 2013 lapsed on 16 December 2016, since the relevant performance criteria were not met.
7. Balances at 1 October 2016 in the table above have been restated to reflect the share consolidation in February 2017.

Graph: Past nine financial years ended 30 September 2017

Total Shareholder Return: Rebased to Future plc as of 1 October 2008



Chief Executive pay during last nine years

Year	Chief Executive single figure £'000	Bonus paid as % of maximum	Share based incentives vesting as % of maximum
2009 (Stevie Spring)	£423	0%	100%[1]
2010 (Stevie Spring)	£746	40%	48%[2]
2011 (Stevie Spring)	£546	0%	100%[3]
2012 (Mark Wood)	£430	50%	0%[4]
2013 (Mark Wood)	£331	0%	0%[4]
2014 (Zillah Byng-Thorne)	£306[6]	20%	0%[5]
2015 (Zillah Byng-Thorne)	£471	36%	0%[5]
2016 (Zillah Byng-Thorne)	£347	0%[7]	0%[5]
2017 (Zillah Byng-Thorne)	£2,496	88%[8]	100%

Notes:
1. This represents shares which were granted as part of an exceptional one-off award intended to aid recruitment and retention. The award was not subject to performance criteria.
2. This represents the first tranche of a deferred bonus share award which was not subject to performance criteria and the PSP award granted in December 2006 which partially vested in December 2009 following the partial satisfaction of TSR performance criteria.
3. 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.
4. 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.
5. The first awards granted to Zillah Byng-Thorne under the PSP were granted in December 2013 and lapsed on 16 December 2016, since the relevant performance criteria were not met.
6. 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.
7. Zillah Byng-Thorne waived her performance-related bonus for 2016.
8. 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.

Directors' remuneration report

For the year ended
30 September 2017

Percentage change in remuneration of Chief Executive

	Salary			Benefits (inc pension)			Bonus		
	2017	2016	% change	2017	2016	% change	2017	2016	% change
Chief Executive	**£350,000**	£300,000	+16.7%	**£54,000**	£47,000	+14.9%	**£640,000**	-	+100%
All employees	**£38,758**	£38,491	+0.7%	**£1,777**	£3,022	-41.2%	**£1,551**	-	+100%

Relative importance of spend on pay

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

	2017 £m	2016 £m
Group pay	**28.8**	24.0
Group operating costs excluding Group pay & exceptional costs	**52.6**	34.3
Capital expenditure	**1.8**	1.9
Dividends	**-**	-

The table 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, and investment in capital expenditure and dividends.

Shareholder voting

At the last Annual General Meeting, votes cast on the Directors' remuneration report beginning on 1 October 2016 to 30 September 2019 were as follows:

	For	%	Discretionary	%	Against	%
Approval of Directors' remuneration report for 2017*	18,578,620	99.93	1,732	0.01	11,690	0.06

*The numbers of shares stated above have been restated to reflect the share consolidation in February 2017.

Implementation of remuneration policy in the year to 30 September 2018

The Remuneration Committee does not propose to make any changes to the remuneration policy that was outlined in the Annual Report for the year ended 30 September 2016 and approved at the Company's Annual General Meeting in February 2017, a copy of which is set out on pages 38 to 41, other than as detailed below in respect of non-executive Directors' fees.

The Remuneration Committee proposes the following changes to the remuneration policy for 2018 for non-executive Directors, as outlined in the Remuneration policy report on pages 38 to 41, subject to shareholder approval at the Company's AGM on 5 February 2018.

Non-executive Directors

Element	Operation of element	Max. potential value	Performance, weighting & time
Fees	Non-executive Directors' fees are reviewed every three years and paid in 12 monthly instalments.	Chairman: £120,000 Deputy Chairman: £65,000 Other non-executive Directors: £40,000 Additional fees payable: Chairman of Committee: £5,000 Senior independent Director: £5,000 Member of Committee: Nil	The Chairman's fee will increase to £120,000 from 1 October 2017. Subject to shareholder approval at the AGM in February 2018 the following changes are proposed: 1. An increase in the base fee for non-executive Directors by £5,000 to £45,000 effective from 1 February 2018. 2. An additional fee of £7,500 for the role of Senior Independent Director and £5,000 for each Chairman of Remuneration and Audit Committee role held.

Executive Directors:

As detailed opposite, the overall remuneration policy for executive Directors remains unchanged, however the changes to remuneration that have taken place in respect of 2018 in accordance with the policy are detailed below:

Element	Operation of element	Max. potential value	Performance, weighting & time
Base salary	No change	Zillah Byng-Thorne's salary as Chief Executive increased to £400,000 and Penny Ladkin-Brand's salary as Chief Financial Officer increased to £275,000, both with effect from 1 October 2017.	No change
Benefits	No change	Zillah Byng Thorne's total benefits increased to £17,000 and Penny Ladkin-Brand's total benefits increased to £15,000, both with effect from 1 October 2017.	No change
Annual Bonus	No change	No change to the profit pool bonus that was introduced in 2017[1].	No change
PSP	No change	The Executive Directors received an award of 100% of salary in November 2017 which, subject to the achievement of certain performance conditions, will vest in November 2020.	No change
Pension	No change	Employers' pension contributions were increased to a rate of 15% for both the Chief Executive and the Chief Financial Officer from 1 October 2017.	No change

Notes:
1. Performance targets for the Annual Bonus for 2018 are not disclosed due to their commercial sensitivity. In the event that there is an increase in the executive Directors' base salaries during the year, the potential maximum value of the Annual Bonus and pension shall increase accordingly.

Advisers to the Remuneration Committee

Ernst & Young LLP ('EY') advise the Committee in respect of various share incentives and executive remuneration and were paid £9,000 in the year for providing these services to the Committee.

Compliance with the UK Corporate Governance Code

The Board has complied fully with the provisions of Section D of the UK Corporate Governance Code in relation to Directors' remuneration policy and practice, and has followed Schedule A to the Code in relation to performance-related remuneration policy. Further information regarding the Company's approach to corporate governance is set out on pages 23 to 28.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Remuneration policy report

The policy set out below applies for all financial years beginning on or after 1 October 2016 to 30 September 2019 following shareholder approval at the Company's Annual General Meeting on 1 February 2017.

The Committee considers the remuneration policy annually to ensure that it remains aligned with the Group's business needs and is appropriately positioned relative to the market. The Committee does not propose to make any changes to the policy that was approved by shareholders at the Company's Annual General meeting in February 2017 in respect of executive Directors' remuneration however it seeks to amend the level of non-executive Directors' fees to reflect prevailing market rates and therefore intends to put the proposed amendments to the policy in respect of non-executive Directors' remuneration forward to shareholders for approval at the Company's Annual General Meeting to be held on 5 February 2018.

Approach to recruitment remuneration for executive and non-executive Directors

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, with performance-related targets linked to financial performance of the Group against budget and the Group's performance against business objectives and its stated strategy.

Any new executive Director's remuneration package would include the same elements as those of the existing executive Directors, as shown in the next column.

Element of remuneration	Maximum % of salary
Salary	Not higher than market value
Benefits	Dependent on circumstances
Pension	15% of basic annual salary
Performance-related bonus[2]	150%
Share incentive schemes[1]	100%

Notes:
1. PSP scheme rules provide for awards of up to 100% of basic annual salary, save in exceptional circumstances where the Committee is allowed discretion to award up to 400% of basic annual salary.
2. In the event of an internal promotion, any commitments made by the Company to an internal candidate shall be honoured even if it would otherwise be inconsistent with the policy.
3. If the Director is required to relocate then the policy is to provide reasonable relocation, travel and subsistence payments at the discretion of the Committee.

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

(a) Remuneration packages offered to executive Directors should be competitive with those available for comparable roles in companies operating in similar markets and on a similar scale. They should be sufficiently desirable so as to attract, retain and motivate high calibre Directors to perform at the highest levels, whilst at the same time ensuring that recruitment and remuneration expenditure is not excessive and does not encourage excessive risk-taking.

(b) 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.

(c) Remuneration packages and employment conditions of executive Directors are 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 has given particular attention to ensuring that the remuneration packages of the key senior managers recruited during the year are aligned with those of the executive Directors.

(d) Bonus potential and share scheme awards that are capped at a percentage of salary are restricted if salaries are low.

(e) Subjective criteria are applied to the performance-related bonus of the Chief Executive and Chief Financial Officer in order to ensure that the Committee retains discretion and to ensure no performance-related bonus is unjustly received.

Service contracts and payments for loss of office

Executive Directors

Contract provision	Policy	Details
Notice periods	Director or Company shall be entitled to serve 6 months' notice (in Penny Ladkin-Brand'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 6 months' salary (in Penny Ladkin-Brand'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 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.
Treatment of share incentives on termination	Incentives will lapse or vest at the Committee's discretion, subject to performance criteria being met and the rules of the scheme.	The Committee has discretion to allow awards to vest partially or in full on termination, or to preserve awards.
Change of control	In the event of a change of control, a Director may terminate their appointment on serving no less than 1 month's notice.	In the event of termination by either the Director or the Company, the Director will be entitled to receive 6 months' salary.
Non-executive Directors		
Notice periods	3 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.

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

Directors' remuneration report

For the year ended
30 September 2017

Remuneration table

Executive Directors

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. The Committee retains discretion to pay a salary supplement to an executive Director for fulfilling the role of another higher paid executive Director when that executive Director leaves the Company.	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 applicable and subject to the maximum value of all benefits not exceeding the maximum potential value set by the Committee.	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 broad competitiveness with market practice.
Performance-related bonus[1]	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.	Designed to reward delivery of shareholder value and implementation of the Group's strategy.
Long term share-based incentive[2]	Annual awards to executive Directors of up to a maximum of 1x basic annual salary, with discretion to award up to a maximum of 4x basic annual salary, e.g. recruitment of a Director or to "buy out" awards granted by prior employer. 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.	Designed to reward delivery of shareholder value in the medium-to-long term.
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.

Notes to the table

1. Performance-related bonus targets: The performance targets are determined annually by the Committee and are designed to align executive Directors' interests with those of the Company's shareholders and to reward good performance by the Company. Financial targets are set by reference to the Company's budget for the relevant financial year, and individual performance targets are set by reference to the Company's strategy and goals for the relevant financial year. The targets for the financial year to 30 September 2018 are not disclosed here due to their commercial sensitivity.
2. PSP performance targets: Additional details of the performance criteria attaching to PSP awards granted to date are set out on page 31.

Non-executive Directors

Element	Operation	Objective & link to strategy
Fees[1]	Non-executive Directors' fees are reviewed every three years and paid in 12 monthly instalments.	Reflects the time commitment and responsibilities of the roles.

Notes to the table

1. Fees are paid at a standard annual rate to reflect the time, commitment and responsibilities of the roles, with additional fees paid to those who chair Board Committees to reflect their additional responsibilities. Separately, the Board sets the fee payable to the Chairman of the Board. Currently additional fees for chairing a Committee apply only once, regardless of the number of Committees of which a non-executive Director is Chairman. Subject to shareholder approval it is proposed that this is amended so that a fee is payable for each Chairman role held. Non-executive Directors are not included in any performance-related bonus, share incentive schemes or pension arrangements.

Max. potential value	Performance measures	Changes for 2018
Salary increases shall generally reflect market conditions, performance of the individual, new challenges or a new strategic direction for the business. Similarly, 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.	Not applicable.	Basic annual salary of Chief Executive increased to £400,000 and Chief Financial Officer to £275,000 (both with effect from 1 October 2017) from £350,000 and £250,000 respectively.
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 then current market rates for such cover.	Not applicable.	Total benefits provided to the Chief Executive increased to £17,000 and to the Chief Financial Officer to £15,000 (both with effect from 1 October 2017).
Total cost annually shall not exceed 15% of basic annual salary.	Not applicable.	Employers' pension contributions increased to 15% for both the Chief Executive and Chief Financial Officer (from 12.5% and 6% respectively).
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 150% of basic annual salary and that the maximum bonus shall only be payable for over performance.	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.	No change.
Value of grant as a maximum percentage of salary is 100% of basic annual salary, however in exceptional circumstances the Committee retains discretion to grant one-off awards of a value up to 400% of basic annual salary.	The 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. Awards vest at the end of the three-year performance period, when the Committee will assess performance against the targets set and determine, in its absolute discretion, the overall level of vesting of the award.	Executive Directors received an award of 100% of salary in November 2017.
The maximum participation levels for all-employee share plans will be the limits set out in UK tax legislation.	Not applicable.	No change.

3. 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. Discretionary share incentives are not awarded to employees other than executive Directors and certain key individuals, however the Company introduced a Share Incentive Plan in 2015 in order to encourage active employee share ownership.

Max. potential value	Performance measures	Changes for 2018
Chairman: £120,000 Deputy Chairman: £65,000 Other non-executive Directors: £40,000 Additional fees payable: Chairman of Committee: £5,000 Senior independent Director: £5,000 Member of Committee: Nil	Not applicable.	The Chairman's fee will increase to £120,000 from 1 October 2017. Subject to shareholder approval at the AGM in February 2018 the following further changes are proposed: 1. An increase in the base fee for non-executive Directors by £5,000 to £45,000 effective from 1 February 2018 onwards. 2. An additional fee of £7,500 for the role of Senior Independent Director (increased from £5,000) and £5,000 for each role as Chairman of either Remuneration or Audit Committee.

Directors' remuneration report

For the year ended
30 September 2017

Consideration of employee conditions within the Group

The Committee takes into consideration the pay and conditions of employees across the Group when determining remuneration for executive Directors.

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 under the PSP and DABS schemes, the details of which are set out at note 24 on page 81. During 2015 the Group introduced a Share Incentive Plan to replace the Sharesave scheme, in order to encourage active employee share ownership.

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.

Approved by the Board of Directors and signed on its behalf by:

Peter Allen
(on behalf of the Remuneration Committee)
8 December 2017


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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 2017 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 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 and Accounts (the "Annual Report"), which comprise: the Consolidated and Company balance sheets as at 30 September 2017; the Consolidated income statement, the Consolidated statement of comprehensive income, the Consolidated and Company cash flows 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 note 3 to the financial statements, we have provided no non-audit services to the Group or the Company in the period from 1 October 2016 to 30 September 2017.

Our audit approach

The scope of our audit
As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the Directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the Directors that represented a risk of material misstatement due to fraud.

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 measurement of Magazine newsstand revenue (£26.9 million (2016: £16.9 million) within the Magazine segment) Refer to note 1 for further information Magazine newsstand revenue is recognised at the date that the related publication goes on sale. The amount of revenue recognised is based on the number of issues printed and an estimate of the number of returns. 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. Changes to the estimated number of returns can have a material impact on Magazine revenue. **Group**	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. We also examined the number of returns processed after the year-end 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 estimate was supported by the evidence obtained.
The valuation of goodwill (£65.8 million (2016: £29.5 million)) Refer to note 11 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 when 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, impairment and exceptional items (EBITDA) margins. **Group**	Our work to address the valuation of goodwill was supported by our in-house valuation experts, and included the following procedures: • 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 margin continues to remain the key assumption to which the impairment assessment is most sensitive. We also considered to what level the EBITDA margin would need to deteriorate to in order to indicate impairment. • 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 growth forecasts for the UK economy. Based on the work performed, we found that the methods used in the impairment assessment were appropriate and that the conclusions reached were supported by the evidence obtained.
The classification of exceptional items (£3.7 million (2016: £3.5 million)) Refer to note 4 for further information The Group's accounting policy is to report items of income and expenses as exceptional items where they relate to an event that 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 consisted of redundancy and acquisition related costs associated with the restructuring of the business and other transformational activity. We focused on this area because exceptional items are material to the consolidated financial statements and there is a degree of judgement in their classification. **Group**	We tested the classification of exceptional items by; • examining supporting information such as invoices; • checking that redundancy costs agreed to the payments made to those employees; and • confirming that those payments were described as redundancy payments in written communications with those employees. Redundancy and acquisition related costs have been incurred in both the current year and in prior years so we challenged management as to whether such costs were exceptional in nature. Management's view was that whilst these charges have persisted in 2017, they have arisen from a significant, ongoing restructuring and transformation programme, as set out in further detail in the Chief Executive's Review on page 3. Following completion of this programme these charges will not recur. Given the scale of the restructuring and transformation programme, and that only redundancy and acquisition costs specific to it are being separated, we accepted this treatment for the current year. 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.

Independent auditors' report

Key audit matter	How our audit addressed the key audit matter
The accounting for the acquisition of Imagine Publishing and the home interest division of Centaur Media **Refer to note 29 for further information** On 21 October 2016, the Group completed its acquisition of Imagine Publishing and on 1 August 2017 its acquisition of the home interest division of Centaur Media. We focused on these transactions because they are material to the consolidated financial statements and because there is a degree of judgement in the identification and valuation of the assets and liabilities acquired. **Group and parent**	Our work over the accounting for the acquisition included the following procedures: • We agreed the cash consideration paid to supporting documentation. • We tested the fair value adjustments to the assets and liabilities acquired and, based on our understanding of the acquired business, assessed whether all assets and liabilities had been appropriately identified and classified. We also considered any required alignment of accounting policies and valuation methodologies. • We re-performed the calculation of goodwill. • We assessed the sufficiency of the disclosures relating to the acquisition, 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 accounting for the acquisition was appropriate and that the fair value of the acquired assets and liabilities was supported by the evidence obtained.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the Group and the Company, the accounting processes and controls, and the industry in which they operate.

The Group is structured along two geographical lines, being the UK and US. The Group's financial statements consist of a consolidation of 23 statutory entities; but the Group primarily operates through two main trading entities; Future Publishing Limited and Future US, Inc.

In establishing the overall approach to the Group audit, we determine the type of work that we needed to perform at each entity to be able to conclude whether sufficient appropriate audit evidence had been obtained as a basis for our opinion on the Group financial statements as a whole.

In our view, the two main trading entities required a full scope audit of their complete financial information, due to their size and their risk characteristics. These were audited by the UK Group engagement team. This, together with our audit of the parent holding Company and testing of the consolidation at Group level, gave us the evidence we needed for our opinion on the Group financial statements as a whole and accounted for 94% of the Group's revenue, 80% of the Group's reported profit before tax and 76% of the Group's net assets.

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	£840,000	£820,000
How we determined it	1% of revenue	0.86% of total assets
Rationale for benchmark applied	In arriving at this judgement we considered the financial measures which we believed to be most relevant to the shareholders in assessing the performance of the Group. Profit before tax is a generally accepted benchmark for a profit orientated business. However, due to restructuring and continued transformational activity, the Group has continued to report losses and there has been a degree of volatility in this measure. We concluded that, in isolation, this metric did not appropriately reflect the scale of the Group's ongoing operations or its underlying performance. As a result, revenue was considered to be the most appropriate metric, but in quantifying materiality we have also had regard to other performance measures such as operating profit and the impact of exceptional items.	As a holding company, the entity is not considered to be profit orientated. In such circumstances, total assets is a generally accepted benchmark.

For each component in the scope of our Group audit, we allocated an equal materiality of £756,000, which was less than our overall Group materiality. Certain components were audited to a local statutory audit materiality that was also less than our overall Group materiality.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £42,000 (Group audit) and £40,000 (Company audit) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's and Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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.

Independent auditors' 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 and ISAs (UK) require us also to report certain opinions and matters as described below.

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 2017 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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.

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.

Responsibilities for the financial statements and the audit

Responsibilities of the Directors for the financial statements

As explained more fully in the Statement of Directors' responsibilities set out on page 22, 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 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 19 years, covering the years ended 31 December 1999 to 30 September 2017.

Colin Bates (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Bristol
8 December 2017

Financial statements

Contents

Consolidated income statement

for the year ended 30 September 2017

	Note	2017 Adjusted results £m	2017 Adjusting items £m	2017 Statutory results £m	2016 Adjusted results £m	2016 Adjusting items £m	2016 Statutory results £m
Continuing operations							
Revenue	1	**84.4**	**-**	**84.4**	59.0	-	59.0
Net operating expenses	2	**(75.5)**	**(8.1)**	**(83.6)**	(56.2)	(17.0)	(73.2)
Operating profit/(loss)		**8.9**	**(8.1)**	**0.8**	2.8	(17.0)	(14.2)
Finance income	6	**0.1**	**-**	**0.1**	-	-	-
Finance costs	6	**(0.7)**	**-**	**(0.7)**	(0.5)	(0.2)	(0.7)
Net finance costs		**(0.6)**	**-**	**(0.6)**	(0.5)	(0.2)	(0.7)
Profit/(loss) before tax	1	**8.3**	**(8.1)**	**0.2**	2.3	(17.2)	(14.9)
Tax on profit/(loss)	7	**0.3**	**1.1**	**1.4**	-	0.5	0.5
Profit/(loss) for the year from continuing operations		**8.6**	**(7.0)**	**1.6**	2.3	(16.7)	(14.4)
Discontinued operations							
(Loss)/profit for the year from discontinued operations		**-**	**-**	**-**	(0.1)	0.3	0.2
Profit/(loss) for the year attributable to owners of the parent		**8.6**	**(7.0)**	**1.6**	2.2	(16.4)	(14.2)

Earnings per 15p Ordinary share

	Note	2017 Adjusted results pence	2017 Adjusting items pence	2017 Statutory results pence	Restated 2016* Adjusted results pence	Restated 2016* Adjusting items pence	Restated 2016* Statutory results pence
Basic earnings/(loss) per share – Total Group	9	**23.2**	**(18.9)**	**4.3**	9.1	(67.9)	(58.8)
Diluted earnings/(loss) per share – Total Group	9	**21.0**	**(17.1)**	**3.9**	8.8	(67.6)	(58.8)
Basic earnings/(loss) per share – Continuing operations	9	**23.2**	**(18.9)**	**4.3**	9.5	(69.1)	(59.6)
Diluted earnings/(loss) per share – Continuing operations	9	**21.0**	**(17.1)**	**3.9**	9.2	(68.8)	(59.6)

** The prior year comparatives have been restated to reflect the 15:1 share consolidation completed on 2 February 2017.*

As permitted by the exemption under Section 408 of the Companies Act 2006 no Company income statement or statement of comprehensive income is presented.

Consolidated statement of comprehensive income

for the year ended 30 September 2017

	2017 £m	2016 £m
Profit/(loss) for the year	**1.6**	(14.2)
Items that may be reclassified to the consolidated income statement		
Continuing operations		
Currency translation differences	**(0.2)**	0.3
Other comprehensive (loss)/income for the year from continuing operations	**(0.2)**	0.3
Total comprehensive income/(loss) for the year attributable to continuing operations	**1.4**	(14.1)
Total comprehensive income for the year attributable to discontinued operations	**-**	0.2
Total comprehensive income/(loss) for the year attributable to owners of the parent	**1.4**	(13.9)

Items in the statement above are disclosed net of tax.

Financial statements

Consolidated statement of changes in equity

for the year ended 30 September 2017

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 2015		3.3	24.8	109.0	(0.3)	(105.4)	31.4
Loss for the year		-	-	-	-	(14.2)	(14.2)
Currency translation differences		-	-	-	-	0.3	0.3
Other comprehensive income for the year		-	-	-	-	0.3	0.3
Total comprehensive loss for the year		-	-	-	-	(13.9)	(13.9)
Share capital issued during the year		0.4	2.8	-	-	-	3.2
Share schemes							
- Value of employees' services	5	-	-	-	-	0.5	0.5
Balance at 30 September 2016		3.7	27.6	109.0	(0.3)	(118.8)	21.2
Profit for the year		-	-	-	-	1.6	1.6
Currency translation differences		-	-	-	-	(0.2)	(0.2)
Other comprehensive loss for the year		-	-	-	-	(0.2)	(0.2)
Total comprehensive income for the year		-	-	-	-	1.4	1.4
Share capital issued during the year	23	3.1	19.8	13.5	-	-	36.4
Share schemes							
- Value of employees' services	5	-	-	-	-	1.8	1.8
- Deferred tax on options	13	-	-	-	-	0.5	0.5
Balance at 30 September 2017		**6.8**	**47.4**	**122.5**	**(0.3)**	**(115.1)**	**61.3**

Company statement of changes in equity

for the year ended 30 September 2017

Company	Note	Issued share capital £m	Share premium account £m	Merger reserve £m	Retained earnings £m	Total equity £m
Balance at 1 October 2015		3.3	24.8	-	9.9	38.0
Loss for the year		-	-	-	(6.4)	(6.4)
Total comprehensive loss for the year		-	-	-	(6.4)	(6.4)
Share capital issued during the year		0.4	2.8	-	-	3.2
Share schemes						
- Value of employees' services		-	-	-	0.5	0.5
Balance at 30 September 2016		3.7	27.6	-	4.0	35.3
Loss for the year		-	-	-	(2.3)	(2.3)
Total comprehensive loss for the year		-	-	-	(2.3)	(2.3)
Share capital issued during the year	23	3.1	19.8	13.5	-	36.4
Share schemes						
- Value of employees' services		-	-	-	1.8	1.8
- Deferred tax on options	13	-	-	-	0.5	0.5
Balance at 30 September 2017		**6.8**	**47.4**	**13.5**	**4.0**	**71.7**

Consolidated balance sheet

as at 30 September 2017

	Note	2017 £m	2016 £m
Assets			
Non-current assets			
Property, plant and equipment	10	**1.0**	0.5
Intangible assets - goodwill	11	**65.8**	29.5
Intangible assets - other	11	**26.5**	3.7
Investments		**0.2**	-
Deferred tax	13	**4.4**	2.4
Total non-current assets		**97.9**	36.1
Current assets			
Inventories	14	**0.7**	0.4
Corporation tax recoverable		**0.1**	0.1
Trade and other receivables	15	**13.6**	12.4
Cash and cash equivalents	16	**10.1**	2.9
Total current assets		**24.5**	15.8
Total assets		**122.4**	51.9
Equity and liabilities			
Equity			
Issued share capital	23	**6.8**	3.7
Share premium account	25	**47.4**	27.6
Merger reserve	25	**122.5**	109.0
Treasury reserve	25	**(0.3)**	(0.3)
Accumulated losses		**(115.1)**	(118.8)
Total equity		**61.3**	21.2
Non-current liabilities			
Financial liabilities - interest-bearing loans and borrowings	18	**16.9**	0.1
Corporation tax payable		**-**	2.6
Deferred tax	13	**4.6**	0.9
Provisions	20	**2.6**	1.5
Other non-current liabilities	21	**0.6**	0.5
Total non-current liabilities		**24.7**	5.6
Current liabilities			
Financial liabilities - interest-bearing loans and borrowings	18	**3.2**	2.3
Financial liabilities - derivatives	19	**0.1**	-
Trade and other payables	17	**29.9**	21.4
Corporation tax payable		**3.2**	1.4
Total current liabilities		**36.4**	25.1
Total liabilities		**61.1**	30.7
Total equity and liabilities		**122.4**	51.9

The financial statements on pages 49 to 86 were approved by the Board of Directors on 8 December 2017 and signed on its behalf by:

Peter Allen
Chairman

Penny Ladkin-Brand
Chief Financial Officer

Financial statements

Company balance sheet

as at 30 September 2017

	Note	2017 £m	2016 £m
Assets			
Non-current assets			
Investment in Group undertakings	12	**19.5**	1.0
Deferred tax	13	**0.8**	-
Total non-current assets		**20.3**	1.0
Current assets			
Trade and other receivables	15	**74.4**	43.5
Cash and cash equivalents	16	**0.7**	-
Total current assets		**75.1**	43.5
Total assets		**95.4**	44.5
Equity and liabilities			
Equity			
Issued share capital	23	**6.8**	3.7
Share premium account	25	**47.4**	27.6
Merger reserve	25	**13.5**	-
Retained earnings		**4.0**	4.0
Total equity		**71.7**	35.3
Non-current liabilities			
Financial liabilities - interest-bearing loans and borrowings	18	**16.9**	-
Corporation tax payable		**-**	2.6
Total non-current liabilities		**16.9**	2.6
Current liabilities			
Financial liabilities - interest-bearing loans and borrowings	18	**3.1**	2.3
Financial liabilities - non-interest-bearing overdraft	18	**-**	1.0
Financial liabilities - derivatives	19	**0.1**	-
Trade and other payables	17	**0.9**	2.4
Corporation tax payable		**2.7**	0.9
Total current liabilities		**6.8**	6.6
Total liabilities		**23.7**	9.2
Total equity and liabilities		**95.4**	44.5

The financial statements on pages 49 to 86 were approved by the Board of Directors on 8 December 2017 and signed on its behalf by:

Peter Allen
Chairman

Penny Ladkin-Brand
Chief Financial Officer

Future plc
Company registration number: 3757874

Consolidated and Company cash flow statements

for the year ended 30 September 2017

	Group 2017 £m	Company 2017 £m	Group 2016 £m	Company 2016 £m
Cash flows from operating activities				
Cash generated from/(used in) operations	**12.0**	**(2.6)**	3.1	(1.4)
Tax received	**-**	**-**	0.1	-
Interest paid	**(0.6)**	**(0.6)**	(0.4)	(0.4)
Tax paid	**(1.4)**	**(0.8)**	(0.8)	(0.7)
Net cash generated from/(used in) operating activities	**10.0**	**(4.0)**	2.0	(2.5)
Cash flows from investing activities				
Purchase of property, plant and equipment	**(0.6)**	**-**	(0.2)	-
Purchase of computer software and website development	**(1.2)**	**-**	(1.7)	-
Purchase of magazine titles and events	**(0.8)**	**-**	(0.6)	-
Purchase of subsidiary undertakings, net of cash acquired	**(31.8)**	**-**	(0.3)	-
Disposal of magazine titles and trademarks	**0.2**	**-**	-	-
Net movement in amounts owed to/by subsidiaries	**-**	**(25.9)**	-	8.3
Net cash (used in)/generated from investing activities	**(34.2)**	**(25.9)**	(2.8)	8.3
Cash flows from financing activities				
Proceeds from issue of Ordinary share capital	**22.0**	**22.0**	3.3	3.3
Costs of share issue	**(1.0)**	**(1.0)**	(0.2)	(0.2)
Draw down of bank loans	**23.3**	**23.3**	4.6	4.6
Repayment of bank loans	**(12.0)**	**(12.0)**	(5.7)	(5.7)
Bank arrangement fees	**(0.7)**	**(0.7)**	-	-
Repayment of finance leases	**(0.1)**	**-**	(0.1)	-
Net cash generated from financing activities	**31.5**	**31.6**	1.9	2.0
Net increase in cash and cash equivalents	**7.3**	**1.7**	1.1	7.8
Cash and cash equivalents at beginning of year	**2.9**	**(1.0)**	1.6	(8.8)
Exchange adjustments	**(0.1)**	**-**	0.2	-
Cash and cash equivalents at end of year	**10.1**	**0.7**	2.9	(1.0)
Amount attributable to continuing operations	**10.1**	**0.7**	2.9	(1.0)

Notes to the Consolidated and Company cash flow statements

for the year ended 30 September 2017

A. Cash generated from operations

The reconciliation of profit/(loss) for the year to cash generated from/(used in) operations is set out below:

	Group 2017 £m	Company 2017 £m	Group 2016 £m	Company 2016 £m
Profit/(loss) for the year – Continuing operations	**1.6**	**(2.3)**	(14.4)	(6.4)
– Discontinued operations	**-**	**-**	0.2	-
Profit/(loss) for the year – Total Group	**1.6**	**(2.3)**	(14.2)	(6.4)
Adjustments for:				
Depreciation charge	**0.3**	**-**	0.4	-
Amortisation of intangible assets	**4.1**	**-**	2.0	-
Impairment of intangible assets	**-**	**-**	13.0	-
Profit on disposal of magazine titles and trademarks	**-**	**-**	(0.4)	-
Share schemes				
- Value of employees' services	**1.8**	**-**	0.5	-
Impairment of investment in Group undertakings	**-**	**-**	-	131.4
Dividend receivable from Group undertaking	**-**	**(0.3)**	-	(130.9)
Net finance costs	**0.6**	**0.6**	0.7	2.9
Tax (credit)/charge	**(1.4)**	**0.7**	(0.5)	0.1
Profit/(loss) before changes in working capital and provisions	**7.0**	**(1.3)**	1.5	(2.9)
Movement in provisions	**1.0**	**-**	(0.6)	-
Decrease in inventories	**0.1**	**-**	0.1	-
Decrease/(increase) in trade and other receivables	**6.0**	**0.1**	3.8	(0.1)
(Decrease)/increase in trade and other payables	**(2.1)**	**(1.4)**	(1.7)	1.6
Cash generated from/(used in) operations	**12.0**	**(2.6)**	3.1	(1.4)

B. Analysis of net cash/(debt)

Group	1 October 2016 £m	Cash flows £m	Acquisitions £m	Finance leases entered into £m	Other non-cash changes £m	Exchange movements £m	30 September 2017 £m
Cash and cash equivalents	2.9	5.6	1.7	-	-	(0.1)	**10.1**
Debt due within one year	(2.3)	6.0	(6.9)	(0.1)	0.1	-	**(3.2)**
Debt due after more than one year	(0.1)	(17.2)	-	-	0.4	-	**(16.9)**
Net cash/(debt)	**0.5**	**(5.6)**	**(5.2)**	**(0.1)**	**0.5**	**(0.1)**	**(10.0)**

Company	1 October 2016 £m	Cash flows £m	Acquisitions £m	Other non-cash changes £m	30 September 2017 £m
Cash and cash equivalents	(1.0)	1.7	-	-	**0.7**
Debt due within one year	(2.3)	6.0	(6.9)	0.1	**(3.1)**
Debt due after more than one year	-	(17.3)	-	0.4	**(16.9)**
Net debt	**(3.3)**	**(9.6)**	**(6.9)**	**0.5**	**(19.3)**

C. Reconciliation of movement in net cash/(debt)

	Group 2017 £m	Company 2017 £m	Group 2016 £m	Company 2016 £m
Net cash/(debt) at start of year	**0.5**	**(3.3)**	(1.8)	(12.2)
Increase in cash and cash equivalents	**7.3**	**1.7**	1.1	7.8
Movement in borrowings	**(11.2)**	**(11.3)**	1.2	1.1
Borrowings acquired with subsidiaries	**(6.9)**	**(6.9)**	-	-
Finance leases entered into	**(0.1)**	**-**	(0.2)	-
Other non-cash changes	**0.5**	**0.5**	-	-
Exchange movements	**(0.1)**	**-**	0.2	-
Net (debt)/cash at end of year	**(10.0)**	**(19.3)**	0.5	(3.3)

Accounting policies

Basis of preparation

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 principal accounting policies applied in the preparation of the consolidated financial statements published in this 2017 Annual Report are set out on pages 56 to 59. These policies have been applied consistently to all years presented, unless otherwise stated.

The financial statements of the Group 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 2017, and those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

The going concern basis has been adopted in preparing these financial statements as stated by the Directors on page 25.

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 or credits, together with the associated social security costs, are excluded from the adjusted results of the Group as the Directors believe that the volatility of these charges can distort the user's view of the core trading performance of the Group. Details of share-based payments are shown in note 24.

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 likely to be non-recurring in nature (in the medium term) 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 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 reflective of the core trading performance of the Group.

Non-trading foreign exchange 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 that are allowable deductions for tax purposes calculated using the standard rate of corporation tax.

A reconciliation of adjusted operating profit to profit/(loss) before tax is shown below:

	2017 £m	2016 £m
Adjusted operating profit	**8.9**	2.8
Adjusted finance costs	**(0.6)**	(0.5)
Adjusted profit before tax	**8.3**	2.3
Adjusting items:		
Share-based payments	**(2.1)**	(0.5)
Exceptional items	**(3.7)**	(3.5)
Amortisation of acquired intangibles	**(2.3)**	-
Impairment of intangible assets	**-**	(13.0)
Non-trading foreign exchange losses	**-**	(0.2)
Profit/(loss) before tax	**0.2**	(14.9)

A reconciliation between adjusted and statutory earnings per share measures is shown in note 9.

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. 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 the sale of goods is recognised in the income statement when the significant risks and rewards of ownership have been transferred to the buyer. Revenue from services rendered is recognised in the income statement once the service has been completed.

Revenue comprises the fair value of the 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 and after eliminating sales within the Group. The following recognition criteria also apply:

- Magazine newsstand circulation 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 advertisements 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.
- Other revenue is recognised at the time of sale or provision of service.

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 equity-settled, 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.

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

Leases in which the Group assumes substantially all the risks and rewards of ownership of the leased assets are classified as finance leases. All other leases are classed as operating leases.

Assets held under finance leases are 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 are depreciated over their estimated economic lives or the finance lease period, whichever is the shorter. The corresponding liability is recorded within borrowings. The interest element of the rental costs is 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) are 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 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.

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.

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.

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, advertising relationships, 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 (between one and ten 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 five-year business plans;
- cash flow projections beyond that time frame are extrapolated by applying a 2.0% growth rate to perpetuity; 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, 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 work in progress and 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 provision for impairment. A provision for impairment of trade receivables is made when there is objective evidence that the Group will not be able to collect all amounts due in accordance with the original terms of the receivables.

Financial statements

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and bank overdrafts for the purpose of the cash flow statement. 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 using the effective interest method.

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. The Group applies cash flow hedge accounting under IAS 39 in respect of certain instruments held. 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 IAS 39. In accordance with its treasury policy, the Group does not hold or issue any derivative financial instruments for trading purposes.

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 classifies transactions as exceptional where they relate to an event that falls outside the ordinary activities of the business and where individually or in aggregate they have a material impact on the financial statements. This classification excludes impairment charges made on the carrying value of CGUs or groups of CGUs. The separate reporting of exceptional items helps provide a better picture of the Group's underlying performance.

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. The areas which the Board believes contain the most significant accounting estimates are:

(a) Carrying value of goodwill and other intangibles
The Group uses forecast cash flow information and estimates of future growth to assess whether goodwill and other intangible assets are impaired. If the results of an operation in future years are adverse to the estimates used for impairment testing, an impairment may be triggered at that point, or a reduction in useful economic life may be required. Further details are included within note 11.

(b) Valuation of acquired intangible assets
Acquisitions may result in the recognition of intangible assets, such as titles, trademarks, customer lists, advertising relationships, publishing rights and eCommerce technology. These assets are valued using a discounted cash flow model or a relief from royalty method. In applying these valuation methods, a number of key judgements are made in respect of discount rates, growth rates and royalty rates.

(c) Taxation
The Group is subject to tax in all territories, and judgement and estimates of future profitability are required to determine the Group's deferred tax position. If the final tax outcome is different to that assumed, resulting changes will be reflected in the income statement or statement of changes in equity as appropriate. The Group corporation tax provision reflects management's estimation of the amount of tax payable for fiscal years with open tax computations where liabilities remain to be agreed with Her Majesty's Revenue and Customs and other tax authorities. Further details are included within note 7.

(d) Revenue recognition
The Group makes a provision for sales returns at the end of each month. The UK estimate is calculated by looking at the forecast sales projections for the following month of the titles that were on sale at the year-end and providing for any shortfall. The US estimate is made based on a study of the historic levels of returns.

(e) Recoverability of investments
The carrying amount of the Company's investments in subsidiary undertakings is reviewed annually to determine if there is any indication of impairment. If any such indication exists, the investments' recoverable amounts are estimated. The recoverable amount is the higher of fair value less cost to sell and value in use. Value in use is the present value of the estimated future cash flows. Impairment losses are recognised in the income statement when the carrying amount of an asset exceeds its estimated recoverable amount.

New or revised accounting standards and interpretations

There has been no material impact from the adoption of the following new or revised standards which are relevant to the Group:

- Annual improvements to IFRSs 2012-2014 Cycle.
- Amendment to IAS 1 Presentation of financial statements on the disclosure initiative.
- Amendment to IAS 16 and IAS 38 Clarification of acceptable methods of depreciation and amortisation.

Certain new standards, amendments and interpretations to existing standards have been published that are mandatory for accounting periods beginning on or after 1 October 2017 or later periods but which the Group has chosen not to adopt early. These include the following standards which are relevant to the Group:

- Amendment to IFRS 2 Share-based payment to clarify the classification and measurement of share-based payment transactions.
- IFRS 9 Financial instruments.
- IFRS 15 Revenue from contracts with customers.
- IFRS 16 Leases.

The Group has begun to assess the impact of adopting both IFRS 15, which will be effective for the year ending 30 September 2019, and IFRS 16, which will be effective for 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.

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.

(a) Reportable segment
(i) Segment revenue

	2017 £m	2016 £m
UK	**67.2**	44.7
US	**19.1**	15.2
Revenue between segments	**(1.9)**	(0.9)
Total continuing operations	**84.4**	59.0

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

(ii) Segment adjusted EBITDA

	2017 £m	2016 £m
UK	**6.9**	3.2
US	**4.1**	2.0
Total segment adjusted EBITDA from continuing operations	**11.0**	5.2

Adjusted EBITDA is used by the executive Directors to assess the performance of each segment.

A reconciliation of total segment adjusted EBITDA from continuing operations to profit/(loss) before tax from continuing operations is provided as follows:

	2017 £m	2016 £m
Total segment adjusted EBITDA from continuing operations	**11.0**	5.2
Share-based payments (including social security costs)	**(2.1)**	(0.5)
Depreciation	**(0.3)**	(0.4)
Amortisation	**(4.1)**	(2.0)
Exceptional items	**(3.7)**	(3.5)
Impairment of intangible assets	**-**	(13.0)
Net finance costs	**(0.6)**	(0.7)
Profit/(loss) before tax from continuing operations	**0.2**	(14.9)

(iii) Segment assets and liabilities

	Segment assets		**Segment liabilities**		**Segment net assets**	
	2017 £m	2016 £m	**2017 £m**	2016 £m	**2017 £m**	2016 £m
UK	**113.9**	46.6	**(56.5)**	(26.5)	**57.4**	20.1
US	**8.5**	5.3	**(4.6)**	(4.2)	**3.9**	1.1
Total	**122.4**	51.9	**(61.1)**	(30.7)	**61.3**	21.2

(iv) Other segment information

	Additions to non-current assets		**Depreciation and amortisation**		**Impairment charges**		**Exceptional items**	
	2017 £m	2016 £m	**2017 £m**	2016 £m	**2017 £m**	2016 £m	**2017 £m**	2016 £m
UK	**64.5**	4.6	**4.3**	1.9	**-**	13.0	**2.4**	2.8
US	**-**	-	**0.1**	0.5	**-**	-	**1.3**	0.7
Continuing operations	**64.5**	4.6	**4.4**	2.4	**-**	13.0	**3.7**	3.5
Discontinued operations	**-**	-	**-**	-	**-**	-	**-**	(0.3)
Total	**64.5**	4.6	**4.4**	2.4	**-**	13.0	**3.7**	3.2

Other than the items disclosed above and a share-based payments charge of £1.8m (2016: £0.5m) there were no other significant non-cash expenses during the year.

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1. Segmental reporting (continued)

(b) Business segment
After geographical location, the Group is managed in two segments. The Media segment comprises websites and events and the Magazine segment comprises magazines. An additional segment, Other, was retained to reflect unallocated salaries and other direct costs which are not directly charged to the business segments for internal reporting purposes. The Group considers that the assets within each segment are exposed to the same risks.

(i) Revenue by business segment

	2017 £m	2016 £m
Media	**35.8**	24.5
Magazine	**50.5**	35.4
Revenue between segments	**(1.9)**	(0.9)
Total continuing operations	**84.4**	59.0

(ii) Gross profit by business segment

	2017 £m	2016 £m
Media	**27.6**	19.5
Magazine	**33.4**	23.5
Other	**(31.8)**	(24.8)
Add back: distribution expenses	**4.7**	3.6
Total continuing operations	**33.9**	21.8

2. Net operating expenses

Operating profit/(loss) from continuing operations is stated after charging:

		2017			2016	
	Adjusted results £m	**Adjusting items £m**	**Statutory results £m**	Adjusted results £m	Adjusting items £m	Statutory results £m
Cost of sales	**(50.5)**	**-**	**(50.5)**	(37.2)	-	(37.2)
Distribution expenses	**(4.7)**	**-**	**(4.7)**	(3.6)	-	(3.6)
Share-based payments (including social security costs)	**-**	**(2.1)**	**(2.1)**	-	(0.5)	(0.5)
Exceptional items (note 4)	**-**	**(3.7)**	**(3.7)**	-	(3.5)	(3.5)
Depreciation	**(0.3)**	**-**	**(0.3)**	(0.4)	-	(0.4)
Amortisation	**(1.8)**	**(2.3)**	**(4.1)**	(2.0)	-	(2.0)
Impairment of intangible assets	**-**	**-**	**-**	-	(13.0)	(13.0)
Other administration expenses	**(18.2)**	**-**	**(18.2)**	(13.0)	-	(13.0)
	(75.5)	**(8.1)**	**(83.6)**	(56.2)	(17.0)	(73.2)

3. Fees paid to auditors

	2017 £m	2016 £m
Audit fees in respect of the audit of the financial statements of the Company and the consolidated financial statements	**0.16**	0.10
Audit related assurance services	**0.02**	0.02
	0.18	0.12
Tax compliance services	**-**	0.05
Tax advisory services	**-**	0.03
Other assurance services	**0.29**	-
Services relating to corporate finance transactions	**0.06**	0.14
Total fees	**0.53**	0.34

4. Exceptional items from continuing operations

	2017 £m	2016 £m
Vacant property provision movements	**1.2**	(0.5)
Restructuring and redundancy costs	**1.1**	1.8
Acquisition and integration related costs	**1.4**	2.3
Profit on disposal of magazine titles and trademarks	**-**	(0.1)
Total charge	**3.7**	3.5

The vacant property provision movement during the year relates to surplus office space in the UK and the US.

The restructuring and redundancy costs relate mainly to staff termination payments and other restructuring activities.

The acquisition and integration related costs represent fees incurred in respect of the acquisitions and subsequent integrations of Miura (Holdings) Limited, the ultimate parent company of Imagine Publishing Limited, which was completed on 21 October 2016, and the home interest division of Centaur Media plc, which was completed on 1 August 2017. Further details in respect of the acquisitions are shown in note 29.

5. Employee costs from continuing operations

	Group 2017 £m	Company 2017 £m	Group 2016 £m	Company 2016 £m
Wages and salaries	**26.0**	**0.3**	21.3	0.2
Social security costs	**2.5**	**-**	2.0	-
Other pension costs	**0.6**	**-**	0.7	-
Share schemes				
- Value of employees' services	**1.8**	**-**	0.5	-
Total employee costs from continuing operations	**30.9**	**0.3**	24.5	0.2

Average monthly number of people for continuing operations (including Directors)	Group 2017 No.	Company 2017 No.	Group 2016 No.	Company 2016 No.
Production	**471**	**-**	399	-
Administration	**111**	**4**	89	4
Total	**582**	**4**	488	4

At 30 September 2017, the actual number of people employed by the Group was 634 (2016: 449). In respect of our reportable segments 592 (2016: 390) were employed in the UK and 42 (2016: 59) were employed in the US.

Key management personnel compensation

	Group 2017 £m	Company 2017 £m	Group 2016 £m	Company 2016 £m
Salaries and other short-term employee benefits	**1.4**	**0.3**	0.7	0.2
Post employment benefits	**0.1**	**-**	-	-
Share schemes				
- Value of employees' services	**1.3**	**-**	0.2	-
Total	**2.8**	**0.3**	0.9	0.2

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 and Penny Ladkin-Brand were paid by Future Publishing Limited, a subsidiary company, for their services. In 2017 £0.4m (2016: £0.3m) was recharged to Future plc by Future Publishing Limited in respect of Zillah Byng-Thorne and £0.2m (2016: £0.2m) was recharged in respect of Penny Ladkin-Brand.

Further details on the Directors' remuneration and interests are given in the Directors' remuneration report on pages 29 to 41. The highest paid Director during the year was Zillah Byng-Thorne (2016: Zillah Byng-Thorne) and details of her remuneration are shown on page 30.

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6. Finance income and costs

	2017 £m	2016 £m
Fair value gain on interest rate derivative not in a hedge relationship	**0.1**	-
Total finance income	**0.1**	-
Interest payable on interest-bearing loans and borrowings	**(0.4)**	(0.1)
Amortisation of bank loan arrangement fees	**(0.2)**	(0.1)
Other finance costs	**(0.1)**	(0.3)
Adjusted finance costs	**(0.7)**	(0.5)
Exchange losses	**-**	(0.2)
Total reported finance costs	**(0.7)**	(0.7)
Net finance costs from continuing operations	**(0.6)**	(0.7)

7. Tax on profit/(loss)

The tax credited in the consolidated income statement for continuing operations is analysed below:

	2017 £m	2016 £m
UK corporation tax		
Current tax at 19.5% (2016: 20%) on the profit/(loss) for the year	**0.6**	-
Adjustments in respect of previous years	**0.2**	1.3
Current tax	**0.8**	1.3
Deferred tax origination and reversal of temporary differences		
Current year credit	**(2.0)**	(1.6)
Adjustments in respect of previous years	**(0.2)**	(0.2)
Deferred tax	**(2.2)**	(1.8)
Total tax credit on continuing operations	**(1.4)**	(0.5)

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:

	2017 £m	2016 £m
Profit/(loss) before tax	**0.2**	(14.9)
Profit/(loss) before tax at the standard UK tax rate of 19.5% (2016: 20%)	**-**	(3.0)
Non-deductible amortisation & impairment	**-**	2.6
Losses not previously recognised	**(0.7)**	-
Losses and other timing differences recognised in respect of tax in the US	**(1.3)**	(1.4)
Profits relieved against brought forward losses	**-**	(0.2)
Other net disallowable items	**0.6**	0.4
Adjustments in respect of previous years	**-**	1.1
Total tax credit on continuing operations	**(1.4)**	(0.5)

In 2013 the Group reached agreement with HMRC relating to the tax treatment of certain one-off transactions which took place in 2003. Part of that agreement will result in the Group paying tax of £6.2m plus interest (comprising instalments of £85,000 per month over five years from July 2013 and a final instalment of £2.0m). The tax payable was fully provided for in prior years' financial statements.

The prior year adjustment in 2016 reflects a reassessment of the availability of EU Group loss relief available to the Group as a result of the additional uncertainty surrounding the impact of the Brexit vote on the success of the claims.

The Directors have assessed the Group's uncertain tax positions and are comfortable that the provisions in place are not material either individually or in aggregate and that a reasonably possible change in the next financial year would not have material impact on the results of the Group.

8. Dividends

Equity dividends	2017	Restated 2016*
Number of shares in issue at end of year (million)	**45.4**	24.6
Dividends paid in year (pence per share)	**-**	-
Dividends paid in year (£m)	**-**	-

** The prior year comparatives have been restated to reflect the 15:1 share consolidation completed on 2 February 2017.*

9. Earnings per share

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.

On 2 February 2017, the Company issued one new Ordinary share of 15 pence for each 15 existing Ordinary shares of 1 pence following completion of a share consolidation. The weighted average number of shares in issue for all periods has been adjusted for the share consolidation.

Adjusted earnings per share remove the effect of share-based payments, exceptional items, amortisation of intangible assets arising on acquisitions, impairment of intangible assets, exchange losses included in finance costs and any related tax effects from the calculation.

Total Group	2017	Restated 2016
Adjustments to profit/(loss) after tax:		
Profit/(loss) after tax (£m)	**1.6**	(14.2)
Share-based payments (including social security costs) (£m)	**2.1**	0.5
Exceptional items (£m)	**3.7**	3.2
Amortisation of intangible assets arising on acquisitions (£m)	**2.3**	-
Impairment of intangible assets (£m)	**-**	13.0
Exchange losses included in finance costs (£m)	**-**	0.2
Tax effect of the above adjustments (£m)	**(1.1)**	(0.5)
Adjusted profit after tax (£m)	**8.6**	2.2
Weighted average number of shares in issue during the year:		
- Basic	**37,093,344**	24,165,768
- Dilutive effect of share options	**3,878,185**	871,639
- Diluted	**40,971,529**	25,037,407
Basic earnings/(loss) per share (in pence)	**4.3**	(58.8)
Adjusted basic earnings per share (in pence)	**23.2**	9.1
Diluted earnings/(loss) per share (in pence)	**3.9**	(58.8)
Adjusted diluted earnings per share (in pence)	**21.0**	8.8
The adjustments to profit/(loss) after tax have the following effect:		
Basic earnings/(loss) per share (pence)	**4.3**	(58.8)
Share-based payments (including social security costs) (pence)	**5.7**	2.1
Exceptional items (pence)	**10.0**	13.3
Amortisation of intangible assets arising on acquisitions (pence)	**6.2**	-
Impairment of intangible assets (pence)	**-**	53.8
Exchange losses included in finance costs (pence)	**-**	0.8
Tax effect of the above adjustments (pence)	**(3.0)**	(2.1)
Adjusted basic earnings per share (pence)	**23.2**	9.1
Diluted earnings/(loss) per share (pence)	**3.9**	(58.8)
Share-based payments (including social security costs) (pence)	**5.2**	2.1
Exceptional items (pence)	**9.0**	13.3
Amortisation of intangible assets arising on acquisitions (pence)	**5.6**	-
Impairment of intangible assets (pence)	**-**	53.4
Exchange losses included in finance costs (pence)	**-**	0.8
Tax effect of the above adjustments (pence)	**(2.7)**	(2.0)
Adjusted diluted earnings per share (pence)	**21.0**	8.8

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9. Earnings per share (continued)

Continuing operations	2017	Restated 2016
Adjustments to profit/(loss) after tax:		
Profit/(loss) after tax (£m)	**1.6**	(14.4)
Share-based payments (including social security costs) (£m)	**2.1**	0.5
Exceptional items (£m)	**3.7**	3.5
Amortisation of intangible assets arising on acquisitions (£m)	**2.3**	-
Impairment of intangible assets (£m)	**-**	13.0
Exchange losses included in finance costs (£m)	**-**	0.2
Tax effect of the above adjustments (£m)	**(1.1)**	(0.5)
Adjusted profit after tax (£m)	**8.6**	2.3
Weighted average number of shares in issue during the year:		
- Basic	**37,093,344**	24,165,768
- Dilutive effect of share options	**3,878,185**	871,639
- Diluted	**40,971,529**	25,037,407
Basic earnings/(loss) per share (in pence)	**4.3**	(59.6)
Adjusted basic earnings per share (in pence)	**23.2**	9.5
Diluted earnings/(loss) per share (in pence)	**3.9**	(59.6)
Adjusted diluted earnings per share (in pence)	**21.0**	9.2
The adjustments to profit/(loss) after tax have the following effect:		
Basic earnings/(loss) per share (pence)	**4.3**	(59.6)
Share-based payments (including social security costs) (pence)	**5.7**	2.1
Exceptional items (pence)	**10.0**	14.5
Amortisation of intangible assets arising on acquisitions (pence)	**6.2**	-
Impairment of intangible assets (pence)	**-**	53.8
Exchange losses included in finance costs (pence)	**-**	0.8
Tax effect of the above adjustments (pence)	**(3.0)**	(2.1)
Adjusted basic earnings per share (pence)	**23.2**	9.5
Diluted earnings/(loss) per share (pence)	**3.9**	(59.6)
Share-based payments (including social security costs) (pence)	**5.2**	2.1
Exceptional items (pence)	**9.0**	14.5
Amortisation of intangible assets arising on acquisitions (pence)	**5.6**	-
Impairment of intangible assets (pence)	**-**	53.4
Exchange losses included in finance costs (pence)	**-**	0.8
Tax effect of the above adjustments (pence)	**(2.7)**	(2.0)
Adjusted diluted earnings per share (pence)	**21.0**	9.2

10. Property, plant and equipment

Group	Land and buildings £m	Plant and machinery £m	Equipment, fixtures and fittings £m	Total £m
Cost				
At 1 October 2015	1.6	5.2	1.8	8.6
Additions	-	0.3	-	0.3
Disposals	(1.1)	(2.4)	(1.6)	(5.1)
Exchange adjustments	-	0.2	0.1	0.3
At 30 September 2016	**0.5**	**3.3**	**0.3**	**4.1**
Additions through business combinations	**-**	**0.1**	**-**	**0.1**
Other additions	**0.2**	**0.2**	**0.3**	**0.7**
At 30 September 2017	**0.7**	**3.6**	**0.6**	**4.9**
Accumulated depreciation				
At 1 October 2015	(1.4)	(4.9)	(1.7)	(8.0)
Charge for the year	-	(0.3)	(0.1)	(0.4)
Disposals	1.1	2.3	1.6	5.0
Exchange adjustments	-	(0.2)	-	(0.2)
At 30 September 2016	**(0.3)**	**(3.1)**	**(0.2)**	**(3.6)**
Charge for the year	**-**	**(0.2)**	**(0.1)**	**(0.3)**
At 30 September 2017	**(0.3)**	**(3.3)**	**(0.3)**	**(3.9)**
Net book value at 30 September 2017	**0.4**	**0.3**	**0.3**	**1.0**
Net book value at 30 September 2016	0.2	0.2	0.1	0.5
Net book value at 1 October 2015	0.2	0.3	0.1	0.6

Depreciation is included within administration expenses in the consolidated income statement.

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11. Intangible assets

Group	Goodwill £m	Magazine and website £m	Other £m	Total £m
Cost				
At 1 October 2015	287.5	12.4	14.8	314.7
Additions through business combinations	1.5	1.1	-	2.6
Other additions	-	-	1.7	1.7
Disposals	-	(0.2)	(0.2)	(0.4)
Exchange adjustments	4.9	1.0	1.2	7.1
At 30 September 2016	**293.9**	**14.3**	**17.5**	**325.7**
Additions through business combinations	**36.6**	**25.5**	**0.1**	**62.2**
Other additions	**-**	**-**	**1.5**	**1.5**
Adjustments to fair value on prior year acquisitions	**(0.2)**	**-**	**-**	**(0.2)**
Disposals	**-**	**(1.4)**	**-**	**(1.4)**
Exchange adjustments	**(1.1)**	**(0.2)**	**(0.3)**	**(1.6)**
At 30 September 2017	**329.2**	**38.2**	**18.8**	**386.2**
Accumulated amortisation				
At 1 October 2015	(246.6)	(12.4)	(11.9)	(270.9)
Charge for the year	-	-	(2.0)	(2.0)
Impairment	(13.0)	-	-	(13.0)
Disposals	-	0.2	0.2	0.4
Exchange adjustments	(4.8)	(1.0)	(1.2)	(7.0)
At 30 September 2016	**(264.4)**	**(13.2)**	**(14.9)**	**(292.5)**
Charge for the year	**-**	**(2.3)**	**(1.8)**	**(4.1)**
Disposals	**-**	**1.1**	**-**	**1.1**
Exchange adjustments	**1.0**	**0.2**	**0.4**	**1.6**
At 30 September 2017	**(263.4)**	**(14.2)**	**(16.3)**	**(293.9)**
Net book value at 30 September 2017	**65.8**	**24.0**	**2.5**	**92.3**
Net book value at 30 September 2016	29.5	1.1	2.6	33.2
Net book value at 1 October 2015	40.9	-	2.9	43.8

Magazine and website related assets relate mainly to trademarks, advertising relationships, publishing rights and customer lists. These assets are amortised over their estimated economic lives, typically ranging between one and ten years.

Any residual amount arising as a result of the purchase consideration being in excess of the value of identified magazine related 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 are set out in note 29.

Other intangibles relate to capitalised software costs and website development costs.

Amortisation is included within administration expenses in the consolidated income statement.

Impairment assessments for goodwill

The net book value of goodwill at both 30 September 2017 and 30 September 2016 relates to the UK.

The basis for calculating recoverable amounts is described in the accounting policies.

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.

11. Intangible assets (continued)

Other assumptions that influence estimated recoverable amounts are set out below:

At 30 September 2017

	UK
Basis of recoverable amount Source used	Value in use Five year plans Discounted cash flow
Growth rate to perpetuity	2.0%
EBITDA margins assumed	12.0% to 12.9%
Post-tax discount rate	7.7%
Pre-tax discount rate	9.4%

At 30 September 2016

	UK
Basis of recoverable amount Source used	Value in use Five year plans Discounted cash flow
Growth rate to perpetuity	2.0%
EBITDA margins assumed	2.4% to 3.7%
Post-tax discount rate	8.2%
Pre-tax discount rate	10.3%

Sensitivity of recoverable amounts
At 30 September 2017 the analysis of the recoverable amounts gave rise to the following assessments of sensitivity:

The value in use of the UK business exceeded the carrying value by £43.3m. A change of plus or minus 50 basis points in the post-tax discount rate would decrease or increase respectively the recoverable amount by £8.7m. Likewise a change of plus or minus 10% in the forecast cash flows over the next five years would increase or decrease respectively the recoverable amount by £11.7m.

Goodwill is not considered to be impaired at 30 September 2017.

Impairment
At 30 September 2016 an impairment charge of £13.0m was taken against the carrying value of the UK business. This reflected a shift in the underlying profitability and cash flows of the UK and the continued decline of print.

12. Investments in Group undertakings

Company	2017 £m	2016 £m
Shares in Group undertakings		
At 1 October	**1.0**	131.9
Additions	**18.5**	-
Provision for impairment	**-**	(130.9)
At 30 September	**19.5**	1.0

Additions of £16.7m during the year relate to the acquisition of Miura (Holdings) Limited, the holding company and ultimate parent company of Imagine Publishing Limited, and the subsequent capitalisation of an intercompany balance owed to the Company. Following the acquisition, the trade and assets of Imagine Publishing Limited were transferred to Future Publishing Limited, a fellow subsidiary undertaking, and a group re-organisation effected to settle all intercompany balances between the companies acquired and the rest of the Group. The investment held by the Company was subsequently re-designated as an investment in Future Holdings 2002 Limited, the parent company of Future Publishing Limited.

The remaining addition of £1.8m 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.

The Directors believe that the carrying values of the investments are supported by their underlying assets.

In September 2016, following a review of the valuation of the Company's investments and the receipt of a dividend of £130.9m, the Company's investment in Rho Holdings Limited was written down to a carrying value of £nil resulting in an impairment charge of £130.9m.

13. 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	Short term timing differences £m	Depreciation vs tax allowances £m	Tax losses £m	Total £m
At 1 October 2015	(0.7)	-	-	0.4	0.1	(0.2)
Acquisitions	(0.3)	-	-	-	-	(0.3)
Credited to income statement – Continuing operations	0.1	-	0.2	0.1	1.4	1.8
Exchange adjustment	-	-	-	-	0.2	0.2
At 30 September 2016	**(0.9)**	**-**	**0.2**	**0.5**	**1.7**	**1.5**
Acquisitions	**(4.3)**	**-**	**-**	**-**	**-**	**(4.3)**
Credited to income statement – Continuing operations	**0.6**	**0.3**	**-**	**0.1**	**1.2**	**2.2**
Credited to equity	**-**	**0.5**	**-**	**-**	**-**	**0.5**
Exchange adjustment	**-**	**-**	**-**	**-**	**(0.1)**	**(0.1)**
At 30 September 2017	**(4.6)**	**0.8**	**0.2**	**0.6**	**2.8**	**(0.2)**

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:

	2017 £m	2016 £m
Deferred tax assets	**4.4**	2.4
Deferred tax liabilities	**(4.6)**	(0.9)
Net deferred tax (liability)/asset	**(0.2)**	1.5

The deferred tax asset of £4.4m (2016: £2.4m) is disclosed as a non-current asset of which the assets due within one year total £0.4m (2016: £0.1m). The deferred tax liability of £4.6m (2016: £0.9m) is disclosed as a non-current liability of which the liabilities due within one year total £0.7m (2016: £nil).

As at 30 September 2017 the Group has:
- unprovided tax losses totalling £33.1m (2016: £38.3m) of which £29.0m (2016: £34.9m) arose in the US; and
- unprovided other temporary differences in the US totalling £2.0m (2016: £2.8m).

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.

13. Deferred tax (continued)

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.

The deferred tax asset of £0.8m (2016: £nil) 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 2017 (2016: £nil).

14. Inventories

	2017 £m	2016 £m
Raw materials	**0.2**	0.1
Work in progress	**0.5**	0.3
Total	**0.7**	0.4

The cost of raw material inventories recognised as an expense and included within cost of sales amounted to £5.4m (2016: £3.5m).

15. Trade and other receivables

	Group 2017 £m	**Company 2017 £m**	Group 2016 £m	Company 2016 £m
Current assets:				
Trade receivables	**11.9**	**-**	9.2	-
Provisions for impairment of trade receivables	**(2.2)**	**-**	(0.6)	-
Trade receivables net	**9.7**	**-**	8.6	-
Amounts owed by Group undertakings	**-**	**74.4**	-	43.4
Other receivables	**0.4**	**-**	0.3	-
Prepayments and accrued income	**3.5**	**-**	3.3	0.1
	13.6	**74.4**	12.2	43.5
Non-current assets:				
Other receivables	**-**	**-**	0.2	-
Total	**13.6**	**74.4**	12.4	43.5

The Directors consider that the carrying amount of trade and other receivables approximates their fair value.

Receivable balances from the Group's two main magazine distributors, one in the UK segment and one in the US segment, represented 13% (2016: 26%) of the Group's trade receivables balance at 30 September 2017.

The Group has provided for estimated irrecoverable amounts in accordance with its accounting policy described on page 58 of these financial statements.

Credit checks are obtained and, if applicable, guarantees put in place before a new customer is accepted and terms and credit limits are agreed. Bookings are not taken before these factors have been fulfilled. In addition, annual credit checks are carried out and fully documented. Final decisions on credit terms are made by an appropriate senior manager within advertising or finance. In the event of a request to increase a customer's credit limit the following factors will be considered: trading history to date, review of credit status and review of the reason for the increase.

Included within the Group's trade receivables balance are receivables with a carrying amount of £4.6m (2016: £3.0m) which are past due at the reporting date but for which the Group has not provided as there has not been a significant change in credit quality and the Group believes that the amounts are still recoverable. These relate to advertising and licensing debtors in the UK and US. The Group does not hold any security over these balances. A breakdown of the ageing is set out below:

Past due	**Group 2017 £m**	Group 2016 £m
0-30 days	**2.9**	1.6
31-60 days	**1.3**	0.8
61-90 days	**0.3**	0.3
91+ days	**0.1**	0.3
Total	**4.6**	3.0

15. Trade and other receivables (continued)

As at 30 September 2017, trade receivables of £2.2m (2016: £0.6m) were impaired and provided for. The individually impaired receivables mainly relate to advertising, events and licensing customers. It is assessed that a portion of the receivables is expected to be recovered.

The movement in the Group provision for trade receivables during the year is as follows:

	Group 2017 £m	Group 2016 £m
At 1 October	**0.6**	0.6
Provision for receivables impaired	**0.5**	0.1
On acquisition	**1.3**	-
Receivables written off during the year	**(0.2)**	(0.1)
At 30 September	**2.2**	0.6

The creation and release of provisions for impaired receivables have been included in administration expenses in the income statement. Amounts charged to the provision are written off when there is no realistic expectation of recovering additional cash.

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

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, with the exception of £0.1m in 2016 relating to prepaid share issue costs, and no additional disclosure in relation to credit risk is required. Interest on £0.3m (2016: £0.3m) of the amounts owed by Group undertakings has been charged at three-month LIBOR + 2.6%. The balance of amounts owed by Group undertakings is interest-free without any terms for repayment.

16. Cash and cash equivalents

	Group 2017 £m	**Company 2017 £m**	Group 2016 £m	Company 2016 £m
Cash at bank and in hand	**10.1**	**0.7**	2.9	-
Cash and cash equivalents (excluding bank overdraft)	**10.1**	**0.7**	2.9	-

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

	Group 2017 £m	**Company 2017 £m**	Group 2016 £m	Company 2016 £m
Cash at bank and in hand	**10.1**	**0.7**	2.9	-
Bank overdraft (note 18)	**-**	**-**	-	(1.0)
Cash and cash equivalents	**10.1**	**0.7**	2.9	(1.0)

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 bankers before selecting them by the use of external credit ratings. All of the Group's cash at bank is held at counterparties with an S+P credit rating of at least BBB+.

17. Trade and other payables

	Group 2017 £m	**Company 2017 £m**	Group 2016 £m	Company 2016 £m
Trade payables	**2.5**	**-**	4.4	-
Amounts owed to Group undertakings	**-**	**0.7**	-	0.8
Other taxation and social security	**0.9**	**-**	0.8	-
Other payables	**0.7**	**-**	0.8	-
Accruals and deferred income	**25.8**	**0.2**	15.4	1.6
Total	**29.9**	**0.9**	21.4	2.4

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.

18. Financial liabilities – loans, borrowings and overdrafts

Non-current liabilities

	Interest rate at 30 September 2017	Interest rate at 30 September 2016	**Group 2017 £m**	**Company 2017 £m**	Group 2016 £m	Company 2016 £m
Sterling term loan	**2.8%**	-	**10.0**	**10.0**	-	-
Sterling revolving loan	**2.8%**	-	**6.9**	**6.9**	-	-
			16.9	**16.9**	-	-
Obligations under finance leases	**-**	9.6%	**-**	**-**	0.1	-
Total			**16.9**	**16.9**	0.1	-

Current liabilities

	Interest rate at 30 September 2017	Interest rate at 30 September 2016	**Group 2017 £m**	**Company 2017 £m**	Group 2016 £m	Company 2016 £m
Sterling term loan	**2.8%**	-	**1.8**	**1.8**	-	-
Sterling revolving loan	**2.8%**	2.5%	**1.3**	**1.3**	2.3	2.3
			3.1	**3.1**	2.3	2.3
Obligations under finance leases	**0.0%**	-	**0.1**	**-**	-	-
Total			**3.2**	**3.1**	2.3	2.3

The interest-bearing loans are repayable as follows:

	Group 2017 £m	**Company 2017 £m**	Group 2016 £m	Company 2016 £m
Within one year	**3.2**	**3.1**	2.3	2.3
Between one and two years	**3.3**	**3.3**	0.1	-
Between two and five years	**13.6**	**13.6**	-	-
Total	**20.1**	**20.0**	2.4	2.3

18. Financial liabilities – loans, borrowings and overdrafts (continued)

On 21 October 2016, following the acquisition of Imagine, the Group negotiated a new bank facility with HSBC Bank plc to replace its previous facility with Santander plc. This new facility was subsequently amended and restated in August 2017 following the home interest acquisition. The total multicurrency revolving and overdraft facility available to the Group at 30 September 2017 amounted to £25.4m, comprising a £12.0m term loan, a total of £11.4m revolving credit facilities and a £2.0m uncommitted overdraft facility. The new facilities run to 23 June 2021. Repayments required in respect of the facilities are as follows:

Repayment date	Repayment amount
30 September 2017*	£600,000
30 September 2018	£2,600,000
30 September 2019	£3,400,000
30 September 2020	£4,850,000
23 June 2021	£14,550,000

**£0.6m was due to be repaid on 30 September 2017 however this was not taken by the bank until October 2017.*

The Group has granted security to the bank and the availability of the facility is subject to certain covenants.

Total fees relating to the new facility amounted to £0.7m and these are being amortised over the term of the facility. The bank borrowings and interest are guaranteed by Future plc, Future Holdings 2002 Limited, Future Publishing Limited, Future US, Inc, Future Publishing (Overseas) Limited and Next Commerce Pty Ltd.

Interest payable under the current credit facility is calculated as the cost of one-month LIBOR (currently approximately 0.5%) plus an interest margin of between 2.0% and 2.5%, dependent on the level of Bank EBITDA.

The key covenants are set out in the following table where net debt is exclusive of non-current tax and other payables and Bank EBITDA is not materially different to statutory EBITDA.

Net debt/Bank EBITDA	Periods from 31 March 2017 – less than 2.25 times
Bank EBITDA/Interest	Periods from 31 March 2017 – more than 4.00 times

The covenants are tested quarterly on the basis of rolling figures for the preceding 12 months and the covenant position at the year-end is set out in the following table:

	30 September 2017	Covenant
Net debt/Bank EBITDA	0.69 times	< 2.25 times
Bank EBITDA/Interest	37.28 times	> 4.00 times

The Company had not drawn down on its non-interest-bearing overdraft at 30 September 2017 (2016: £1.0m). Any draw down forms part of the Group cash pooling account and can be offset against cash balances in other Group companies.

19. Financial liabilities – derivatives

The Group acquired an interest rate swap as part of the Imagine acquisition. The swap was originally entered into by Skaro (Holdings) Limited and was transferred into the name of the Company following the acquisition.

The fair value of the swap at 30 September 2017 was £0.1m using Level 2 – inputs that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

20. Provisions

Group	Property £m
At 1 October 2016	1.5
On acquisition	0.1
Charged in the year	1.4
Released in the year	(0.1)
Utilised in the year	(0.3)
At 30 September 2017	**2.6**

The provision for property relates to dilapidations and obligations under short leasehold agreements on vacant property. The vacant property provision is expected to be utilised over the next ten years.

Provisions for the Company were £nil (2016: £nil).

21. Other non-current liabilities

Group	**2017 £m**	2016 £m
Other payables	**0.6**	0.5

Other payables consist mainly of deferred property lease liabilities.

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22. Financial instruments

Financial instruments by category

The Group's financial assets and financial liabilities are set out below:

		Fair value	Amortised cost		2017	
Group	Note	**Derivatives £m**	**Loans and receivables £m**	**Other liabilities £m**	**Total carrying value £m**	**Total fair value £m**
Trade receivables net	15	**-**	**9.7**	**-**	**9.7**	**9.7**
Other receivables		**-**	**1.4**	**-**	**1.4**	**1.4**
Cash and cash equivalents	16	**-**	**10.1**	**-**	**10.1**	**10.1**
Total financial assets		**-**	**21.2**	**-**	**21.2**	**21.2**
Trade payables	17	**-**	**-**	**(2.5)**	**(2.5)**	**(2.5)**
Other liabilities		**-**	**-**	**(14.4)**	**(14.4)**	**(14.4)**
Current borrowings	18	**-**	**-**	**(3.2)**	**(3.2)**	**(3.2)**
Non-current borrowings	18	**-**	**-**	**(16.9)**	**(16.9)**	**(16.9)**
Derivatives	19	**(0.1)**	**-**	**-**	**(0.1)**	**(0.1)**
Total financial liabilities		**(0.1)**	**-**	**(37.0)**	**(37.1)**	**(37.1)**

		Amortised cost		2016	
Group	Note	**Loans and receivables £m**	**Other liabilities £m**	**Total carrying value £m**	**Total fair value £m**
Trade receivables net	15	8.6	-	8.6	8.6
Other receivables		1.7	-	1.7	1.7
Cash and cash equivalents	16	2.9	-	2.9	2.9
Total financial assets		13.2	-	13.2	13.2
Trade payables	17	-	(4.4)	(4.4)	(4.4)
Other liabilities		-	(10.3)	(10.3)	(10.3)
Current borrowings	18	-	(2.3)	(2.3)	(2.3)
Non-current borrowings	18	-	(0.1)	(0.1)	(0.1)
Total financial liabilities		-	(17.1)	(17.1)	(17.1)

Total financial liabilities are shown net of unamortised costs which amounted to £0.6m (2016: £0.1m).

22. Financial instruments (continued)

The Company's financial assets and liabilities are set out below:

		Fair value	Amortised cost		2017	
Company	Note	Derivatives £m	Loans and receivables £m	Other liabilities £m	Total carrying value £m	Total fair value £m
Other receivables	15	-	**74.4**	-	**74.4**	**74.4**
Cash and cash equivalents	16	-	**0.7**	-	**0.7**	**0.7**
Total financial assets		-	**75.1**	-	**75.1**	**75.1**
Other liabilities	17	-	-	**(0.9)**	**(0.9)**	**(0.9)**
Current borrowings	18	-	-	**(3.1)**	**(3.1)**	**(3.1)**
Non-current borrowings	18	-	-	**(16.9)**	**(16.9)**	**(16.9)**
Derivatives	19	**(0.1)**	-	-	**(0.1)**	**(0.1)**
Total financial liabilities		**(0.1)**	-	**(20.9)**	**(21.0)**	**(21.0)**

		Amortised cost		2016	
Company	Note	Loans and receivables £m	Other liabilities £m	Total carrying value £m	Total fair value £m
Other receivables	15	43.4	-	43.4	43.4
Total financial assets		43.4	-	43.4	43.4
Other liabilities	17	-	(2.4)	(2.4)	(2.4)
Overdrafts	18	-	(1.0)	(1.0)	(1.0)
Current borrowings	18	-	(2.3)	(2.3)	(2.3)
Total financial liabilities		-	(5.7)	(5.7)	(5.7)

Total financial liabilities are shown net of unamortised costs which amounted to £0.6m (2016: £0.1m).

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 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 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.

22. Financial instruments (continued)

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	Fixed rate £m	Non-interest bearing £m	Total £m	Net financial (liabilities)/ assets £m
At 30 September 2017							
Currency:							
Sterling	**12.1**	**12.1**	**(20.0)**	**(0.1)**	**(13.5)**	**(33.6)**	**(21.5)**
US Dollar	**7.6**	**7.6**	**-**	**-**	**(2.9)**	**(2.9)**	**4.7**
Euro	**0.2**	**0.2**	**-**	**-**	**(0.1)**	**(0.1)**	**0.1**
Other	**1.3**	**1.3**	**-**	**-**	**(0.5)**	**(0.5)**	**0.8**
Total	**21.2**	**21.2**	**(20.0)**	**-**	**(17.1)**	**(37.1)**	**(15.9)**
At 30 September 2016							
Currency:							
Sterling	4.1	4.1	(2.3)	(0.1)	(10.2)	(12.6)	(8.5)
US Dollar	7.5	7.5	-	-	(3.2)	(3.2)	4.3
Euro	0.4	0.4	-	-	(0.2)	(0.2)	0.2
Other	1.2	1.2	-	-	(1.1)	(1.1)	0.1
Total	13.2	13.2	(2.3)	(0.1)	(14.7)	(17.1)	(3.9)

Interest rate risk
Details of the interest rates on borrowings as at 30 September 2017 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, although it inherited an interest rate swap as part of the Imagine acquisition, as at 30 September 2017 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 2017, 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 £0.1m (2016: £nil).

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. The use of forward contracts (or any other derivative financial instrument) is subject to authorisation by the Chief Financial Officer.

Translation exposure – the Group matches currency assets with currency liabilities wherever possible.

22. Financial instruments (continued)

The following table summarises the Group's sensitivity to translational currency exposures at 30 September:

2017 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	**(0.3)**
Impact on profit after tax if Currency 1 weakens against Currency 2	**0.3**
Impact on equity excluding retained earnings if Currency 1 strengthens against Currency 2	**0.3**
Impact on equity excluding retained earnings if Currency 1 weakens against Currency 2	**(0.3)**

2016 currency risks expressed in Currency 1/Currency 2 £m	GBP/USD
Reasonable shift	10%
Impact on loss after tax if Currency 1 strengthens against Currency 2	(0.5)
Impact on loss after tax if Currency 1 weakens against Currency 2	0.5
Impact on equity excluding retained earnings if Currency 1 strengthens against Currency 2	0.5
Impact on equity excluding retained earnings if Currency 1 weakens against Currency 2	(0.5)

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 2017	**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	**(2.5)**	**-**	**-**	**-**	**(2.5)**
Other liabilities	**(12.6)**	**(0.6)**	**(0.9)**	**(0.3)**	**(14.4)**
Borrowings	**(3.2)**	**(3.3)**	**(13.6)**	**-**	**(20.1)**
Derivatives	**(0.1)**	**-**	**-**	**-**	**(0.1)**
Total financial liabilities	**(18.4)**	**(3.9)**	**(14.5)**	**(0.3)**	**(37.1)**

30 September 2016	**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	(4.4)	-	-	-	(4.4)
Other liabilities	(9.2)	(0.1)	(1.0)	-	(10.3)
Borrowings	(2.3)	(0.1)	-	-	(2.4)
Total financial liabilities	(15.9)	(0.2)	(1.0)	-	(17.1)

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23. Issued share capital

	2017		Restated 2016	
	Number of shares	**£m**	Number of shares	£m
Allotted, issued and fully paid Ordinary shares of 15p each				
At beginning of year	**24,583,908**	**3.7**	22,296,085	3.3
Issued as consideration for acquisition	**11,971,189**	**1.8**	-	-
Placing of Ordinary shares	**8,800,000**	**1.3**	2,229,333	0.4
Share scheme exercises	**37,392**	**-**	57,460	-
Share Incentive Plan matching shares	**325**	**-**	1,030	-
At end of year	**45,392,814**	**6.8**	24,583,908	3.7

On 2 February 2017, the Company issued one new Ordinary share of 15 pence for each 15 existing Ordinary shares of one pence following completion of a share consolidation. Prior year comparatives have been restated on this basis.

On 21 October 2016, the Company issued 11,971,189 Ordinary shares with a nominal value of £1,795,678 as consideration for the acquisition of Miura (Holdings) Limited, the holding company and ultimate parent company of Imagine Publishing Limited. On 7 July 2017, the Company completed a placing of 8,800,000 Ordinary shares with a nominal value of £1,320,000 for a total cash commitment of £22,000,000 in order to fund the home interest acquisition, further details of which are shown in note 29. During the year 37,392 Ordinary shares with a nominal value of £5,609 were issued by the Company pursuant to share scheme exercises and a further 325 Ordinary shares were issued under the Share Incentive Plan for a combined total cash commitment of £40,312, as detailed in note 24.

In 2016 the Company completed a placing of 2,229,333 Ordinary shares with a nominal value of £334,400 for a total cash commitment of £3,344,000, issued 57,460 Ordinary shares with a nominal value of £8,619 pursuant to share scheme exercises and issued a further 1,030 Ordinary shares under the Share Incentive Plan for a combined cash commitment of £nil, as detailed in note 24.

24. Share-based payments

The income statement charge for the year for share-based payments was £1.8m (2016: £0.5m). 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 Network plc 1999 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, where prior year comparatives have been restated to reflect the share consolidation in February 2017:

	2017 Number of options/awards	**2017 Weighted average exercise price**	Restated 2016 Number of options/awards	Restated 2016 Weighted average exercise price
Outstanding at the beginning of the year	**1,389,633**	**£0.049**	1,078,814	£0.187
Granted	**3,956,118**	**£0.000**	787,115	£0.000
Share awards exercised – new share issues	**(37,392)**	**£1.078**	(57,460)	£0.000
Lapsed	**(1,037,300)**	**£0.026**	(418,836)	£0.320
Outstanding at 30 September	**4,271,059**	**£0.000**	1,389,633	£0.049
Exercisable at 30 September	**13,121**	**£0.000**	23,287	£0.000

The weighted average share price at the date of exercise of share options and other share incentive awards during the year was £2.150 (2016: £1.314).

24. Share-based payments (continued)

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 exercise price		Weighted average remaining contractual life in years	
	2017	Restated 2016	**2017**	Restated 2016	**2017**	2016
Sharesave Plan						
December 2013	**-**	34,700	**£1.950**	£1.950	**-**	1
PSP						
December 2013	**-**	143,734	**-**	-	**-**	-
July 2014	**166,667**	166,667	**-**	-	**-**	1
February 2015	**127,889**	247,824	**-**	-	**-**	1
May 2015	**69,799**	69,799	**-**	-	**1**	2
August 2015	**109,856**	109,856	**-**	-	**1**	2
November 2015	**322,894**	425,925	**-**	-	**1**	2
September 2016	**80,525**	161,049	**-**	-	**2**	3
November 2016	**1,546,732**	-	**-**	-	**2**	-
February 2017	**1,833,576**	-	**-**	-	**2**	-
DABS						
November 2009	**69**	69	**-**	-	**-**	-
December 2010	**393**	393	**-**	-	**-**	-
January 2012	**1,686**	1,686	**-**	-	**-**	-
December 2012	**470**	470	**-**	-	**-**	-
December 2013	**1,706**	6,803	**-**	-	**-**	-
November 2015	**8,797**	20,658	**-**	-	**-**	-
Total outstanding at 30 September	**4,271,059**	1,389,633	**-**	£0.049	**2**	2

The fair value per share for grants made during the year and the assumptions used in the calculation are as follows:

	2017		Restated 2016		
	PSP	**PSP**	DABS	PSP	PSP
Grant date	**23/11/16**	**02/02/17**	30/11/15	30/11/15	01/09/16
Share price at grant date	**£1.3335**	**£1.7950**	£1.6313	£1.6313	£1.3125
Exercise price	**-**	**-**	-	-	-
Vesting period (years)	**3**	**3**	1	3	3
Expected volatility	**40%**	**37%**	50%	50%	49%
Option life (years)	**3**	**3**	1	3	3
Expected life (years)	**3**	**3**	1	3	3
Risk-free rate	**0%**	**0%**	0%	1%	0%
Dividend yield	**-**	**-**	-	-	-
Fair value	**£0.8716**	**£1.3752**	£1.6313	£1.6313	£1.3125
Fair value – EBITDA element	**£1.3335**	**£1.7950**	-	-	-
Fair value – share price element	**£0.4097**	**£0.9554**	-	-	-
Fair value – EPS element	**-**	**-**	-	£1.6313	£1.3125
Fair value – cash element	**-**	**-**	-	£1.6313	£1.3125

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 total shareholder return and share price performance, the Group has used a Monte Carlo model to determine the fair value. The Black-Scholes model has been used to value all options with the exception of 50% of certain PSP grants which have market-based performance criteria; the Monte Carlo model has been used to value these awards.
3. In July 2017, the performance criteria in respect of the award granted in July 2014 were changed from TSR performance and EPS growth to net cash flow and absolute EPS. The fair value of this award has been recalculated as at the date of the change.
4. Prior year comparatives have been restated to reflect the share consolidation in February 2017.

Future plc operates one share option scheme being the Future plc 2010 Approved Sharesave Plan (2010 Sharesave Plan) and at 30 September 2017 there were no options outstanding under this scheme.

24. Share-based payments (continued)

The 2010 Sharesave Plan (the Sharesave Plan)
Under the Sharesave Plan the option entitlement granted to participating employees is linked to the monthly contributions which such employees have agreed to pay into the Sharesave Plan (up to a maximum amount of £250 per month). The options granted under the Sharesave Plan vest on the third anniversary of the grant of such options. Where legal and regulatory constraints permit, the Company uses its discretion to offer options granted under the Sharesave Plan at a discount to the market price in force at the date of the invitation being made.

Other share-based payments
No further share options are to be granted. Instead, the Group has put into place a number of alternative share incentive schemes.

Performance Share Plan (PSP)
The PSP is a share-based incentive scheme open to the executive Directors and certain other key employees, 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), total shareholder return (TSR), net cash flow, adjusted EBITDA or 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 in December 2013

- A maximum of 50% of an award will vest if the Group's growth in adjusted EPS is equal to RPI plus 8%, 0% will vest if the Group's growth in adjusted EPS is equal to RPI plus 3%, and vesting will be on a pro rata straight-line basis between the two. If growth in the Group's adjusted EPS is less than RPI plus 3%, none of that 50% of the award will vest.

- The remaining 50% of the award will vest if the Company's TSR performance, compared to a group of similar companies, places it in the top quintile as against the comparator companies. If the Company's TSR performance is median, 12.5% of the award will vest, and vesting will be on a pro rata straight-line basis between the two points. If the Company's performance is below median, none of that 50% of the award will vest.

Performance criteria in respect of awards granted between 16 July 2014 and 29 November 2015

In July 2017, the Remuneration Committee exercised its discretion to change the performance criteria in respect of the award granted in July 2014 from TSR performance and EPS growth to net cash flow and absolute EPS in order to align the performance criteria for awards made to the executive Directors. The Committee also extended the vesting date of the award from 16 July 2017 to 27 November 2017. The performance criteria are as follows:

- A maximum of 50% of an award will vest if the Group's adjusted EPS for the year ended 30 September 2017 (the last financial year of the performance period) is 21.0p, 12.5% will vest if the Group's adjusted EPS is 15.0p, and vesting will be on a pro rata straight-line basis between the two. If the Group's adjusted EPS is below 15.0p, none of that 50% of the award will vest.

- The remaining 50% of the award will vest if the Group's net cash flow for the year ended 30 September 2017 (the last financial year of the performance period) is £1.25m, 12.5% will vest if the Group's net cash flow is £0.25m, and vesting will be on a pro rata straight-line basis between the two. If the Group's net cash flow is below £0.25m, none of that 50% of the award will vest.

Performance criteria in respect of awards granted between 30 November 2015 and 30 September 2016

- A maximum of 50% of an award will vest if the Group's adjusted EPS for the year ended 30 September 2018 (the last financial year of the performance period) is 22.5p, 12.5% will vest if the Group's adjusted EPS is 18.0p, and vesting will be on a pro rata straight-line basis between the two. If the Group's adjusted EPS is below 18.0p, none of that 50% of the award will vest.

- The remaining 50% of the award will vest if the Group's net cash flow for the year ended 30 September 2018 (the last financial year of the performance period) is £0.75m, 12.5% will vest if the Group's net cash flow is £(0.25)m, and vesting will be on a pro rata straight-line basis between the two. If the Group's net cash flow is below £(0.25)m, none of that 50% of the award will vest.

Performance criteria in respect of awards granted during the year ended 30 September 2017

- 25% of the award will vest if the Group's adjusted EBITDA for the year ended 30 September 2017 is at or above target. If the Group's adjusted EBITDA is below target, none of that 25% of the award will vest.

- 25% of the award will vest if the Group's adjusted EBITDA for the year ending 30 September 2018 is at or above target. If the Group's adjusted EBITDA is below target, none of that 25% of the award will vest.

- 25% of the award will vest if the Company's share price performance in the period from the date of grant to 30 September 2018 is at or above target. If the Company's share price performance is below target, none of that 25% of the award will vest.

- 25% of the award will vest if the Company's share price performance in the period from the date of grant to 30 September 2019 is at or above target. If the Company's share price performance is below target, none of that 25% of the award will vest.

Grants were made under the PSP in November 2015, September 2016, November 2016 and February 2017.

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. Unless the Remuneration Committee decides otherwise at the date of

24. Share-based payments (continued)

grant, the shares awarded under the DABS will vest six months after the date of the award, subject only to the employee remaining in the employment of the Group throughout the vesting period.

A grant was made under the DABS in November 2015.

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.

25. Reserves

Share premium account
Share premium represents the excess of proceeds received over the nominal value of new shares issued.

Group and Company	**2017 £m**	2016 £m
At 1 October	**27.6**	24.8
Premium arising on issue of equity shares	**20.7**	3.0
Costs of share issue	**(0.9)**	(0.2)
At 30 September	**47.4**	27.6

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 2017 £m	Group 2016 £m
At 1 October and 30 September	**(0.3)**	(0.3)

The 95,123 (2016 restated: 95,123) shares held by the EBT represent 0.2% (2016: 0.4%) of the Company's issued share capital. The treasury reserve is non-distributable.

Merger reserve

	Group 2017 £m	**Company 2017 £m**	Group 2016 £m	Company 2016 £m
At 1 October	**109.0**	**-**	109.0	-
Premium arising on equity shares issued as consideration	**13.6**	**13.6**	-	-
Costs of share issue	**(0.1)**	**(0.1)**	-	-
At 30 September	**122.5**	**13.5**	109.0	-

The movement in the merger reserve during the year relates to the premium on shares issued as consideration for the acquisition of Miura (Holdings) Limited in October 2016. Further details of the acquisition are set out in note 29.

The brought forward balance in the Group merger reserve of £109.0m (2016: £109.0m) arose following the 1999 Group reorganisation and is non-distributable.

26. 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 29 registered mutual funds supported by T. Rowe Price, the plan's service provider. 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, £0.6m (2016: £0.7m) contributions were made to these plans and at 30 September 2017 the outstanding balance due to be paid over to the plans was £0.1m (2016: £0.1m).

27. Commitments and contingent liabilities

(a) Operating lease commitments
At 30 September 2017, the Group had the following total future lease payments under non-cancellable operating leases:

	Land and buildings £m	**Other £m**	**Total 2017 £m**	Land and buildings £m	Other £m	Total 2016 £m
Within one year	**2.1**	**-**	**2.1**	2.2	-	2.2
Between one and five years	**7.4**	**-**	**7.4**	6.4	-	6.4
After five years	**6.5**	**-**	**6.5**	7.0	-	7.0
Total	**16.0**	**-**	**16.0**	15.6	-	15.6

Future minimum sub-lease receipts expected under non-cancellable subleases at 30 September 2017 total £0.8m (2016: £1.8m).

During the year, £1.7m (2016: £1.6m) was recognised in the income statement in respect of operating lease rental payments and £0.2m (2016: £0.4m) was recognised in respect of sub-lease receipts.

The Group leases various offices under non-cancellable operating lease agreements. The leases have various terms, escalation clauses and renewal rights. The Group also leases other equipment under non-cancellable operating lease agreements.

(b) Contingent liabilities
There are no contingent liabilities expected to result in a material loss for the Group.

(c) Capital commitments
There were no material capital commitments as at 30 September 2017 (2016: £nil).

28. Related party transactions

The Group had no material transactions with related parties in 2017 or 2016 which might reasonably be expected to influence decisions made by users of these financial statements.

During the year, the Company had management charges payable of £0.9m (2016: £0.5m) to subsidiary undertakings. The outstanding balance owed at 30 September 2017 was £0.9m (2016: £0.5m).

29. Acquisitions

Acquisition of Miura (Holdings) Limited
On 21 October 2016, Future plc acquired 100% of the share capital of Miura (Holdings) Limited, the holding company and ultimate parent company of Imagine Publishing Limited, for total consideration of 11,971,189 new shares in the Company which, at the closing price of 129p on 21 October 2016, represents consideration of £15.4m.

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

	Provisional fair value £m
Intangible assets	
- Publishing rights	6.8
- Brands	2.0
- Other intangibles	0.1
Tangible assets	0.1
Inventories	0.3
Trade and other receivables	2.7
Cash and cash equivalents	1.7
Trade and other payables	(6.3)
Corporation tax	(0.1)
Deferred tax	(1.5)
Loans and borrowings	(6.9)
Net liabilities acquired	**(1.1)**
Goodwill	16.6
	15.5
Consideration:	
Equity shares	15.4
Cash	0.1
Total consideration	**15.5**

29. Acquisitions (continued)

The goodwill is attributable to the synergies expected to arise in integrating the magazines into the wider Future group and through combining production and back office functions. The publishing rights and brands will be amortised over periods of five and ten years respectively.

Included within the Group's results for the year are revenues of £14.8m and statutory profit before tax for the period of £2.0m (excluding deal fees and associated integration costs) from Miura (Holdings) Limited and its subsidiaries.

If the acquisition had been completed on the first day of the financial year, it would have contributed £15.3m of revenue and statutory profit before tax of £2.0m during the year.

Acquisition of Ascent Publishing Limited and Centaur Consumer Exhibitions Limited ("home interest")
On 1 August 2017, Future plc acquired 100% of the share capital of both Ascent Publishing Limited and Centaur Consumer Exhibitions Limited for total consideration of £32.8m.

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

	Provisional fair value £m
Intangible assets	
- Publishing rights	3.9
- Brands	4.7
- Customer lists	6.9
Inventories	0.1
Trade and other receivables	4.6
Trade and other payables	(4.5)
Deferred tax	(2.6)
Provisions	(0.1)
Net assets acquired	**13.0**
Goodwill	19.8
	32.8
Consideration:	
Cash	32.8
Total consideration	**32.8**

The goodwill is attributable to the synergies expected to arise in integrating the magazines and events into the wider Future group. The publishing rights, brands and customer lists will be amortised over periods of five, ten and eight years respectively.

Included within the Group's results for the year are revenues of £2.5m and statutory profit before tax for the period of £0.4m (excluding deal fees and associated integration costs) from home interest.

If the acquisition had been completed on the first day of the financial year, it would have contributed £13.2m of revenue and statutory profit before tax of £2.0m during the year.

29. Acquisitions (continued)

Acquisition of Team Rock
On 6 January 2017, Future Publishing Limited acquired certain assets from Team Rock Limited for cash consideration of £0.8m.

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

	Provisional fair value £m
Intangible assets	
- Publishing rights	1.2
Trade and other payables	(0.4)
Deferred tax	(0.2)
Net assets acquired	**0.6**
Goodwill	0.2
	0.8
Consideration:	
Cash	0.8
Total consideration	**0.8**

The goodwill is attributable to the synergies expected to arise in integrating the magazines and websites into the wider Future group. The publishing rights will be amortised over a period of five years.

Included within the Group's results for the year are revenues of £3.2m and statutory profit before tax for the period of £0.6m (excluding deal fees and associated integration costs) from the Team Rock assets.

If the acquisition had been completed on the first day of the financial year, it would have contributed £4.8m of revenue and statutory profit before tax of £1.0m during the period.

Acquisition of Next Commerce Pty Ltd
On 15 August 2016, Future Publishing (Overseas) Limited acquired 100% of the share capital of Next Commerce Pty Ltd. The consideration payable included deferred consideration of up to £0.6m, in the form of shares in Future plc, payable by 24 January 2017 based on revenue performance.
At 30 September 2016 the provisional fair value of deferred consideration was measured at £0.6m. In January 2017, Future Publishing (Overseas) Limited agreed with the sellers to pay deferred consideration of £0.7m in cash instead of shares in Future plc. As this change to deferred consideration occurred within one year of the date of acquisition, the provisional fair value of goodwill recognised at 30 September 2016 has been adjusted, as detailed below:

	Provisional fair value at 30 September 2016 £m	Fair value adjustment £m	Fair value at 30 September 2017 £m
Goodwill	0.6	0.1	0.7

Acquisition of Blaze Publishing
On 12 May 2016, Future Publishing Limited acquired certain assets from Blaze Publishing Limited for cash consideration of £0.4m. The consideration payable included deferred consideration of up to £0.3m payable by 12 May 2017 based on gross contribution targets. At 30 September 2016 the provisional fair value of deferred consideration was measured at £0.3m. During the year ended 30 September 2017 it was determined that no deferred consideration was payable. As this change to deferred consideration occured within one year of the date of acquisition, the provisional fair value of goodwill recognised at 30 September 2016 has been adjusted, as detailed below:

	Provisional fair value at 30 September 2016 £m	Fair value adjustment £m	Fair value at 30 September 2017 £m
Goodwill	0.6	(0.3)	0.3

Acquisition of Noble House Media Limited
On 5 April 2016, Future Publishing Limited acquired 100% of the share capital of Noble House Media Limited for cash consideration of £0.1m.

30. Subsidiary undertakings

Details of the Company's subsidiaries at 30 September 2017 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
A&S Publishing Company Limited* 01584580	England and Wales[1]	Non-trading	100	£1 Ordinary shares
Ascent Publishing Limited* 02561341	England and Wales[1]	Non-trading	100	£1 Ordinary shares
Centaur Consumer Exhibitions Limited* 07276298	England and Wales[1]	Non-trading	100	£1 Ordinary shares
Fascination (Holdings) Limited* 08464940	England and Wales[1]	Holding company	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	£1 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
Future US, Inc* 0513070	USA (State of California)[2]	Publishing	100	Not applicable
Future Verlag GmbH* HRB125675	Germany[3]	Non-trading	87.5	€1 Ordinary shares
FutureFolio Limited* 07956484	England and Wales[1]	Digital publishing solutions	100	£1 Ordinary shares
Imagine Publishing Group Limited* 07375965	England and Wales[1]	Holding company	100	1 pence Ordinary shares
Imagine Publishing Limited* 05374037	England and Wales[1]	Non-trading	100	1 pence Ordinary shares
Miura (Holdings) Limited 08464815	England and Wales[1]	Holding company	100	£1 Ordinary shares
Next Commerce Philippines Inc* CS201517783	Philippines[4]	Dormant	100	₱1 Ordinary shares
Next Commerce Pty Ltd* 113 146 786	Australia[5]	Comparison shopping search engine	100	$1 Ordinary shares
Pricepanda Group GmbH* HRB138471B	Germany[6]	Dormant	100	€1 Ordinary shares
Rho Holdings Limited 00040056	Guernsey[7]	Investment company	100	£1 Ordinary shares
Sarracenia Limited 04582851	England and Wales[1]	Dormant	100	£1 Ordinary shares
Skaro (Holdings) Limited* 08469998	England and Wales[1]	Holding company	100	£1 Ordinary shares

[1] Registered office: Quay House, The Ambury, Bath, BA1 1UA, England
[2] Registered office: 1390 Market St, Suite 200, San Francisco, CA 94102, USA
[3] Registered office: c/o Poruba GbR, Clemensstraße 32, 80803 Munich, Germany
[4] Registered office: 2/F GC Corporate Plaza, 150 Legaspi Street, Legaspi Village, Makati, Manila, Philippines
[5] Registered office: Suite 3, Level 10, 100 Walker Street, North Sydney, NSW 2060, Australia
[6] Registered office: Charlottenstraße 4, 10969 Berlin, Germany
[7] Registered office: Aquitaine Group Limited, PO Box 357, Mill Court, La Charroterie, St Peter Port, GY1 3XH, Guernsey

A&S Publishing Company Limited, Ascent Publishing Limited, Centaur Consumer Exhibitions Limited, Fascination (Holdings) Limited, Future Holdings 2002 Limited, Future Publishing Limited, FutureFolio Limited, Imagine Publishing Group Limited, Imagine Publishing Limited, Miura (Holdings) Limited and Skaro (Holdings) Limited are exempt from the requirement to file audited financial statements by virtue of Section 479A of the Companies Act 2006. Sarracenia Limited is exempt from the requirement to file audited financial statements by virtue of Section 480 of the Companies Act 2006.

Notice of Annual General Meeting

This Notice of Meeting is important and requires your immediate attention.

If you are in any doubt as to what action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other independent adviser authorised under the Financial Services and Markets Act 2000.

If you have sold or otherwise transferred all your shares in Future plc, please forward this notice, together with the accompanying documents, as soon as possible either to the purchaser or transferee, or to the person who arranged the sale or transfer so that they can pass these documents to the purchaser or transferee.

Notice of Annual General Meeting

Notice is hereby given that the nineteenth Annual General Meeting of Future plc will be held on Monday 5 February 2018 at Future's London office, 1-10 Praed Mews, London W2 1QY at 10:30am at which the following resolutions numbered 1 to 12 will be proposed as ordinary resolutions, and resolutions numbered 13 to 15 will be proposed as special resolutions.

Ordinary Business

Ordinary resolutions

1. To receive and adopt the audited financial statements of the Company for the financial year ended 30 September 2017 and the reports of the Directors and the auditors (the "Annual Report").

2. To approve the Directors' remuneration implementation report as set out in pages 30 to 36 of the Annual Report of the Company for the financial year ended 30 September 2017.

3. To approve the amendments to the Remuneration policy for the three year period commencing on 1 October 2016 as set out in pages 38 to 41 of the Annual Report of the Company.

4. To elect as a Director Richard Huntingford.

5. To re-elect as a Director Zillah Byng-Thorne.

6. To re-elect as a Director Penny Ladkin-Brand.

7. To re-elect as a Director Hugo Drayton.

8. To re-elect as a Director James Hanbury.

9. To reappoint PricewaterhouseCoopers LLP, Chartered Accountants and Registered Auditors, as auditors of the Company to hold office until the conclusion of the next General Meeting at which accounts are laid before the Company.

10. To authorise the Directors to determine the remuneration of the auditors of the Company.

11. That, in substitution for any existing authority, the Directors be and are hereby generally and unconditionally authorised in accordance with section 551 of the Companies Act 2006 (the 'Act') to exercise all the powers of the Company to allot shares in the Company and to grant rights to subscribe for, or to convert any security into, shares in the Company:

11.1 in connection with an offer by way of a rights issue (comprising equity securities as defined by section 560 of the Act), up to an aggregate nominal amount of £4,565,590 (such amount to be reduced by the nominal amount of any relevant securities allotted under paragraph 11.2 below):

(a) to holders of Ordinary shares in the capital of the Company in proportion (as nearly as may be practicable) to their respective holdings of Ordinary shares in the capital of the Company; and

(b) to holders of any other equity securities as required by the rights of those securities or as the Directors otherwise consider necessary,

but subject to such exclusions or other arrangements as the Board may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates, legal or practical problems in or under the laws of any territory, or the requirements of any regulatory body or stock exchange; and

11.2 in any other case, up to an aggregate nominal amount of £2,282,795 (such amount to be reduced by the nominal amount of any equity securities allotted under paragraph 11.1 above in excess of £2,282,795), at any time or times during the period beginning on 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 31 March 2019 (unless previously revoked or varied by the Company in General Meeting) save that the Company may before expiry of this authority make an offer or agreement which would or might require relevant securities to be allotted after its expiry and the Directors may allot relevant securities pursuant to such an offer or agreement as if the authority hereby conferred had not expired.

12. 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 Act 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 31 March 2019.

Special resolutions

13. That, if resolution 11 is passed, the Directors be authorised to allot equity securities (as defined in section 560 of the Act) for cash under the authority given by that resolution (in accordance with section 570(1) of the Act) and/or to sell Ordinary shares held by the Company as treasury shares (in accordance with section 573 of the Act) for cash as if section 561(1) of the Act did not apply to any such allotment or sale, such authority to be limited to:

(a) the allotment of equity securities in connection with an offer of, or invitation to apply for, equity securities (but in the case of the authority granted under paragraph 11.1 of resolution 11, by way of a rights issue only):

(i) in favour of holders of Ordinary shares in the capital of the Company, where the equity securities respectively attributable to the interests of all such holders are proportionate (as nearly as practicable) to the respective number of Ordinary shares in the capital of the Company held by them; and

(ii) to holders of any other equity securities as required by the rights of those securities or as the Directors otherwise consider necessary,

but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient to deal with treasury shares, fractional entitlements or legal, regulatory or practical problems arising under the laws or requirements of any overseas territory or by virtue of shares being represented by depository receipts or the requirements of any regulatory body or stock exchange or any other matter whatsoever; and

(b) the allotment, otherwise than pursuant to sub-paragraph (a) above, of equity securities up to an aggregate nominal value equal to £342,420,

such authority to expire at the end of the next AGM of the Company or, if earlier, at the close of business on 31 March 2019 (unless previously revoked or varied by the Company in General Meeting but, in each case, 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.

14. That, if resolution 11 is passed, the Board be authorised in addition to any authority granted under resolution 13 to allot equity securities (as defined in section 560 of the Act) for cash under the authority given by that resolution (in accordance with section 570(1) of the Act) and/or to sell Ordinary shares held by the Company as treasury shares (in accordance with section 573 of the Act) for cash as if section 561(1) of the Act did not apply to any such allotment or sale, such authority to be:

a) limited to the allotment of equity securities or sale of treasury shares up to a nominal amount of £342,420; 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,

such authority to expire at the end of the next AGM of the Company or, if earlier, at the close of business on 31 March 2019 but, in each case, 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.

15. That a general meeting, other than an Annual General Meeting, may be called on not less than 14 clear days' notice.

On behalf of the Board

Penny Ladkin-Brand
Chief Financial Officer
and Company Secretary
8 December 2017

Notice of Annual General Meeting

Notes

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. If you wish to attend 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. 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 10:30am on Thursday 1 February 2018 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 10:30am on Thursday 1 February 2018.

Number of shares in issue

5. As at the close of business on 8 December 2017 (being the last business day prior to the publication of this notice) the Company's issued share capital consisted of 45,655,967 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 45,655,967.

Documents available for inspection

6. Printed copies of the service contracts of the Company's Directors and the letters of appointment for the non-executive Directors 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 Thursday 1 February 2018 or, if this meeting is adjourned, in the register of members 48 hours before the time of any adjourned meeting, shall be 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 Thursday 1 February 2018 or, if this meeting is adjourned, in the register of members 48 hours before the time of any adjourned meeting, shall 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 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.

   In order 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 10:30am on Thursday 1 February 2018 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 CREST sponsor or voting service provider(s) take(s)) such action as shall be 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)370 707 1443.

    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 on page 91, 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 on page 91, 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).

Notice of Annual General Meeting

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 the Company; 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;

(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.

Investor information

For enquiries of a general nature regarding the Company and for investor relations enquiries please contact Penny Ladkin-Brand at the Company's Registered Office, or visit www.futureplc.com and select the investor relations section.

Registrar and transfer office

The Company's share register is maintained by:

Computershare Investor Services PLC
The Pavilions
Bridgwater Road
Bristol BS13 8AE
Tel: +44 (0)370 707 1443

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.

Online information – www.investorcentre.co.uk

Our Registrar, Computershare, has a service to provide shareholders with online internet access to details of their shareholdings.

The service is free, secure and easy to use.
To register for the service, go to
www.investorcentre.co.uk

Unsolicited mail

The share register is by law a public document. To limit the receipt of mail from other organisations, please register with the Mailing Preference Service, by visiting **www.mpsonline.org.uk/mpsr/**

Warning to shareholders – 'boiler room' scams

In recent years, many companies have become aware that their shareholders have received unsolicited phone calls or correspondence concerning investment matters. These are typically from overseas-based 'brokers' who target UK shareholders, offering to sell them what often turn out to be worthless or high-risk shares in US or UK investments. These operations are commonly known as 'boiler rooms'. These 'brokers' can be very persistent and extremely persuasive.

It is not just the novice investor that has been duped in this way; many of the victims had been successfully investing for several years. Shareholders are advised to be very wary of any unsolicited advice, offers to buy shares at a discount or offers of free company reports. If you receive any unsolicited investment advice:

- Make sure you get the correct name of the person and organisation
- Check that they are properly authorised by the FCA before getting involved by visiting **www.fca.org.uk/register**
- Report the matter to the FCA either by calling **0800 111 6768** or by completing the fraud reporting form on the FCA website at: **www.fca.org.uk/consumers/scams/investment-scams/share-fraud-and-boiler-room-scams/reporting-form**
- If the calls persist, hang up.

If you deal with an unauthorised firm, you will not be eligible to receive payment under the Financial Services Compensation Scheme.

Details of any share dealing facilities that the Company endorses will be included in company mailings.

More detailed information on this or similar activity can be found at **www.moneyadviceservice.org.uk**

Registered office

Future plc
Quay House
The Ambury
Bath BA1 1UA

Tel +44 (0)1225 442244

www.futureplc.com/invest-in-future

Directors and advisers

Directors

Peter Allen
Chairman (until 1 February 2018)

Richard Huntingford
Chairman (with effect from 1 February 2018)

James Hanbury
Deputy Chairman

Zillah Byng-Thorne
Chief Executive

Penny Ladkin-Brand
Chief Financial Officer
and Company Secretary

Hugo Drayton
Independent non-executive Director

Offices

Registered office
Future plc
Quay House
The Ambury
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London office
1-10 Praed Mews
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www.futureplc.com

Company registration number 3757874
Registered in England and Wales

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Chartered accountants and statutory auditors
2 Glass Wharf
Bristol BS2 0FR

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10 Paternoster Square
London EC4M 7LT

N+1 Singer
1 Bartholomew Lane
London EC2N 2AX

Principal bankers
HSBC Bank plc
8 Canada Square
London E14 5HQ

Solicitors
Simmons and Simmons LLP
1 Linear Park
Avon Street
Temple Quay
Bristol BS2 OPS

Registrar
Computershare Investor Services PLC
The Pavilions
Bridgwater Road
Bristol BS13 8AE

Financial calendar

Announcement of annual results
24 November 2017

Annual General Meeting
5 February 2018

Half-year end
31 March 2018

Announcement of interim results
May 2018

Financial year-end
30 September 2018

Contacts

Future plc and Future Publishing Ltd Registered office
Quay House
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