Hyve

Reset, renew, evolve.

Hyve Group plc
Annual Report and Accounts 2020

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The Strategic report was approved by the Board and signed on its behalf by Mark Shashoua, Chief Executive Officer, on 1 December 2020.
Mark Shashoua

Learn more about Hyve at:
hyve.group

Our performance in 2020

Revenue
(£m)

2020	105.1
2019	220.7
2018	175.7
2017	152.6
2016	134.4

Like-for-like[1] revenue growth
(%)

2020	(11)
2019	7
2018	11
2017	5
2016	(8)

Headline diluted earnings per share[1,2]
(p)

2020	(13.6)
2019	27.8
2018	27.5
2017	28.6
2016	37.4

Headline (loss)/profit before tax[1]
(£m)

2020	(18.7)
2019	50.4
2018	35.4
2017	31.6
2016	36.5

(Loss)/profit before tax
(£m)

2020	(312.9)
2019	8.7
2018	(3.7)
2017	(3.2)
2016	(4.1)

Adjusted net debt[1]
(£m)

2020	67.7
2019	111.7
2018	82.7
2017	49.7
2016	59.1

1 In accordance with the *ESMA Guidelines on Alternative Performance Measures* (APMs) issued by the European Securities and Markets Authority (ESMA), additional information is provided on APMs used by the Group in the Glossary. In the reporting of financial information, the Group uses certain measures that are not required under International Financial Reporting Standards (IFRS). These additional measures provide additional information on the performance of the business and trends to stakeholders and are defined in the Glossary.

2 Headline diluted earnings per share for 2016 and 2017 have been restated for the bonus elements of the rights issues in July 2018 and May 2020. Headline diluted earnings per share for 2018 and 2019 have been restated for the bonus element of the rights issue in May 2020.

How we are restarting events in some regions

We have worked with major venues, industry bodies, national health authorities and other event organisers to drive international standards of event safety while simultaneously launching our own Safe & Secure standards.

Read more | **p.06**

57
events held in FY20

Looking ahead

Hyve's market-leading events are ideally placed to service the pent-up demand for learning, networking and trading while stimulating the global economy.

Read about how we're securing our recovery through responding to evolving customer needs. p.18

Who we are

Hyve Group plc is a next-generation events business, powering global industry communities. We create unmissable experiences, where customers from all corners of the globe share extraordinary moments and shape industry innovation.

Our market-leading in-person events offer our customers unbeatable return on investment and time. Each event provides access to the latest insights and trends, thought-provoking content and countless opportunities to learn, network and trade.

Where business is personal, where meetings move markets and where today's leaders inspire tomorrow's.

The impact of COVID-19

As a global provider of in-person events, Hyve has been significantly impacted by COVID-19, both in terms of varying local restrictions on business events and by international travel constraints.

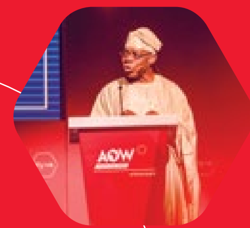
Read about how we have responded to the pandemic and the work we have done to ensure we weather the crisis and emerge stronger.

Read more | **p.04** ⟶

Events in 2020

67
events were cancelled due to COVID-19

57
events ran in FY20



3
events were postponed to FY21 due to COVID-19

Our geographic reach

Four steps to protect our business

We responded quickly and decisively once the pandemic struck, securing a strong financial and operational position to weather the COVID-19 crisis.

We initiated Project Fortress in March 2020, a team which met weekly and was formed of senior, global Hyve leaders led by CEO Mark Shashoua. In addition, the Board met on a weekly basis to review the global impact, strategy and Group financial position.

We have worked with venues and suppliers and have proactively engaged with banks and insurance providers to maximise cost savings and liquidity.

We are in control of our cash flows, allowing us to be at the forefront of recovery once in-person events recommence globally, and we have clear visibility of cash funding throughout FY21 and into 2022.

1 Respond decisively

2 Create financial stability

MAR

- **Established Project Fortress** – a senior, global team, led by the CEO, to manage all aspects of the impact of COVID-19
- **Modelled a reasonable worst-case scenario** assuming no events would take place prior to 1 January 2021, except in China
- Initiated our **rolling postponement and cancellation plan**
- **Conducted a review of every cost** across the Group with particular focus on venue liability and minimising space requirements
- Fully drew down on our available £250m debt facilities to provide **financial security**

Confirmed cases worldwide

MAR <1m

APR >3m

MAY

- **Debt repayment deferrals obtained for November 2020 and 2021, subject to receiving insurance proceeds**
- **Covenants waived** up to and including March 2022
- Secured a shareholder-backed rights issue, raising £126.6m to **strengthen our balance sheet**

MAY >6m

JUN >10m impact of COVID-19 is more severe than expected by economists

JUL

- **Further steps taken to reduce costs and conserve cash**
- **First insurance payout** of £12.9m received

JUL >17m

3

Restart & restructure

4

Look ahead

AUG

- **Disposed of event portfolio** in Azerbaijan and Uzbekistan for a total consideration of up to £9.5m, payable over a number of years
- **First Hyve events restart in China and Ukraine**

>25m

SEP

- **Insurance receipts** reach £22.0m
- **Achieved annualised cost savings of £44m,** compared with an initial target of £9m
- **Costs avoided** through not running events, delivering total in-year cost savings of £63m
- **Hyve events restart in Russia**

>33m

OCT

- **Second restructure of UK business, merging Global Brands and UK divisions** and streamlining HQ functions due to prolonged impact of COVID-19 on western economies
- Management of our cost base has **reduced monthly operational cash cost from £16m in FY19 to £10–11m in FY21**
- **Net monthly cash cost,** which assumes a level of income from customer and insurance receipts, is expected to be £4m–5m

>46m

NOV

>63m

DEC

- **Hyve events restart in Turkey**
- Further insurance claims of £11.5m confirmed, pending receipt

COVID-19 data source: John Hopkins University, Center for Systems Science and Engineering.

Safely resuming our events

We believe in the power of in-person events and know that the best advancements in business, industry and humanity arise from people coming together to learn, network and trade.

We are in constant communication with our customers, and the vast majority tell us that they can't wait for our events to resume.

To date, we have been able to restart events in Russia, China, Ukraine and Turkey and we continue to monitor the evolving situation in the rest of the regions we work in.

48%

of companies believe that the absence of live events has negatively impacted their ability to generate new business[1]

86%

of exhibitors prefer in-person events over digital with regards to networking[1]

1 UFI & Explori: Global Recovery Insights 2020.

Our Safe & Secure standards

Hyve is taking a leading role in the development of plans which will allow the safest possible return to in-person events for customers and colleagues, while not compromising on quality.

We have developed our in-house **Safe & Secure** standards, which are an evolution of our already market-leading health and safety measures. We will display our Safe & Secure stamp on marketing materials and signage to let customers know the new measures have been applied.

To develop these standards, we have worked alongside industry bodies Association of Event Organisers (AEO) and Global Association of the Exhibition Industry (UFI), as well as with national health authorities, governments, major venues and other event organisers.

Cleaning and hygiene

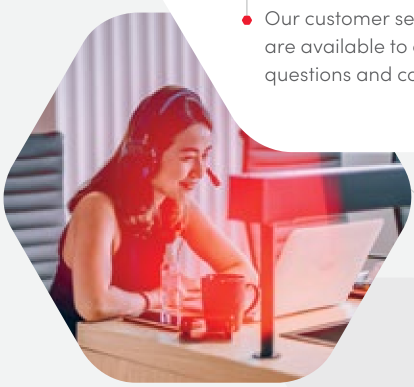
- We are working with venues to offer an enhanced cleaning regime throughout each event
- Hand sanitiser stations will be made available in high traffic areas

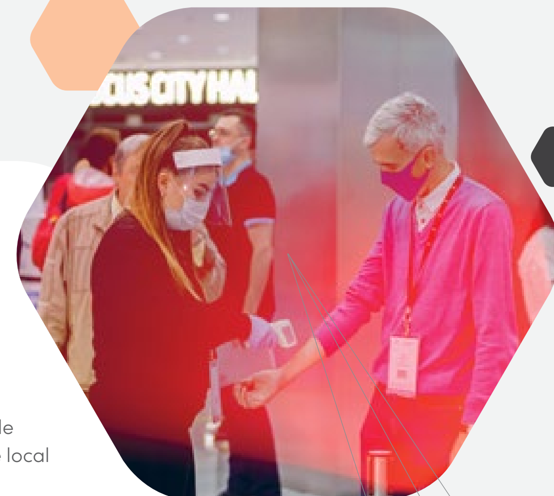
Social distancing

- We will provide enhanced guidelines to assist exhibitors and contractors in the set-up and break-down of events, tailored to each venue and location
- All spaces will be set up according to the relevant social distancing guidance
- We have a no-handshake policy and will limit printed materials
- Crowd density measures will be applied, such as limiting visitors per day, staggering admissions and altering floor plans

Communication

- We are monitoring developments very closely and will communicate updates to our customers in a timely manner
- Our customer service teams are available to answer any questions and concerns





Protect and detect

- Enhanced temperature and ID checks as required by local government
- Gloves and masks will be made available and enforced where local governments stipulate
- Enhanced first aid and medical support will be available across all our events, as well as dedicated quarantine areas, if required by local authorities
- We will use physical glass or plexiglass dividers where possible

In-person events will be instrumental in reigniting industries

> **As regions continue to reopen,** it will be the market-leading events that will lead the way.
>
> **Mark Shashoua**
> CEO

- Decisive action taken to reduce costs, conserve cash and boost liquidity in order to protect and futureproof the business
- Strong platform to weather COVID-19; continued focus on market-leading events to support recovery
- Developing omnichannel strategy to offer customers improved ROI at in-person events and the ability to learn, network and trade online

We entered 2020 in a very strong position, with a clear strategy following three years of transformative investment and having completed the acquisition of two market-leading e-commerce events in the US, Shoptalk and Groceryshop. As a result, our shows in Q1 continued to deliver strong results. Since COVID-19 struck in March we have taken every measure within our control to protect our employees and customers and futureproof the business as markets reopen. Having delivered cost savings above our projections, received substantial insurance payments, raised £126.6m through a rights issue and taken every possible step to conserve cash, we end this year with a strong financial platform to weather COVID-19.

While our financial results today reflect the impact of this unprecedented pandemic, we have stayed close to our customers and offered online content, which has been well received. Our customers want the safe return of our events which will act as a key trading platform to get industries back to business. While demand for in-person is clear, we believe that COVID-19 has accelerated a change in customer behaviour, and we are positioning Hyve to be at the forefront of this evolution.

As such, we are focussed on accelerating our omnichannel strategy to enhance return on investment (ROI) and return on time (ROT) for customers. We meet our customers' needs by bringing people together to learn, network and trade.

Our omnichannel strategy services these needs through in-person market-leading events as well as online. Work is underway to develop the rollout of our hosted meetings capability acquired from Shoptalk across some of our in-person market-leading events in order to go live in 2022. In addition, we have taken time to test several different virtual propositions to provide opportunities for our customers to learn, network and trade in a virtual format.

I would like to thank each and every one of our employees for their commitment during this challenging year. I am struck by what has remained constant throughout: our belief in the power and significance of our events and our determination to get back to doing what we do best.

While news of COVID-19 vaccines is very encouraging, we expect disruption to our events schedule into 2021. That said, as in-person events continue to return, Hyve's market-leading events are optimally placed to service the pent-up demand for learning, networking and trading while stimulating the global economy. Our strategy, strong financial platform and focus on developing an omnichannel business position us at the forefront of the recovery and give us the best chance of emerging successfully.

Hyve started the year in a strong position – what has this meant overall for 2020?

We started the year with one focus – capitalising on our just-completed three-year Transformation and Growth (TAG) programme which resulted in Hyve evolving into a fundamentally different and stronger business. This would continue our trajectory towards creating the world's leading portfolio of content-driven, must-attend events delivering an outstanding experience and return on investment for our customers.

In the first five months of FY20, before COVID-19 started to impact our business, we delivered 45 events, four of which are in our top 10. Bett, Mining Indaba and YugAgro all delivered strong year-on-year growth while Spring Fair saw the rate of decline slow compared with the previous year, despite the ongoing impact of Brexit and reduced attendance by Chinese exhibitors due to COVID-19 travel restrictions. Africa Oil Week, another one of our key events, also performed very well and delivered double-digit revenue growth for the third year in a row. In December, we acquired Shoptalk and Groceryshop, two US-based best-in-class events which added further strength to our portfolio.

After restrictions began to lift in Russia, China and Ukraine we organised 12 events in August and September, taking the total number of events in FY20 to 57. There were, however, a large number of events that could not go ahead – three have been postponed to FY21 and 67 have unfortunately been cancelled. This is clearly reflected in our financial results for FY20 and ongoing restrictions will also have an impact on next year's results.

How have you responded since COVID-19 began to impact the world?

I am incredibly proud of the work that our people have done in response to the COVID-19 pandemic and the strong leadership that has been seen across the Group, at every level. Our recent transformation, along with the renewed energy we had thanks to the launch of our new brand and company values, put us in the best possible position to manage the impact of COVID-19.

We immediately initiated Project Fortress, led by a dedicated task force of senior leaders from around the business, to manage all impacts of the crisis. All initiatives were developed centrally and executed locally, which ensured a robust and consistent approach across our network.

£63m
of cost savings delivered in FY20

We took immediate action to run the business in line with our reasonable worst-case scenario which assumed no events would take place in the 2020 calendar year, except in China. We acted quickly and decisively to put a postponement and cancellation monitoring plan in place and identify ways to reduce our costs, conserve cash and strengthen our balance sheet.

Our approach to managing our cost base and cash has been robust. In May, we announced a cost reduction programme that, along with costs avoided on events cancelled or postponed, has delivered approximately £63m of cost savings in the current financial year. This level of savings has been achieved through quickly embarking on a necessary restructure of the business and implementing widespread cost saving measures including renegotiations with all suppliers and venues, a recruitment freeze, utilising the UK government's furlough scheme, temporarily moving to a four-day working week, a Group-wide bonus waiver and a voluntary 20% reduction in salary for senior leaders.

In May, we asked for the support of our shareholders and lenders and subsequently strengthened our balance sheet by raising equity with an underwritten rights issue and by changing our banking covenants.

When it became clear that the impact of COVID-19 would extend beyond 2020, especially in western markets, additional actions were taken over the summer months to further reduce our two biggest costs – people and venues. This resulted in the announcement of a further restructuring in September which merged the UK and Global Brands operations and re-sized the business to withstand a more prolonged recovery period. We continue to proactively engage with venue owners and suppliers to defer and roll-over costs for postponed or cancelled events, as well as reduce minimum space requirements.

The insurance policies we have in place have given us greater financial security. We will continue to work with our insurance providers on claims made that have yet to be settled, as well as any future claims, should our 2021 event schedule continue to be impacted by government restrictions arising from COVID-19.

As a result of the measures we have taken to date, and in light of the ongoing uncertainty as to recovery in our markets, our decisive cost management initiatives have provided significant assurance over the Group's future and given us clear visibility of cash funding, even if no further events are able to take place in FY21.

How have you stayed close to your customers during this difficult period and retained their loyalty and business?

Throughout the pandemic we have kept in regular communication with our customers, who have been extremely supportive. Wherever possible, the decisions we have made to postpone, cancel or, more recently, reopen, have been made in consultation with customers and with their industries in mind.

As well as keeping them informed regarding the status of in-person events, event teams are offering a full programme of online educational content such as online panel debates, remote workshops and virtual webinars. Since April, we have held over 100 online events, uniting global business communities and providing connectivity to more than 30,000 attendees. These events have been well received by our customers; however, they are not designed to replace our market-leading in-person events, which our customers tell us they are eager to get back to. The commitment of our customers to our products is demonstrated by the £66m of forward bookings that have been contracted for events taking place in FY21 and FY22.

I would like to take this opportunity to thank all of our customers for their support and the commitment they have shown to our market-leading events throughout this unprecedented time.

What have you done to safeguard your people during the pandemic?

The safety of our teams has been one of our top priorities throughout the COVID-19 pandemic. We have followed World Health Organization and government advice throughout, starting by ensuring that colleagues can work remotely.

As our offices have reopened, they have done so with new safety measures in place such as social distancing, deep cleaning, temperature checking, hand sanitisation and masks being made available. Regular communication at all levels has kept our people informed and connected through this challenging period.

For our teams, this has been an incredibly challenging year. So much has changed but I am struck by what has remained constant throughout: our belief in the power of events; our determination to get back to doing what we do best; and the incredible spirit and commitment I have witnessed from teams across the business. I would like to take this opportunity to thank our colleagues for their continued efforts to look after one another and to stay close to our customers.

How does the situation vary between the regions you work in?

A number of regions in which the Group operates are beginning to open up, but the situation remains fluid. So far, we have been able to restart events in China, Russia, Ukraine and Turkey. Other key markets where we operate events continue to be subject to restrictions regarding business events and international travel; we are monitoring this daily.

While it is promising to see some markets reopen, we are mindful that we are currently in the midst of further lockdowns and that may also take some time for customer confidence to return once restrictions are lifted.

Just as we carried out scenario planning for FY20, we have also outlined two planning scenarios for FY21.

Our 'Recovery' scenario assumes that we are able to run events for the full year in China, Russia, Ukraine and Turkey, and that it is possible for events to take place in our western markets from April 2021 onwards. With some western markets continuing to see rising cases, and subject to government restrictions, the running of shows at scale remains prohibited in these geographies in the first half of FY21. This includes

Shoptalk, which typically runs in March and has therefore been cancelled for 2021. We will continue to pursue insurance claims with our providers where relevant events have not been able to take place as a result of ongoing government or regional restrictions.

Under the East/West scenario the assumption is that no events take place all year in our western markets. We are currently operating to the Recovery scenario with the option to pivot to the East/West scenario should that become unavoidable.

How are you ensuring the highest levels of safety for your customers at the events which are reopening?

We are taking a leading role in the safe return of events, working with major venues, industry bodies, health and safety experts, local and national governments and other event organisers to monitor the situation and put plans and new standards in place.

Concurrently, we have launched our own Safe & Secure standards for all future Hyve events, to ensure globally consistent best practice. These standards are an evolution of our already market-leading health and safety blueprint.

We are also now looking at the possibility of rapid testing which includes both official arrivals processes at airports and our own testing on site.

Can you tell us more about your omnichannel strategy?

As COVID-19 has undoubtedly changed customer behaviour, we have used this year to accelerate our evolution into an omnichannel business that supports in-person events with online activity. Digital will never replace in-person, but we are exploring opportunities to offer our customers additional channels through which they can learn, network and trade throughout the year.

As markets reopen, it will be the market-leading events, which offer the highest return on investment and return on time to customers, that will lead the way. As such, work is under way to continue adding value to our in-person events by rolling out the hosted meetings capability and digital platform we acquired along with Shoptalk, which will offer smart matchmaking and therefore increased networking and trade opportunities for customers, further validating their return on investment and time.

During the year we carried out research to establish demand levels for hosted meetings at in-person events with customers from some of our top 10 events. The results showed clear demand and this capability will be even more important in a post-COVID-19 environment as marketing budgets will be more tightly focussed on the most effective spend. Our plan is to roll out hosted meetings, beginning with Bett in 2022.

In addition, we are exploring the feasibility and demand of virtual events by testing a number of digital platforms which answer the learning, networking and trading needs of customers in a virtual format. While we have seen promising results from some events, and supportive feedback, we are in the early stages of developing our approach.

To date, organisers have succeeded in replicating the 'learn' aspect of an event in a virtual format with webinars, online workshops and panel discussions, yet have been unable to offer opportunities to network or trade in the same way. These online events have proven to be wonderful for engagement and community support, but are limited in terms of the potential for monetisation. To address this industry challenge, we trialled a proof of concept online trading and networking event, Shoptalk Meetup, working with a third-party operator. This took place in October with 2,000 participants and 18,000 meetings. We are now in the process of assessing the long-term viability of such a solution, in terms of product offering, monetisation potential and the timing and extent of investment required.

As we enter FY21, we have three clear priorities:

1. **Build customer market share** at our market-leading events;
2. **Prepare for the rollout of hosted meetings** from 2022 across key in-person events; and
3. **Continue to evaluate feasibility and demand for virtual channels** in order to service our customers' needs to learn, network and trade and to complement our market-leading events.

> **Market-leading events are an essential trading platform** for our customers, and, for many industries, governments and regional authorities, they will play a vital role in reigniting economies.

Looking ahead, what are your priorities?

We are confident that we have done everything within our control to ensure the long-term resilience of the Group. We have taken the necessary steps to adapt to the prolonged impact of COVID-19 and position Hyve for success when we exit the crisis.

Market-leading events are an essential trading platform for our customers, and, for many industries, governments and regional authorities, they will play a vital role in reigniting economies.

The year 2020 has been about survival and being at the forefront of the industries we serve, by offering engaging content and ongoing support. As markets continue to open up, 2021 will be about focussing on gaining customer market share from smaller, more niche operators. It is the hard work that is put in during 2021 that will lead to a stronger recovery in 2022. Recent announcements regarding the rollout of an effective vaccine increase our confidence that we will be able to return to a full event schedule in 2022.

Our strategy and strong financial platform position us at the forefront of recovery and give us the best chance of emerging successfully from this crisis and getting back to doing what we do best – sparking connections, forming communities, broadening horizons and igniting opportunities.

Mark Shashoua
CEO

Building the foundations for a strong recovery

> **The promising announcements regarding vaccines** provides optimism for a strong recovery.
>
> **Richard Last**
> Chairman

The year started positively for Hyve, with our three-year TAG programme successfully completed and the acquisition of Shoptalk and Groceryshop events in the USA for consideration of £110.1m. Unfortunately, like many businesses around the world, Hyve's FY20 was dominated by COVID-19 – the impact it is having on society and business, and the reaction to it by governments around the world.

As the pandemic began to have an impact on the world, the Board had two main priorities:

1. **To ensure the safety** of our colleagues and our customers; and
2. **To provide the business with the financial stability** to weather the crisis.

At the start of the pandemic, the Board met on a weekly basis in order to support the Executive leadership while they mobilised their teams, and to provide a regular decision-making forum. The weekly meetings continued through to the beginning of June. We announced a £126.6m rights issue on 7 May 2020 which our shareholders supported, for which we thank them. At the same time, forward planning for a safe return to events has also been progressing. It is promising to see some of our markets beginning to reopen and we have been able to run 20 events across Russia, China, Ukraine and Turkey since restrictions began to lift. We do, however, remain cautious and mindful that we may see further lockdowns and it may also take time for customer confidence to return.

As a provider of in-person events, Hyve is significantly impacted by COVID-19 and that is reflected in our financial results for FY20. However, thanks to the exhaustive work done by the Group's leadership team, with support from the Board and our shareholders, we end the financial year with a stable financial platform and in a strong position for recovery.

Dividends

Due to the impact of COVID-19 and the associated cost pressures the Group currently faces, the Board has taken the decision not to pay a dividend for FY20. We will continue to review this position and reinstate dividends to shareholders when business performance has significantly improved and is considered sustainable for the future.

The Board

In September, Andrew Beach stepped down as the Group's Chief Financial Officer and left Hyve. We wish him every success in the future. As part of targeted cost savings, the Board restructured the senior finance team with John Gulliver, previously the Chief Operating Officer, appointed to the Board and the newly formed combined role of Chief Finance and Operations Officer.

In January 2020, Nicholas Backhouse replaced Stephen Puckett as Chair of the Audit Committee. Stephen has remained on the Audit Committee and has also become the Chair of the Risk Committee, in addition to his responsibilities as Senior Independent Director and the employee representative on the Board. Sharon Baylay remains Chair of the Remuneration Committee.

Environment, social and governance (ESG)

Throughout the year, our event teams have once again continued to put sustainability on the agenda across major industries including energy, education and logistics. During lockdown, we hosted numerous digital webinars and panel discussions, with topics including climate change, digital safety for children and supporting small business. Our teams are increasingly building sustainability into their events.

In addition to the work by our event teams, centrally we introduced a new Code of Conduct and an independent whistleblowing facility. Both were launched at divisional town halls across the business and embedded with a global training programme.

Due to the impact of COVID-19 on the business, we have not achieved the ambitions we had planned in this area during FY20; however, the Board will continue to strive to improve our ESG credentials in FY21.

“**We have been able to run 20 events** across Russia, China, Ukraine and Turkey since restrictions began to lift.

Looking ahead

With the increasing expectation of a successful immunisation programme, we look forward, with some optimism, to an improving economy. We expect to see a steady increase in the number of in-person events being held, particularly in the second half of 2021. Initially, the size of the events will be smaller and more domestic when compared with the same events held prior to the pandemic.

We continue to monitor the global situation closely, particularly with regards to restarting our events. We will maintain tight control over our costs, look to achieve further efficiencies and conserve cash, while maintaining the ability to respond to the expected improving situation surrounding COVID-19.

The Board believes that the work we have completed to date and the continued execution of our pandemic response plans will enable us to weather the predicted duration of the crisis and be in a stronger position as the world recovers.

Richard Last
Chairman

Connecting global business

By connecting global business communities through market-leading events both online and in-person, we offer opportunities for our customers to:

Network

We create communities filled with opportunities for customers to make new business connections and expand their networks

Learn

We curate the highest quality content programmes to bring the latest trends and thought leadership to industries

Trade

We work with exhibitors to maximise their exposure and facilitate curated meetings between compatible buyers and sellers to support commerce

What we do

Marketing

We constantly grow and refresh our customer databases to ensure that we have the best and most important people at our events and that they are the place to be. We keep in touch with our customers through year-round digital content.

Sales

We are extremely proud of our culture of success and the collective buzz you can find in any one of our offices. Our approach to sales is to tailor and personalise every interaction to grow advocacy.

Customer success

We work closely with our customers, helping them to plan and execute the best possible event experience. By doing this, we ensure that they get a high return on their investment and come back to us next year.

Event operations

Our event operations team has years of experience in planning, building and running market-leading events around the world. We foster long-term relationships with venues and stand builders and have a disciplined global approach to making an event happen.

Content

We offer curated, relevant programmes featuring industry experts and thought leaders. We know that content can be the difference between someone attending our event or not, so we put together the best agendas and programmes in the industry.

How we make money

72%

The majority of our revenue is generated from the fees that our exhibitors pay for space at one of our exhibitions. We receive payment for an event ahead of the bulk of our costs being spent, making our working capital cycle very strong.

28%

9% comes from the sales of technical services to exhibitors, such as stand construction; 6% comes from selling sponsorship opportunities – for example, stage branding or supporting an awards programme; 11% comes from delegate sales at our conferences; and the remaining 2% comes from digital revenue streams such as online event participation.

Exhibitor fees	72%
Sales of technical services	9%
Sponsorship sales	6%
Delegate sales & other	11%
Digital	2%

Our focus on quality

We are driven by an obsession with quality and providing our customers with an unbeatable return on both their investment and their time.

Our culture revolves around a best-practice central operating model – we have developed a suite of best-practice blueprints which we use to guide our decision making and planning and these are constantly being updated with new insights and methods. It is this globally consistent excellence-led approach which sets us apart from the competition.

Three years of **transformative investment**

Following a £20m investment, Hyve is now a truly global business, running fewer, bigger and better events. That firm foundation meant we were well-placed to weather the COVID-19 crisis.

Last year, the title of our annual report was 'Transformed'. We had just completed our three-year Transformation and Growth (TAG) programme, which resulted in us becoming a fundamentally different business.

We had changed the makeup of our event portfolio, resulting in fewer, bigger and better events. We had just rebranded to Hyve and launched our new company values. In summary, we were achieving our vision of creating the world's leading portfolio of content-driven, must-attend events delivering an outstanding experience and return on investment for our customers, just as COVID-19 began to disrupt the world and significantly impact on our business.

It is these three years of transformative investment that have enabled us to respond to COVID-19 quickly and decisively, and which will allow us to emerge strongly from the crisis.

A centralised operating model, underpinned by a best-practice ethos

Thanks to the changes brought about by the TAG programme, we are now a truly global business. Where our business was once decentralised, with each regional office operating using its own systems and processes, we now work in one consistent best practice way across our global network.

Teams around the world have been united by a drive for quality. By creating a central archive of best-practice blueprints, covering topics from event health and safety to customer experience, we have formed a globally consistent approach to planning and operating Hyve events, from the beginning to the end of the event cycle. In addition, we deployed new global systems, added to the capability and talent within the business and cultivated a performance-led culture.

Fewer, bigger, better events

The quality of an event is vital to its success. That's why we have refined our portfolio so that it solely consists of events which are, or have the potential to be, market leading.

This review brought about a radical change to the makeup of our event portfolio, seeing us almost halve the number of events we own from 269 to 130 in FY19, while more than trebling the average revenue per event from £0.5m to £1.7m. This year, we acquired Shoptalk and Groceryshop and further work has been done to manage our portfolio with the divestment of a series of small events in Azerbaijan and Uzbekistan, leaving our current total at the end of FY20 at 100 events and £2.1m average revenue per event. Managing the portfolio is something we are committed to doing continuously, to ensure that the calibre of our events remains best-in-class.

A product-led portfolio

At the start of 2020, the product-led acquisitions we had made under the TAG programme were accelerating our growth. We added to that by acquiring Shoptalk and Groceryshop, two market-leading US-based e-commerce events, in December 2019. These events complement our portfolio thanks to their customer-centric approach, delivering high engagement and satisfaction. We see multiple areas of growth from these events, including future geo-clone opportunities, and a key element of the acquisition was leveraging their best-of-breed hosted buyer capability and bespoke software on selected Hyve events (see page 20). We remain open to considering future acquisitions, which meet the criteria we outlined under the TAG programme, to support our growth ambitions.

Valued by customers

Our top 10 TAG events achieved an average net promoter score (NPS) of +14 in FY19, which was an increase of +3 over the course of the TAG programme and put us significantly higher than the industry average of -17[1]. This perfectly illustrates our commitment to ensuring that our events are the best of their kind and to providing our customers with ever-increasing return on investment and time.

+14 NPS
in 2019, versus industry average of -17

1 Source: UFI & Explori, Global Exhibitor Insights, November 2017 Edition.

Project Fortress

Senior management took swift action to roll out a global strategy which mitigated the impact of COVID-19 shutdowns.

Our quick and decisive response to COVID-19, enabled by the completion of the TAG programme

Thanks to the work we had done in transforming our business, we were in a strong position at the point of the COVID-19 outbreak.

Our centralised operating model meant that we could act decisively. We quickly assembled a senior team of experts, led by the CEO, to deploy a globally applicable strategy. The systems we had put in place meant that our teams could easily work remotely, while staying connected. Most importantly, the work we had done to develop our culture meant that we could rely on our teams to remain engaged and support each other throughout this challenging and unprecedented period.

Our response to COVID p.04

OUR SHORT-TERM STRATEGY

Building for the future

While some of the markets in which we operate in-person events are beginning to open, there are numerous events in our portfolio which continue to be affected by the prolonged impact of COVID-19. In addition to the ongoing work to secure the future of our business under Project Fortress (see page 04), our short-term strategy is very much focussed on continuing to support our customers and building for the future. Where we are able to reopen events, we are doing so safely and in collaboration with our customers. Where there continue to be restrictions on events, we are offering alternative solutions to customers while making preparations for when markets open.

A safe & secure approach to resuming events

Safety is a top priority and we continue to follow local government and health organisation guidelines with regards to resuming our in-person events. To date, we have run 20 events since lockdown in Russia, China, Ukraine and Turkey and we continue to monitor the situation in each country we serve on a daily basis.

As events do resume, they will do so in accordance with our new, industry-leading Safe & Secure standards (see page 06). These enhanced safety measures build on our existing health and safety best-practice blueprint to ensure a safe place of work for our customers and colleagues.

20

events run since lockdown in Russia, China, Ukraine and Turkey and we continue to monitor the situation in each country we serve on a daily basis.

How we are restarting events p.06

Scenario planning

Looking ahead, we have created two potential trading scenarios to support our forward planning for FY21.

1 **Recovery scenario**
This assumes that events run throughout the year in China, Russia, Ukraine and Turkey and that events in western markets will only run in the second half of FY21.

2 **East/West scenario**
This assumes that events run throughout the year in China, Russia, Ukraine and Turkey but that no events will run in western markets for the entirety of FY21.

Both scenarios factor in the ongoing impact of international travel restrictions on events which do go ahead.

We are currently operating in line with the Recovery scenario; however, we are also prepared to quickly transition to the East/West scenario if needed, allowing us to take appropriate action with regards to managing our costs.

Supporting our customers online

While many of our events are unable to go ahead in physical form, we have initiated a vast digital strategy to stay in touch with our customers and allow us to continue to support our industry communities.

Each of our event teams has created a bespoke programme of online content including panel discussions, presentations, training, workshops and virtual conferences. In FY20 we delivered in excess of 100 webinars, connecting more than 30,000 attendees. This included six multi-day events which took the place of in-person shows that were either cancelled or postponed.

Offering added value through these online events is vitally important in maintaining our relationships with customers and the feedback has been extremely positive.

Virtual event case study: Autumn Fair @ Home

431
exhibitors in virtual showroom with over 10,000 visitors

30,000
visits to Autumn Fair website over two days

3,300
people attended live

Over half the attendees were **owners, CEOs or Heads of Department**

Attracted new audiences as 75% had never attended the in-person event

Customer reviews

“**Brilliant idea** – would be very useful for the future. Visual showrooms should be the way to go.

“It was **very well put together** resulting in picking up five new brands.

“**Such a great virtual show** with a wealth of useful information.

Despite these events being fantastic engagement tools, they do not replace the key elements of an in-person event. We know there is pent-up demand from our customers for our market-leading events to return.

While we are mindful that many of our customers' marketing spends will have been affected by COVID-19, research shows that 53% of exhibitors expect spend to return to pre-COVID levels within 12 months and 28% say that spend will return as soon as trade shows start running again. Only 12% of exhibitors reported that their spend would never return to pre-COVID levels.[1]

1 UFI & Explori: Global Recovery Insights 2020.

OUR MID-TERM STRATEGY

Creating an omnichannel business

Our ambition to provide world-class in-person events won't change. However, we know that COVID-19 is accelerating changes in customer behaviour, such as an increase in those choosing to only attend the very best events in-person and to work remotely. To ensure that Hyve is at the forefront of this evolution, we are developing our ambition to become a next-generation omnichannel events business.

Adding more value

Our omnichannel strategy begins with bringing forward the rollout of hosted meetings to our key in-person events and building on the exceptional quality we believe our events already demonstrate. This will add even more value to these already market-leading shows, ensuring that it is our events which are the must-attend shows of their industries.

Data-led matchmaking

When we acquired Shoptalk in December, a key rationale for purchasing this event was the gain of its pioneering hosted meetings capability and technology, which offers data-led matchmaking for customers at in-person events. The technology was tried and tested at Shoptalk 2019, which facilitated 8,000 meetings between 1,500 individuals over just three and a half days.

Facilitating meetings

We know that there is demand for facilitated meetings from the research we have carried out with customers at some of our top events.

This capability will be all the more important in a post COVID-19 environment when marketing budgets are expected to be more tightly focussed on achieving the most effective spend.

We know that it is the action we take in 2021 that will ensure our recovery in 2022. As such, we are now working towards rolling out hosted meetings across some of our key brands including BETT, Spring Fair and Autumn Fair, and Mining Indaba in order to go live in 2022.

Our customer research

Are you aware of other instances of hosted meetings within your industry?

	YES	NO
Spring and Autumn Fair Visitor	22%	78%
Spring and Autumn Fair Exhibitor	42%	58%
Bett Visitor	34%	66%
Bett Exhibitor	64%	36%
MosBuild Visitor	38%	62%

Significantly wider awareness amongst exhibitors across all events

(If no) If hosted meetings were available would you use them?

	YES	NO
Spring and Autumn Fair Visitor	54%	46%
Spring and Autumn Fair Exhibitor	82%	18%
Bett Visitor	58%	42%
Bett Exhibitor	80%	20%
MosBuild Visitor	75%	25%

Very high willingness to participate from both visitors and exhibitors

Select interview quotes

Well-matched meetings would save me a lot of time and I would be very likely to buy because I try to on-board at least 20 new suppliers each Spring Fair.

Buyer, Spring Fair

A huge part of our sales strategy in the US revolves around hosted meetings, Europe is way behind on this.

Exhibitor, Bett

The most important thing is to organise these meetings well, matching me with the right companies, scheduling effectively and making sure suppliers attend the meeting.

Buyer, MosBuild

OUR LONG-TERM STRATEGY

Exploring virtual formats

To date, there have been very few virtual solutions provided by event organisers that satisfy the customer needs of networking and trading, which in-person events are so successful at doing. We are in the very early stages of exploring opportunities to meet this demand and, to date, have trialled a number of proofs of concept and different digital platforms. We will continue to evaluate the viability and demand of virtual formats and their potential for monetisation.

Rolling out digital solutions

We know that customers expect three main things from our in-person events: to learn, network and trade. While we have been unable to host many of our events this year, the digital solutions we have provided customers with, such as webinars and panel discussions, have proved to be excellent engagement tools and have offered an abundance of opportunities for customers to learn.

SCAN THE QR CODE TO VIEW OUR **AOW VIRTUAL WEBINARS**

A next-generation omnichannel strategy

Fundamental customer needs

1 **Learn**

2 **Network**

3 **Trade**

Omnichannel strategy

In-person events

Continue providing access to market-leading content and thought leadership

Introduce hosted meetings to facilitate trade on site
Customer ROI and ROT materially improved

Virtual events

Deliver market-leading content online through webinars and virtual conferences

Facilitate year-round online meetings for entire industry ecosystems

Engagement

Monetisation and engagement

Shoptalk Meetup

We trialled an online networking and trading event, Shoptalk Meetup, as a virtual event proof of concept, working with a third-party operator.

This took place over 3 days in October 2020 with 2,000 participants and nearly 18,000 meetings. Participants were offered up to 36 15-minute meetings and two 55-minute table talks.

We are now in the process of assessing the long-term viability of such a solution in terms of product offering, monetisation potential and the timing and extent of investment required.

17,810
meetings took place

2,096
participants were serviced

Customer feedback:

“I'm on the last day of Shoptalk 2020 which transitioned from Vegas to digital due to Covid. I was initially sceptical of the speed dating meetings but find myself loving each day more than the last. **So many great introductions and possibilities!**

How we've managed our key risks in these uncertain times

The Group has established risk management processes for identifying and monitoring risks and uncertainties affecting the Group.

The principal risks facing Hyve are reviewed regularly by both the Risk Committee and the Board, who confirm that they have carried out a robust assessment of the principal and emerging risks facing the Group, including those that could threaten its business model, future performance, solvency and liquidity.

The COVID-19 pandemic demonstrates the Group's exposure to the risk of a novel communicable disease emerging, which has the potential both to restrict the Group's ability to run events and to reduce attendance at its events. In March 2020, the COVID-19 outbreak escalated into a global pandemic leading to unprecedented societal, governmental and personal impacts and restrictions. The exposure to an extended period of time during which a communicable disease severely impacts on the Group's ability to organise events represents a principal risk for the Group and consequently the risk of a pandemic (and, as such, an epidemic also) has been added to the list of principal risks and uncertainties.

The risks described below represent those that we consider to have the greatest potential to impact on our ability to meet our strategic objectives. In addition to these risks, inadequate business continuity planning and risk management, share dealing with price-sensitive information and inadequate insurance are regularly discussed by the Risk Committee and Board. These have not been presented in the list of principal risks and uncertainties below as they are considered pervasive risks that are not Hyve-specific and would be risks for the majority of listed groups.

Along with the principal risks and uncertainties set out below, the Group considers a range of other risks, including climate change and sustainability. While not considered a principal risk, severe weather events are recognised as a factor in the venue unavailability risk described below. The Group continues to monitor ways in which we can limit our impact on the environment throughout our operating model. Hyve's impact on the environment is considered to be relatively low and primarily relates to energy consumption at our offices and events, business travel to and from our events and the use of non-sustainable materials at our events, all of which we are taking proactive steps to minimise.

Risk	Potential impact	Updates during the year	Mitigation	Change in risk rating from prior year
Pandemic, natural disaster or terrorist incident	Pandemic, epidemic, extreme weather conditions, earthquake, storm damage, gas/oil explosion or terrorist incident could affect employees and events. Employees may be unable to access offices or Hyve systems. Should a venue become unavailable, the Group would be forced to source a new location, which would likely affect visitor numbers. Lockdowns and restrictions on mass gatherings limit access to offices and limit the ability to hold events. Event cancellation would result in reduced customer engagement and affect trading results.	During this financial year the title of this risk was amended to include 'pandemic'. In response to the COVID-19 pandemic, working from home was implemented across our global network. As offices have reopened, measures have been put in place to ensure the safety of our teams. Government restrictions introduced in response to the COVID-19 pandemic impacted on our ability to run events. At our events that have reopened, we have implemented our own Safe & Secure standards to ensure globally consistent best practice.	Venue contracts allow for a degree of recourse/obligations to refund/mitigate. Systems are in place to ensure that employees are able to work remotely and to access systems remotely. Event cancellation insurance (including cover for communicable diseases) for our top 20 events (FY20 and FY21 editions) and business continuity insurance are in place. Office risk assessments are undertaken regularly.	↑

Risk	Potential impact	Updates during the year	Mitigation	Change in risk rating from prior year
Political and economic instability	Political and economic volatility that makes it difficult for Hyve to continue operating in a country could have a damaging financial effect in terms of lost revenue and lead to reputational damage and dissatisfied customers. An economic downturn or period of uncertainty could reduce demand for exhibition space, which would, in turn, reduce the profitability of our events. Since the EU referendum on 23 June 2016 and the signing of the Withdrawal Agreement on 24 January 2020, there continues to be uncertainty in the UK regarding Brexit and what this will mean for business and the economy.	The likelihood of this risk increased due to the COVID-19 pandemic which resulted in government action in all of our markets with restrictions imposed that impacted our ability to run events from March 2020. Uncertainty around Brexit and other global geopolitical issues in other core markets such as Turkey also impact on this risk rating. However, a number of events in Central Asia were divested, reducing our exposure to more volatile markets.	Over recent years, we have diversified our business geographically through expansion into new regions and markets to reduce our exposure to a single country's or region's instability. We operate across a wide range of sectors and countries to minimise our exposure to any single industry sector. In a normal year, the nature of our business cycle is such that with revenues largely generated in advance of the costs we incur, we can react to periods of economic instability to protect the profitability of our exhibitions. Through strong relationships with venues and staff, we have a relatively flexible cost structure, allowing us to manage our event margins in the short and medium term. Since the start of the pandemic, in response to the heightened political and economic uncertainty, we have taken action to reduce costs and manage cash and liquidity. The Group regularly monitors the potential implications of continued Brexit uncertainty and maintains regular dialogue with our customers and suppliers to ensure that the financial impact on our business is kept to a minimum.	↑
Liquidity risk	Significantly reduced trading over an extended and undetermined timeframe, combined with an inability to effectively manage expenditure if cash flows decline, could impact the business's ability to operate within and secure additional committed credit facilities.	The COVID-19 pandemic has caused significant disruption to our event schedule, reducing operational cash flows and increasing liquidity risk. Our immediate response to the pandemic was to strengthen our balance sheet by raising equity through a fully supported rights issue which raised £126.6m before expenses. In addition, we agreed the waiver of our leverage ratio and interest cover bank covenant tests until April 2022 and replaced them with a single liquidity covenant. At 30 September, cash and undrawn debt facilities were £182.3m, providing the Group with significant liquidity going into FY21.	The Group has cancellation insurance policies to mitigate the liquidity risk of disruptions to our event schedule. During FY20 £22.0m of insurance proceeds were received and £24.6m has been either received or confirmed by the insurance providers subsequent to year end. There is flexibility in the Group's cost base should events not take place. Further cost control measures are available to management should they be required to increase liquidity. Actions taken to achieve cost reductions in the second half of the year, since the COVID-19 pandemic, as well as costs avoided through not running events, enabled the Group to deliver approximately £63m of in-year savings in FY20. At 30 September 2020, the Group has £250m of long-term borrowing facilities with a syndicate of lenders, providing access to significant liquidity until maturity in December 2023.	↔

Risk	Potential impact	Updates during the year	Mitigation	Change in risk rating from prior year
Venue unavailability	Damage to or unavailability of a venue could lead to event cancellation, impacting the Group's trading position. This could occur due to, among other things, severe weather events, natural disaster, terrorism or disputes with venue owners.	Cancellation insurance for our top 20 events was renewed. The COVID-19 pandemic has had a significant impact on venue availability during the financial year due to government restrictions in all markets on large gatherings; some venues were also designated as emergency hospitals.	Our top 20 events through to the end of financial year ending 30 September 2021 are covered for communicable diseases such as COVID-19. Throughout the pandemic we have been in continual dialogue with venue owners to secure venues for our rescheduled events.	
Repatriation of profits from subsidiaries	The Group operates in a number of countries with complex local requirements surrounding overseas payments. There is a risk of cash being 'trapped' in subsidiaries, resulting in liquidity problems within the Group. This would also expose us to the risk of jurisdictions materially increasing the withholding tax rate on the payment of dividends.	During the financial year, the adoption of the new franchise fee transfer pricing model was completed in all key markets.	Overseas cash balances are monitored on a weekly basis by Group management and cash transferred whenever the opportunity arises. The Group has well-established payment mechanisms to repatriate cash from its subsidiaries.	
Breach of anti-bribery laws or similar	Should an employee or other associated party commit a bribery offence or contravene other similar laws, the Group could potentially be exposed to financial sanctions, reputational damage, exclusion from bidding for public sector contracts in the EU and a reduction in share price. High-profile offences could be considered a breach of facilities agreements, entitling lenders to call for early repayment of loans.	A new Code of Conduct was launched in January 2020. Policies covering matters such as anti-corruption/bribery, modern slavery, whistleblowing, gifts and entertainment and conflicts of interest fall under the umbrella of the Code of Conduct. Prior to travel restrictions being implemented as a result of COVID-19, management visited a number of our markets during the year to conduct compliance audits and to deliver training.	Staff are instructed to adhere to the Group's unambiguous policies on business ethics, which are freely available on the intranet. These cover subjects such as anti-bribery and gifts and entertainment. Additionally, individual business units are required to record and obtain approval for certain expenditure. The Group's Internal Audit function is outsourced to PwC who perform periodic checks of compliance with record-keeping obligations and general awareness among staff of these policies.	
Breach of sanctions or sanction extensions	Should an individual representing the Group trade with a restricted party or sector in a country to which sanctions apply, and in contravention of these sanctions, this could expose the Group to risks including financial fines, reputational damage and a reduction in share price. It could potentially be considered a breach of a facilities agreement, entitling lenders to call for early repayment of loans. Any extension of international sanctions regimes could reduce the volume of business the Group is able to transact.	During the financial year a Sanctions Policy was implemented. Regular monitoring of the global sanctions framework is undertaken. Our Customer Relationship Management (CRM) system is used to automatically flag sanctioned markets for internal approval and we also make use of an external risk portal to check sanctions lists.	Our most exposed market is Russia, which could be subject to wider sanctions from the US. Accordingly, we take measures to ensure that our dealings with Russian counterparts do not breach these sanctions.	
Breach of health and safety regulations	A breach of regulations or policy during build-up or while an event is running could lead to personal injury. This could result in financial loss due to fines and damages, lost revenue through customer attrition and reputational damage from negative press coverage. There could also be damaging effects on staff morale, together with the risk of personal liability for Directors. Our risk exposure may be greater when such a breach involves a joint venture or subsidiary that is not wholly-owned by us as we may not be able to exercise full operational control.	Venue 'Health & Safety and Security' audits were conducted across the majority of our markets and strategies agreed. In response to the COVID-19 pandemic a taskforce was established to manage the safe return to shows and offices as lockdown restrictions were eased or lifted. The guidelines produced by the taskforce were shared with our joint venture partners.	We recognise our reliance on the venues and contractors we use and we seek to ensure that such third parties adhere to our own health and safety policies, where practical, and to local regulations. A Health, Safety & Security Policy is embedded across the business, ensuring that event-level Major Incident Management Plans are put in place event by event. Regional management is held accountable for health and safety standards in their regions. The Board is immediately notified of any serious breaches.	

Risk	Potential impact	Updates during the year	Mitigation	Change in risk rating from prior year
Breach of GDPR regulations	The need to comply with data protection legislation could affect the Group in a number of ways, including making it more difficult to grow and maintain marketing data and also through potential litigation relating to any misuse of personal data. A breach arising from inadequate controls over customer, visitor or employee data could result in sizeable fines and reputational damage arising from negative press coverage.	On the back of a report provided by external legal counsel steps were taken to improve compliance with GDPR regulations and best practice during the financial year. During the financial year all employees were required to complete an online Hyve Data Protection training module. A further module on data privacy which included an introduction to the California Consumer Privacy Act was also provided to a number of employees.	The Group discharges its data protection obligations through the operation of a cross-functional Data Protection Working Group (DPWG) which meets regularly. The DPWG reports to a Steering Committee which in turn reports to the Risk Committee as necessary. Our standard terms and conditions, together with other commercial contracts include appropriate GDPR clauses, CCPA provisions, standard contractual clauses and transitional Brexit provisions (as appropriate in each case).	↑
IT cyber/ phishing attack resulting in data loss	The inability to protect our IT systems or infrastructure against a targeted cyber or phishing attack could reduce our ability to make sales, damage our reputation and harm customer relationships. The same applies if internet restrictions are applied by the governments of any of the markets in which we operate. A complete loss of connectivity would potentially halt business operations. Any data loss could expose the Group to fines, while a systems breach could make us vulnerable to a ransomware attack.	During the financial year multi-factor authentication, end user IT security training programmes and new processes designed for reporting to the General Counsel and to the Information Commissioner's Office following a phishing incident were put in place.	A programme of defensive measures is in place to reduce the risk of cyber/ phishing attack. In addition to the items put in place during the financial year, mitigation includes regular system penetration testing across the organisation, firewalls to protect computer networks, advanced endpoint protection for email-based links and data backups for our major offices. The Group implements solutions provided by large and trusted providers e.g. Microsoft.	↔
Acquisition integration	Integration issues and a failure to realise planned operational and synergistic benefits are a risk to delivering the expected returns on our investments.	During the financial year, an integration blueprint was produced by the M&A team for future acquisitions. Following the acquisition of Shoptalk and Groceryshop, a full-time Transition Director was appointed to manage the integration.	The Group has established formal investment decision criteria to identify suitable earnings-enhancing acquisition targets and we employ experienced professionals to drive the acquisition process and perform financial, tax, legal and commercial due diligence. Post-acquisition plans are prepared to ensure businesses are effectively integrated into the Group and the planned synergies are realised.	↔
Effective control over non-wholly owned entities	Day to day, management and control of non-wholly-owned entities is often in the hands of local management, which may also be shareholders. The venture may not be run in a manner fully consistent with Hyve's policies.		We incorporate controls in the shareholder agreement or equivalent governing documents and have in place a Group authority matrix.	↔
Pay and performance – for business benefit	Poor performance management, a lack of alignment from the business plan through to individual objectives and associated reward metrics may cause confusion and demotivation. This may lead to targets not being met, potential revenue loss and poor business results.	COVID-19 has not affected the Global Performance Management Framework; however, it has impacted on the Group's ability to pay bonuses. Work has begun on establishing an achievable bonus plan for the financial year ending 30 September 2021, as a retention mechanism following the substantial restructure of the organisation.	The Group has a Global Performance Management Framework in place. Managers' guides to performance management, together with training in setting SMART objectives and how to give regular and relevant feedback, have been provided.	↑

Going concern and viability statement

Going concern

As part of the Directors' assessment of the appropriateness of adopting the going concern basis in preparing the annual report and financial statements, the current strength of the Group's liquidity has been considered alongside the impact that a range of forecast scenarios would have on the Group's financial position over the next 12 months.

At 30 September 2020 the Group has available liquidity of £182.3m (2019: £48.3m) and adjusted net debt of £67.7m (2019: £111.7m). The Group's liquidity has strengthened significantly during the year as a result of the £126.6m raised in May 2020 through a rights issue and following the refinancing of the external debt facility in December 2019, increasing the debt facility from £160m to £250m. The Group's debt covenants were also renegotiated in May 2020 with the leverage and interest cover ratios replaced with a £30m–40m minimum liquidity covenant up to and including March 2022.

As part of the debt refinancing the maturity of the facility was extended to December 2023, giving the Group good visibility of available liquidity over the next three years. The receipt of £35.1m insurance proceeds since the COVID-19 outbreak has also improved liquidity. With total insurance cover of up to £62m for FY20 events and up to £50m for FY21 events, we will continue to work with our insurance providers on claims made that have yet to be settled as well as any future claims, should our 2021 event schedule continue to be impacted by government restrictions arising from COVID-19. The reopening of some of the Group's markets in late FY21 and recent positive news about the effectiveness of a vaccine for COVID-19 gives confidence that events in all markets will return by FY22.

The Group has modelled a number of scenarios based on different assumptions regarding the duration and extent to which COVID-19 might reasonably be expected to impact the business. For each of our markets we have sensitised the revenue, profit and cash flow impact of reduced trading activity. We have considered the financial impact of markets and geographies reopening at different stages over the coming months. For the purposes of considering the Group's going concern assessment, we have focussed on two scenarios:

1. A base case ('Recovery' scenario); and

2. A downside case (East/West scenario).

In both scenarios, all physical events in 2020 and 2021 are assumed to have lower levels of participants compared with their pre-COVID 2019 levels, as a result of reduced international attendance and a gradual return of confidence and participation. The Group has received £46.7m in respect of cancellation insurance claims since the outbreak of COVID-19 and further insurance proceeds are assumed across the remainder of FY21 under both scenarios, primarily from events that have already been cancelled and for which the Group has received confirmation of cover from the insurance providers.

The Recovery scenario assumes that only the Group's events in China, Russia, Turkey and Ukraine take place in the first half of the financial year. The Group has already run events in all of these countries in FY21. All events in other markets are assumed to be cancelled in the first half of the year. In the second half of the year, all currently scheduled events across all markets are assumed to take place. Under the Recovery scenario, available liquidity is expected to remain in excess of £100m throughout the 12-month period from the date of the annual report.

The East/West scenario assumes that restrictions remain in place across the Group's western markets for the full financial year. No events are assumed to run in the UK, US, Germany or South Africa in this scenario. Bookings and cash receipts in respect of FY22 events in these markets are expected to be further impacted in the western markets as a result of the more prolonged impact on events in these geographies. Under the East/West scenario, available liquidity is expected to remain in excess of £80m throughout the 12-month period from the date of the annual report.

The Directors have also modelled a reverse stress test, which assesses the liquidity and covenant position in a more severe downside scenario. The Directors initially considered a scenario where no further events take place in FY21, which reduces liquidity but would not breach the £40m liquidity covenant. To create a reverse stress test, the Directors modelled a scenario where no further events take place in FY21 and no further cancellation insurance proceeds are received in FY21.

Under the reverse stress test the Group maintains available liquidity of in excess of £20m throughout the 12-month period from the date of the Annual Report but would breach the liquidity covenant following the £17.5m term loan repayment on 30 November 2021 and would therefore require a covenant waiver or repayment deferral. The Directors feel that the assumptions applied in this reverse stress test are extremely remote, given that the Group has been able to run events in a number of markets since the outbreak of COVID-19 and has cancellation insurance cover for a number of the Group's largest events that are assumed to be cancelled under this test.

Since year end, there have been positive reports regarding the development of an effective vaccine for COVID-19. While none of our scenarios are predicated on an imminent vaccine being widely available, this news gives greater optimism that events across western markets will be able to resume before the end of the current financial year and could bring upside to all modelled scenarios if there was a rapid and robust rollout of a vaccine, across the markets in which the Group operates.

Based on the current and projected levels of liquidity under a range of modelled scenarios the Directors believe that the Group is well placed to manage its financial obligations and other business risks satisfactorily and have been able to form a reasonable expectation that the Group has adequate resources to continue in operation for at least 12 months from the signing date of these financial statements. The Directors therefore consider it appropriate to adopt the going concern basis of accounting in preparing the annual report financial statements.

Viability statement

In accordance with the UK Corporate Governance Code, the Directors have considered the long-term viability of the Group to determine whether the Group can continue to operate and meet its liabilities, taking into account its current position and principal risks. In assessing viability, the Board considered a number of factors, including the Group's business model (see page 16), strategy (see page 18) and principal risks and uncertainties (see page 26).

The Board is required to assess the Group's viability over a period greater than 12 months. In keeping with the way that the Board views the strategic development of the business over the long term, a period of three years is considered appropriate for business planning, measuring performance and the long-term incentives offered to management. The Directors' assessment of viability therefore continues to align with this three-year outlook. Given the global economic uncertainty resulting from the COVID-19 pandemic, we have considered the Group's long-term viability on the assumption that there is continued volatility and business disruption impacting the Group's ability to run events across FY21 and which also impacts the Group's financial outlook in FY22 and FY23.

Since the outbreak of COVID-19, management has taken significant action to strengthen the Group's liquidity position and protect the long-term financial prospects of the business. These measures include raising £126.6m through a rights issue in May 2020, renegotiating our banking covenants and delivering significant cost savings. These measures will help to protect the business against a prolonged impact of COVID-19 and provide confidence in the Group's ability to withstand continued disruption over the next three years.

In assessing viability, the Directors considered the financial position presented in the Budget and Three-Year Plan recently approved by the Board. In the context of the current challenging environment as a result of COVID-19, significant disruption was assumed in the plan. Further severe but plausible sensitivities have also been modelled. These were based on the potential financial impact of the specific risks associated with the COVID-19 pandemic and the uncertain trading environment for the events industry due to government action to control the spread of the virus and international travel restrictions. Under the modelled scenarios, the Group has assumed that recovery to FY19 levels is not possible during the viability assessment period through FY23.

The impact of the modelled scenario and sensitivities have been reviewed against the Group's projected cash flow position and financial covenants over the three-year viability period. Even in a scenario where the impact of COVID-19 is prolonged and there is a period of up to 12 months during which the Group cannot run events, the Group is expected to have sufficient liquidity to meet all financial obligations. However, from June 2022, when the Group's leverage ratio and interest cover covenants resume, under a scenario where a recovery is more gradual, the covenants could be breached. Under this scenario the Group would need to take mitigating action and would consider opening negotiations with its lenders to renegotiate the covenants.

The Group's available liquidity, combined with the cost-saving measures implemented and cancellation insurance cover means that, even under downside scenarios and after applying sensitivities, the business would continue to have significant liquidity headroom on its existing facilities. In all assessments, there is an option to extend the potential mitigations available, such as further reduction in expenditure or the disposal of assets if required. The Audit Committee reviews the output of the viability assessment in advance of final evaluation by the Board. Having reviewed the current performance, forecasts, debt servicing requirements, total facilities and risks, the Board has a reasonable expectation that the Group has adequate resources to continue in operation, meet its liabilities as they fall due and retain sufficient available cash across all three years of the assessment period. The Board therefore has a reasonable expectation that the Group will remain commercially viable over the three-year period of assessment.

Decisive action to reduce costs, conserve cash and boost liquidity

> **Our robust financial and operational position** will enable us to emerge strongly from the COVID-19 pandemic.
>
> **John Gulliver**
> Chief Finance & Operations Officer

We started the year with strong momentum which helped deliver 7% like-for-like growth across our events in the first quarter. The impact of COVID-19 was felt from the second quarter onwards and had a significant impact on our financial results for the year. That said, we responded decisively and as a result of the actions taken, we are confident that we have done everything we can to safeguard the Group. This will ensure that we maintain a strong platform to weather the crisis and position ourselves for the recovery.

I am enormously grateful to our teams across all regions for the huge undertaking of work which has allowed us to create a stable financial and operational platform, securing the future of the Group. Despite this being an incredibly challenging year for everyone, I have been delighted by the way our teams have come together, united by a drive to support each other and by a shared passion for our events. I would like to take this opportunity to say thank you to every one of my colleagues for their ongoing commitment and dedication, in what has been an extraordinary year.

Having spent the last three years as Hyve's Chief Operating Officer, I am well positioned to be able to combine my operational and financial experience to the newly created role of Chief Finance and Operations Officer. We enter a new financial year as a strong and more agile business having taken the necessary steps to adapt to the prolonged impact of COVID-19. The financial and operational priorities over the next 12 months are crucial in securing a stable foundation, on which to build our recovery.

COVID-19 impact on our event schedule

While COVID-19 greatly impacted our event schedule in FY20, we successfully organised 45 events in the first half of the year and, as restrictions lifted in some of our markets, 12 events in the second half. Overall, we generated revenues of £105.1m (2019: £220.7m) and a headline loss before tax of £18.7m (2019: profit before tax of £50.4m).

The disruption to our event schedule from March resulted in 67 events being cancelled and three events being postponed to FY21. Only five of our top 10 events were able to run in the year.

From August, markets opened in China, followed by Ukraine, Russia and then, in FY21, Turkey. Attendance was understandably affected at events which ran in the second half of the year. As a result, like-for-like revenues for FY20 were down 11% against FY19.

Strengthened the balance sheet

In December 2019, we raised £50m by way of a share placement, increased our debt facility from £170m to £250m and extended the maturity date from December 2021 to December 2023. This initially enabled the £110.1m acquisition of Shoptalk and Groceryshop, but also supported our liquidity position as COVID-19 materialised.

Our immediate response to the pandemic was to further strengthen our balance sheet by raising equity through a fully supported rights issue which raised £126.6m before expenses. In addition, we agreed the waiver of our leverage ratio and interest cover bank covenant tests up to and including March 2022 and replaced them with a single liquidity covenant.

Adjusted net debt at the year end was £67.7m (2019: £111.7m), an improvement of £44.0m. As at 30 November, cash and undrawn debt facilities were £163m, providing the Group with significant liquidity going into 2021.

Benefiting from event cancellation insurance policies

We understand that we are one of the few event organisers which has the benefit of event cancellation insurance for FY20 and FY21 events where insured events are expressly prohibited, due to government restrictions resulting from communicable disease. Throughout the pandemic, we have pursued claims with our insurers for those events which could not proceed due to the prohibitions in place as a result of COVID-19. Our insurance recoveries, alongside the enforcement or renegotiation of other contractual obligations, have been a vital element in our successful efforts to mitigate the financial impact on our business.

During the financial year, we received and recognised £22.0m of income from insurance claims, with a further £13.1m received since the end of the financial year. In addition a further £11.5m of claims have been approved, but not yet paid. These amounts are in respect of the policy insuring FY20 event cancellations, capped at £62.0m. We have insurance cover in place for the cancellation of FY21 events, with potential claims capped at £50.0m.

£126.6m

raised through a fully supported and underwritten rights issue

Action taken to reduce costs and conserve cash

At the outset of the pandemic, we acted quickly and decisively to implement a number of cost reduction and cash preservation initiatives. As it became clear that the impact of the pandemic would be prolonged, we took further measures to reduce our cost base.

Like many businesses, we utilised the UK government furlough scheme to protect jobs where we could. In addition, our Board, senior management and staff across our business took voluntary and temporary salary reductions and received no bonuses. Despite these measures, we made a number of redundancies across the Group, with headcount reductions of around 30% including contractors.

As well as reducing staff costs, we have been working in close collaboration with our venue partners and have successfully delivered savings through securing rollover payments for cancelled or postponed events and negotiating payment terms, minimum space commitments and cancellation terms.

We have paused or deferred all non-essential capital expenditure, as well as reduced discretionary spend across the business.

Collectively, the actions taken to achieve cost reductions in the second half of the year, as well as costs avoided through not running events, enabled us to deliver approximately £63m of in-year savings. This is an excellent achievement, given the pandemic hit halfway through our financial year. The actions taken are expected to deliver annualised savings of approximately £44m in FY21 and further costs will be avoided as events are cancelled or postponed.

Outlook and liquidity

The pandemic has had a severe impact not just on Hyve but on the events industry as a whole. Despite starting to see signs of improved optimism, underpinned by the prospect of vaccines, we expect continued disruption to our event schedule and a relatively gradual return of customer participation.

We have created two trading scenarios for FY21. The first, our 'Recovery' scenario, assumes that events in China, Russia, Ukraine and Turkey are able to go ahead. However, they will be smaller than in previous years driven by a largely domestic customer base. This scenario assumes that events in western markets will take place during the second half of FY21 and this is the scenario we are currently operating in line with.

The second, our East/West scenario, assumes that no western events take place throughout the financial year. These scenarios enable us to allocate resources and manage costs according to anticipated trading conditions.

Beyond FY21, we are hopeful of returning to a normalised schedule of events in FY22, albeit with events still recovering in terms of revenue and customer numbers. The rebased portfolio, currently comprising 100 events, will have evolved from FY19, through the acquisition of Shoptalk and Groceryshop and the disposal of businesses in Central Asia as well as a number of other closures and cancellations of smaller events.

Our significant cash balances and undrawn debt facility underpin the Group's confidence going into 2021. We will continue to focus on preserving cash through cost control and effective management of customer roll-overs and renegotiation of contractual payment terms. In addition, we also expect further insurance proceeds in respect of outstanding claims which have not yet been settled.

Under our two trading scenarios, we expect FY21 year-end headroom to exceed the liquidity covenant by between £80m and £100m, implying net debt in the range of £100m to £120m.

The foundations we created under our TAG programme, including our centralised operating model and the investment in our people and systems, played an important part in being able to withstand and navigate the early stages of the pandemic. Looking ahead, the market-leading events we have strengthened and nurtured, as well as significant available cash and debt facility, give us a robust platform on which to build, as in-person events resume.

John Gulliver
Chief Finance and Operations Officer

Overview

Revenue

Revenue for the year was £105.1m (2019: £220.7m), down £115.6m and 52% behind the comparative period, significantly impacted by the number of event cancellations since the COVID-19 pandemic.

The year started strongly with four of the Group's top 10 events running as planned in the first six months, including Bett, Mining Indaba and YugAgro, all of which delivered strong year-on-year growth. Spring Fair also took place in the first half of the year and despite the ongoing impact from Brexit and reduced attendance by Chinese exhibitors due to COVID-19 travel restrictions, the rate of decline slowed compared with the previous year. Africa Oil Week, one of the Group's 20 largest events, also performed very well delivering double-digit revenue growth for the third year in a row.

After revenue of £96.3m (2019: £107.8m) in the first half, the Group's event programme was significantly impacted by the COVID-19 outbreak in the second half of the year with 67 events being cancelled and three events postponed to the following year. Revenue for the second half of the year was £8.8m (2019: £112.9m), with only a number of smaller events in Russia, China and Ukraine able to run prior to the end of the period.

Loss before tax

The Group reported a loss before tax of £312.9m (2019: profit of £8.7m), after including adjusting items of £294.2m (2019: £41.7m). Impairment charges of £263.0m (2019: £nil) have been recognised in respect of a number of our business units. As a result of the COVID-19 outbreak, forecast operating profits have declined significantly, reflecting event postponements and cancellations, as well as the longer lasting impact of COVID-19 on performance due to the unprecedented levels of disruption and uncertainty across every sector and market.

Headline profit before tax is an alternative performance measure (APM) used by the Group to measure underlying trading performance. After excluding adjusting items, headline loss before tax was £18.7m (2019: profit of £50.4m). Insurance proceeds of £22.0m have been received during the year in relation to claims regarding the cancellation or postponement of a number of events that were scheduled to take place in the period, partially offsetting the losses incurred due to the disruption to the Group's event schedule.

Earnings per share

Basic and diluted earnings per share (EPS) were (171.6)p and (171.6)p respectively (2019: 2.4p[1] and 2.4p[1]). Headline diluted EPS was (13.6)p (2019: 27.8p[1]) reflecting the decline in headline profits due to the impact of COVID-19.

Financing and liquidity

In May, the Group completed a share consolidation of every 10 ordinary shares into one consolidated ordinary share. Subsequently the Group completed a fully underwritten rights issue of up to nine consolidated ordinary shares at 69p each for every four consolidated ordinary shares, to raise gross proceeds of approximately £126.6m (approximately £118.0m net of expenses).

We have obtained waivers for the leverage ratio and interest cover covenants up to and including March 2022. Up until this date a liquidity test is in place, whereby the Group must ensure that the aggregate of any cash or undrawn facility is not less than £40m at the end of each month, except between April and October 2021 being not less than £30m.

In December 2019, the Group refinanced its external debt facility, providing access to a total facility of £250m, £100m as a term loan and £150m as a revolving credit facility, from a syndicate of five banks: Commerzbank, HSBC UK, Citibank, Barclays and HSBC US. The facilities expire in December 2023 with the option, subject to certain conditions, to extend by a further year.

1 The weighted average number of shares used for basic and diluted and headline basic and diluted EPS for 2019 has been restated as a result of the share consolidation and rights issue which took place during the year, in order to provide a comparative measure. As a result, basic and diluted and headline basic and diluted earnings per share for 2019 have also been restated.

Subsequent to the year end the first annual repayment of the term loan of £17.5m was paid in November 2020. The remaining scheduled annual repayments are for £17.5m to be repaid in November 2021, with further repayments each subsequent November of £20.0m and £22.5m, before a final repayment of £22.5m on the expiration date.

Adjusted net debt at the year end has reduced to £67.7m (30 September 2019: £111.7m) following the receipt of £118.0m of net proceeds from the rights issue and insurance proceeds of £22.0m, offsetting the impact of the £110.1m acquisition of Shoptalk and Groceryshop.

At 30 September 2020, £121.7m of a total available £250.0m was drawn on the Group's banking facility. Bank loans presented in the Consolidated statement of financial position are £118.0m, net of £3.7m of capitalised borrowing costs. Subsequent to the year end the Group has drawn an additional £70m on the revolving credit facility, increasing the Group's cash position to £101m in November 2020.

Headline reconciliation

In addition to the statutory results, headline results are presented, which are the statutory results after excluding a number of adjusting items, as the Board considers this to be the most appropriate way to measure the Group's performance. In addition to providing a more comparable set of results year-on-year, this is also in line with similar adjusted measures used by our peer companies and therefore facilitates comparison across the industry.

The adjusting items presented are consistent with those disclosed in the previous year. The adjusting items have been presented separately in order to report what the Board considers to be the most appropriate measure of underlying performance of the Group and to provide additional information to users of the Annual Report.

Reconciliation of headline profit/(loss) before tax to statutory profit/(loss) before tax:

£m	2020	2019	
Headline (loss)/ profit before tax	**(18.7)**	50.4	
Operating items			
Amortisation of acquired intangible assets	**(29.2)**	(24.1)	**Definition** Amortisation charge in respect of intangible assets acquired through business combinations. **Explanation** The charge has increased in the period, as a result of the amortisation of the intangible assets recognised following the acquisition of Shoptalk and Groceryshop in December 2019. ***Why adjusted?*** *To present the profitability of the business such that performance can be appraised consistently whether from organic growth or through acquisition, and irrespective of whether or not acquired intangible assets have subsequently become fully amortised.*
Impairment of assets	**(263.0)**	–	**Definition** Write down of assets to fair value, where indicators of impairment have existed or following the completion of the annual impairment review. **Explanation** Impairment charges totalling £263.0m have been recognised in respect of goodwill (£195.1m), acquired intangible assets (£63.4m) and investments in associates and joint ventures (£4.5m). As a result of the COVID-19 outbreak, discount rates have increased due to the increased risk environment, while forecast operating profits have declined significantly across the business, reflecting event postponements and cancellations, as well as the longer lasting impact of COVID-19 on performance due to the unprecedented levels of disruption and uncertainty across every sector and market. Therefore, the forecast cash flows of certain cash-generating units (CGUs) and investments are no longer able to support their carrying value and consequently the impairment charges noted have been recognised. The charges have been recognised on the assumption that the Group's event schedule for the next financial year is significantly disrupted and that there will be a decline event-by-event versus pre-COVID forecasts for those events still expected to run. ***Why adjusted?*** *To exclude write-offs specific to circumstances that arose either in the current year or based on future performance expectations. These are often inconsistent in origin and amount year-on-year and therefore the business performance is more comparable year-on-year without these charges.*

£m	2020	2019	
Profit/(loss) on disposal	**2.3**	(3.2)	**Definition** The profit or loss recognised following the disposal of part of the business, represented by the difference between the fair value of proceeds received net of related selling expenses and the disposed of net assets. **Explanation** The profit on disposal in the year relates to the disposal of the Group's event portfolios in Azerbaijan and Uzbekistan completed in August 2020. When discounted, the fair value of the consideration receivable was £4.3m at disposal, and a gain on disposal of £2.3m was recognised. In the previous year, the loss primarily relates to the disposal of ITE Expo LLC, the operating company for 56 of the Group's non-core, regionally focussed, smaller events in Russia. ***Why adjusted?*** *To exclude the non-recurring profit/loss from a disposal completed during the year, from which no future profit or loss will be recognised. This increases the comparability of the results year on year.*
Transaction costs on completed, pending or aborted acquisitions and disposals	**(3.3)**	(1.4)	**Definition** Costs incurred that are directly attributable to acquisitions or disposals, whether completed, still being actively pursued or no longer being considered. **Explanation** Transaction costs on completed and pending acquisitions and disposals relate principally to costs incurred on the acquisition of the Shoptalk and Groceryshop events completed in December 2019. The most significant of these costs are professional and consultancy fees incurred in relation to the due diligence and legal procedures necessary for the completion of the deal. In the previous year, the costs recognised primarily related to the acquisition of Mining Indaba completed in October 2018. ***Why adjusted?*** *While transaction costs are typically incurred each year due to the acquisitive nature of the industry and the Group's focus on actively managing the existing portfolio of events while making selective product-led acquisitions, the costs incurred are not consistent year to year, fluctuating significantly based on the number and size of deals. Costs incurred in relation to an acquisition, while often commensurate to the size of the business being acquired, are more closely connected to the consideration payments than the performance of the business in the period. Similarly, costs incurred in relation to a disposal are linked to disposal transaction more than the underlying performance of the business in the year. Excluding the costs increases comparability of performance each year.*
Integration costs			**Definition**
• Integration costs	**(0.5)**	(5.3)	Costs incurred following the completion of an acquisition to integrate the acquired business within the Hyve Group, including costs incurred that are necessary to enable the Group to realise synergy savings post-acquisition.
• Costs to realise synergies	**–**	(1.5)	**Explanation** Integration costs of £0.5m have been incurred, primarily in relation to the integration of the Shoptalk and Groceryshop events. The costs have been incurred in relation to third-party consultancy and internal staff costs to oversee the internal and external communications relating to the acquired products, particularly regarding establishing a Hyve presence in the US, and to align the acquired products with the strategy of the Group. In the previous year, integration costs of £5.3m were incurred in relation to the integration of the Ascential Events business and the Mining Indaba event, as well as £1.5m of costs incurred in order to realise the synergy opportunities presented by these acquisitions. ***Why adjusted?*** *To exclude costs that are often, for a limited period, either duplicated, higher than ordinarily would be incurred or introduced to ensure consistency of operations, systems, practices, culture and reward to the extent that these costs are not expected to be a reflection of the ongoing costs of the Group and therefore their inclusion could distort comparability with future years' results.*

£m	2020	2019	
Restructuring costs • TAG • Other	 **(0.8)** **–**	 (2.8) (1.4)	**Definition** Costs incurred related to transforming and restructuring the business, primarily through the Group's TAG programme. **Explanation** Restructuring costs of £0.8m relate to the finalisation of the TAG programme, including the development of the global ERP software planned to be rolled out across the finance function, prior to being suspended as a result of the cost-saving measures implemented across the Group since the COVID-19 outbreak. In the prior year, other restructuring costs of £1.4m were incurred in connection with the new strategic direction of the Group, particularly in respect of the active management of the Group's portfolio of events. £1.3m of costs were incurred in relation to the shutdown of the Siberian business, principally in respect of legal fees and a litigation settlement payment following a legal claim made by the owner of the venue previously used in Siberia, the early termination of office space and some directly related staff and consultancy costs. ***Why adjusted?*** *The one-off costs incurred in respect of the TAG programme, over the three years from announcement in May 2017, are presented as adjusting items. The costs are attributable to professionalising and centralising the business and designing and implementing the Group's strategy. All ongoing costs introduced as a result of the TAG programme are not presented within adjusting items.*
Tax on income from associates and joint ventures	**(1.5)**	(1.9)	**Definition** The tax charge in respect of the share of profits recognised from associates and joint ventures. **Explanation** The tax charge in the period is directly linked to the share of profits recognised, primarily from joint ventures in the year. The decrease to £1.5m (2019: £1.9m) reflects the postponement or cancellation of events run by our ITEMF and Debindo joint ventures. ***Why adjusted?*** *Statutory reported profits from associates and joint ventures are presented post-tax. In order to present a measure of profit before tax for the Group that is purely pre-tax, the tax on associate and joint venture profits is added back. Instead it is included in the headline post-tax measure of profit and therefore is applied consistently with the statutory measure of post-tax profit.*
Financing items			
Revaluation of liabilities on completed acquisitions	**3.2**	(0.1)	**Definition** The revaluation of future earn-out payments in respect of completed acquisitions recognised through profit or loss. **Explanation** A number of the Group's acquisitions completed in recent years have future earn-out commitments, either through deferred or contingent consideration payments or through equity option liabilities to increase our current shareholdings. These are held on balance sheet at fair value and therefore change based on the latest foreign exchange rates, the proximity of the settlement date and the latest expectation of the settlement value. Revaluation of assets and liabilities on completed acquisitions and disposals include the gains from the revaluation of our equity options over non-controlling interests in our subsidiaries (credit of £3.9m), in relation to the remaining 40% interest in ABEC, the 2015 acquisition of the Indian exhibitions company including the Acetech portfolio, the imputed interest credit on the unwinding of the discount on the Group's deferred consideration receivable in relation to the disposal of ITE Expo LLC (credit of £0.8m), and a loss on the revaluation of the ITE Expo LLC deferred consideration (charge of £1.6m). ***Why adjusted?*** *As with transaction costs, in order to present results excluding deal-related costs that fluctuate year to year. While the costs vary based on the latest expectations of future consideration payments, often linked to performance, the outflows themselves are reflective of the cost of the acquisition rather than performance of the business in the year. Excluding the costs therefore aids comparability of the Group's performance year on year.*

£m	2020	2019	
Write-off of previously capitalised debt issue costs on refinancing	(1.4)	–	**Definition** The accelerated non-cash amortisation of previously capitalised financing costs upon refinancing. **Explanation** On 17 December 2019, the Group completed the refinancing of its external debt to part-fund the acquisition of the Shoptalk and Groceryshop events, amending and restating the previous £170m facility to a new £250m facility with different terms. Costs that an entity incurs in connection with the borrowing of funds are capitalised on the balance sheet net of the drawn-down loan and released over the term of the facility. The remaining deferred costs relating to the previous facility were required to be charged to the income statement immediately upon refinancing. ***Why adjusted?*** *The charge of the remaining deferred costs relating to the previous facility to the income statements creates a duplication of costs as they overlap with the costs for the new debt facility.*
(Loss)/Profit before tax	**(312.9)**	8.7	

Consolidated income statement

Trading summary

In 2020 the Group ran 57 events (2019: 129). The decrease is attributable to the disruption caused by the COVID-19 outbreak, which resulted in the majority of the Group's events in the second half of the year being postponed or cancelled. A detailed analysis of volumes, revenues and profits is presented below:

		Square metres sold '000	Revenue £m	Average yield £ per SQM	Headline profit/(loss) before tax £m
2019	**Total**	**783**	**220.7**	**282**	**50.4**
	Biennial	(12)	(2.5)		(1.8)
	Timing		0.2		(0.3)
	COVID-19 postponement[1]	(24)	(4.7)		(1.9)
	COVID-19 cancellations[1]	(318)	(96.6)		(45.6)
	Non-recurring	(8)	(2.1)		(0.3)
	Disposals	(8)	(3.2)		(0.4)
2019	Annually recurring (B)	**413**	**111.8**	**271**	**0.1**
	Acquisitions	–	–		(8.8)
	Launches	2	0.2		0.1
	Foreign exchange	–	(0.7)		4.9
	Like-for-like growth[2] (A)	(80)	(11.9)		(3.3)
2020	Annually recurring	**335**	**99.4**	**297**	**(7.0)**
	Timing	–	(0.2)		0.1
	Biennial	29	5.9		2.2
	Insurance proceeds	–	–		22.0
	COVID-19 cancellations[3]	–	–		(36.0)
2020	**Total**	**364**	**105.1**	**289**	**(18.7)**

1 Represents the prior period performance of events that were postponed or cancelled in the current period as result of COVID-19.

2 Like-for-like growth as a percentage can be calculated by dividing like-for-like growth (A) by annually recurring (B).

3 Represents costs incurred in the current period in respect of the cancellation of events as a result of COVID-19.

Segmental results

£m	Revenue 2020	Revenue 2019	Headline profit/(loss) before tax 2020	Headline profit/(loss) before tax 2019
Global Brands	**31.8**	49.7	**1.3**	20.3
Asia	**17.1**	23.2	**7.3**	9.4
Central Asia	**5.7**	19.8	**(1.0)**	5.0
Eastern & Southern Europe	**4.0**	16.7	**(2.2)**	5.8
Russia	**21.8**	62.6	**(4.4)**	25.9
UK	**24.7**	48.7	**(10.2)**	15.5
Other income	**–**	–	**22.6**	0.9
Central costs	**–**	–	**(26.8)**	(25.9)
Foreign exchange gain/(loss)	**–**	–	**2.8**	(1.1)
Net finance costs	**–**	–	**(8.1)**	(5.4)
Total	**105.1**	220.7	**(18.7)**	50.4

Refer to the Divisional trading summary on page 42 for commentary on the performance of each operating segment.

Other income includes insurance proceeds of £22.0m (2019: £nil), which were received in relation to claims regarding the cancellation or postponement of a number of events that were scheduled to take place during the year.

Central costs include all costs that are not allocated to the Group's operating segments when headline profit before tax is reported to the Executive team for the purposes of allocating resource and making strategic decisions. These include the Group's corporate overheads and other central costs that are included within cost of sales. The corporate overheads are the costs of running the head office in London and primarily comprise staff costs, which include the Group's Executive and Non-Executive Directors, depreciation of the Group's centrally held assets and professional fees. The other central costs included within cost of sales include costs that are not event-specific but span the Group's portfolio of events.

Central costs increased in the year as a result of the enlarged size of the Group following the completion of the Group's TAG programme and the acquisitions of Shoptalk and Groceryshop, in addition to the costs associated with the restructuring of the Group's businesses in light of the pandemic. This was partially offset by the impact of the cost-saving measures introduced across the Group.

Net finance costs include the interest cost on the Group's borrowings of £6.7m (2019: £5.0m) and bank charges of £1.6m (2019: £1.4m) which have increased in the year due to the financing of the Group's debt facility to fund the acquisitions of Shoptalk and Groceryshop in December 2019, as well as increased drawdowns of the facility to optimise liquidity during the early stages of the COVID-19 pandemic. Net finance costs also include the interest cost on the Group's lease liabilities of £0.7m (2019: £nil) following the Group's adoption of IFRS 16 Leases in the year.

In order to minimise our exposure to changes in interest rates, particularly on the Group's external bank debt, the Group holds interest rate swap contracts to provide certainty over the future interest cash flows. The objective is to protect the Company from the cash flow impact caused by the variable interest rate that applies to the Company's external bank debt. The lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item is recognised through other comprehensive income in a separate component of equity.

Foreign exchange

As a result of the territories in which we operate, we are exposed to changes in foreign exchange rates and significant movements, particularly in the Russian ruble, can have a significant impact on our results.

Further detail is provided below on the impact of: 1. translational FX, which is included within the results of each division and only adjusted for when considering like-for-like measures of revenue or profit; 2. transactional FX, which is presented separately in the income statement and is a gain of £2.8m in the year (2019: loss of £1.1m); and 3. the foreign currency translation reserve.

Translational FX
Each month our subsidiary company results are translated into sterling, from the functional currencies of the subsidiary companies, on consolidation, using the prevailing foreign exchange rates for the month. Changes in foreign exchange rates result in fluctuations of the level of profits reported for the Group. The impact of the changes in foreign exchange rates is included within both the statutory and adjusted reported results, within the relevant lines in the Consolidated income statement. To aid comparability of trading results, when presenting like-for-like performance we adjust for the impact of changes in foreign exchange rates on translation.

The Russian ruble, Turkish lira, Chinese yuan were weaker compared with the same period in the previous year, meaning the reported results were lower than in the comparative period by £0.7m for revenue. Due to the significantly reduced number of events that ran in the year, these same currency movements meant that headline loss before tax was £1.0m higher than in the comparative period, as the costs the Group incurred on postponed and cancelled events were lower than they would have been in the comparative period.

Transactional FX
As well as translational foreign exchange movements arising on consolidation, the Group results are impacted by changes in foreign exchange rates within our subsidiary company results. Where monetary transactions are entered into in different currencies than the functional currency of the entity this gives rise to revaluation gains and losses following changes in exchange rates between the transaction date,

month end and the settlement date.

Each revaluation of the monetary assets and liabilities held on the balance sheet results in gains and losses, which are reported within the Consolidated income statement within the 'Foreign exchange gain on operating activities' line.

The weakening of the Russian ruble and Turkish lira throughout the financial year, relative to the position at September 2019, has contributed to the gain of £2.8m (2019: loss of £1.1m) recognised in the year, which has arisen on the revaluation of foreign currency monetary assets and liabilities held in our subsidiary companies in Russia and Turkey.

In the year, a gain of £0.1m (2019: loss of £0.9m) was recognised within revenue in respect of our forward contracts, reflecting the strengthening of the euro against sterling, relative to the contracted rate on entering into the forward contracts, naturally offsetting the benefit received from this strengthening within our reported revenues.

Foreign currency translation reserve

Finally, our results are impacted by the translation of the subsidiary company balance sheets each month on consolidation into sterling. A change in foreign exchange rates gives rise to a movement which is recognised within reserves in the foreign currency translation reserve. This is on translation of the Company balance sheets of our subsidiary companies, which are reported in their functional currencies before being translated into sterling on consolidation, at the prevailing period end rates.

The foreign currency translation reserve increased by £5.8m, largely due to the weakening of the Russian ruble, US dollar, Turkish lira and the Indian rupee against sterling between the beginning and the end of the financial year. Due to the considerable goodwill and intangible assets held in these countries the value of the net assets within the Consolidated statement of financial position has increased.

Venue arrangements

The Group has long-term arrangements with its principal venues in its main markets setting out Hyve's rights over future venue use and pricing.

The arrangements can take the form of a prepayment of future venue fees (advance payment), or a loan which can be repaid in cash or by offset against future venue fees (venue loan). Generally, the arrangements bring rights over future venue use and advantageous pricing arrangements through long-term agreements. Venue advances and prepayments are included in the Consolidated statement of financial position under non-current and current assets.

Acquisitions and disposals

On 18 December 2019 the Group acquired 100% of the share capital of Shoptalk Commerce LLC (Shoptalk) and Groceryshop LLC (Groceryshop), two US-based market-leading e-commerce events focussed on change and innovation of the retail and grocery industries, for a total consideration of £110.1m. The £110.1m was settled £97.8m in cash, net of cash acquired, and £11.4m by forgiveness of a liability on the placement of shares with the vendors.

As a key part of our strategy, Hyve is focussed on running market leading events and continues to actively manage its portfolio to align with this strategy. In August 2020 the Group disposed of its entire event portfolio in Azerbaijan and Uzbekistan for total consideration of up to £9.5m, payable over a number of years. When discounted, the fair value of the consideration receivable was £4.3m at disposal.

At 30 September 2020, equity options are held over further interests in our subsidiary companies, ABEC, Fasteners and Scoop. The equity option held over further interest in our joint venture company Debindo expired in the year.

Consolidated statement of financial position

The Group's Consolidated statement of financial position at 30 September 2020 is summarised in the table below:

	30 September 2020 £m	30 September 2019 £m
Goodwill and other intangible assets	**307.4**	480.6
Interests in associates and joint ventures	**37.4**	43.4
Other non-current assets	**26.9**	18.0
Total non-current assets	**371.7**	542.0
Trade debtors	**14.3**	36.0
Cash	**50.3**	33.0
Other current assets	**20.8**	26.4
Total current assets	**85.4**	95.4
Deferred income	**(61.3)**	(80.0)
Bank loan	**(118.0)**	(144.7)
Other liabilities	**(100.9)**	(90.8)
Total liabilities	**(280.2)**	(315.5)
Share capital and share premium	**186.8**	287.2
Translation reserve	**(50.9)**	(45.1)
Other reserves	**19.1**	56.9
NCI	**21.9**	22.8
Total equity	**176.9**	321.8

Total non-current assets
Impairment charges of £258.5m (2019: £nil) have been recognised in respect of the goodwill and intangible assets for a number of our business units as a result of the COVID-19 pandemic, offsetting the goodwill and intangible assets of £120.6m recognised in respect of the acquisitions of Shoptalk and Groceryshop in December 2019. The annual amortisation charge on acquired intangible assets was £29.2m (2019: £24.1m).

Other non-current assets have increased following the Group's transition to IFRS 16 and the subsequent recognition of right-of-use assets of £15.7m in respect of the Group's office leases. An impairment charge of £4.5m (2019: £nil) has been recognised in respect of our Debindo joint venture. The depreciation charge on property, plant and equipment (including right-of-use assets) was £4.8m (2019: £1.7m).

Total current assets
Trade debtors have declined in the period as a result of the cancellation of a number of events scheduled to take place in the first half of the next financial year. Any trade debtors relating to these events have been derecognised where the customer had not yet agreed to rollover their contracts to the following edition as at 30 September 2020.

Cash balances increased to £50.3m (2019: £33.0m), following the receipt of £118.0m of net proceeds from the rights issue and insurance proceeds of £22.0m in relation to claims regarding the cancellation or postponement of a number of events that were scheduled to take place in the period.

Other current assets have declined following the impairment of prepayments made in relation to events scheduled to take place in the first half of the next financial year that were cancelled prior to 30 September 2020.

Total liabilities
Deferred income has declined in the period as a result of the cancellation of a number of events scheduled to take place in the first half of the next financial year. Any deferred income relating to these events has been derecognised where the customer had not yet agreed to roll over their contracts to the following edition as at 30 September 2020.

The bank loan balance of £118.0m (2019: £144.7m) has decreased following repayments made on the facility prior to the end of the period, offsetting the drawdowns of the facility to optimise liquidity during the early stages of the COVID-19 pandemic.

Other liabilities have increased following the Group's transition to IFRS 16 and the subsequent recognition of lease liabilities of £17.0m. Liabilities of £23.6m have been recognised in respect of cash advances received on cancelled events from customers who had not yet agreed to roll over their contracts to the following edition as at 30 September 2020.

Total equity
In May 2020, the Group completed a share consolidation of every 10 existing ordinary shares into one consolidated ordinary share. All share amounts noted below are disclosed on a post-consolidation basis.

In December 2019, the Group announced a fully underwritten non-pre-emptive placing of up to 5,958,454 new ordinary shares raising net proceeds of £50.0m to part-fund the acquisitions of Shoptalk and Groceryshop. Alongside this a subscription of 1,457,7261 new ordinary shares was completed by the founders and certain other management shareholders of Shoptalk and Groceryshop following the acquisition, equivalent to consideration of £11.4m.

In June 2020, the Group issued 183,550,081 ordinary shares of 10p each through a nine for four rights issue at 69p per share and raised net proceeds of £118.0m to provide liquidity to the Group in the face of the COVID-19 outbreak.

In February 2020, the Group completed a share capital reduction, transferring £279.8m from share premium to retained earnings.

During the year, COVID-19 has had a significant impact on the business and our reported key performance indicators (KPIs).

The day-to-day focus since COVID-19 has prioritised cost control, rescheduling postponed and cancelled events and rolling customer bookings to the next event editions; however, the KPIs reported below remain a useful measure of assessing the impact COVID-19 has had on the business during the year.

Drive sustainable revenue growth

Link to principal risks and uncertainties

Pandemic, natural disaster or terrorist incident page 24

Political and economic instability page 25

Liquidity risk page 25

Breach of anti-bribery laws or similar page 26

Breach of sanctions or sanction extensions page 26

Revenue (£m)

2020	105.1
2019	220.7
2018	175.7
2017	152.6
2016	134.4

Revenue decline in the current year reflects the impact of COVID-19 on the business. The Group was only able to run 57 events in the year compared with 129 in FY19. Those events that were able to take place in the second half of the financial year were significantly reduced in size, contributing to the like-for-like revenue decline of 11%.

Forward bookings (£m)

2020	66
2019	152
2018	147
2017	98
2016	81

Forward bookings have declined year-on-year due to a number of the Group's FY21 events originally scheduled for the first half of FY21 already having been cancelled. The reported level of bookings on many of the Group's events still scheduled to take place in FY21 has also declined, as customers are booking later in the event cycle while COVID-19 uncertainty persists.

Retention rate (%)

2020	65
2019	77
2018	81
2017	Unavailable
2016	Unavailable

The decrease reflects the reduced revenues from events that took place after the COVID-19 outbreak which were significantly smaller than their corresponding events in FY19. Data is currently only available for our Global Brands, Russia, Turkey and UK events.

Focus on profitability to increase shareholder value

Link to principal risks and uncertainties

Pandemic, natural disaster or terrorist incident page 24

Political and economic instability page 25

Breach of anti-bribery laws or similar page 26

Breach of sanctions or sanction extensions page 26

Acquisition integration page 27

Pay and performance – for business benefit page 27

Headline profit/(loss) before tax (£m)

2020	(18.7)
2019	50.4
2018	35.4
2017	31.6
2016	36.5

The headline loss before tax in the year reflects the impact of being unable to run a number of events in the second half of FY20. The revenue decline was partially mitigated through cost savings and insurance proceeds but was also after costs recognised in the current financial year as a result of the cancellation of FY21 events.

Headline diluted earnings per share (EPS)[1] (p)

2020	(13.6)
2019	27.8
2018	27.5
2017	28.6
2016	37.4

Headline diluted EPS has declined significantly as a result of the Group's reported loss in the current financial year.

Headline return on capital employed[2] (%)

2020	(3.9)
2019	12.5
2018	9.0
2017	22.3
2016	22.0

Headline ROCE is negative during the year as the Group has reported a loss during FY20, as a result of the impact COVID-19 has had on the business.

1 Headline diluted earnings per share for 2016 and 2017 has been restated for the bonus element of the rights issue in FY17. Headline diluted earnings per share for 2016, 2017, 2018 and 2019 has also been restated for the share consolidation and rights issue which take place in FY20.

2 Headline ROCE is presented as defined in the glossary. This therefore differs from the measure discussed in the Remuneration Report in relation to PSP awards, which eliminates the impact of any impairment of goodwill, impairment/amortisation of intangible assets and the associated amortisation of the deferred tax liabilities over the assessment period.

The Directors and management team use a number of KPIs to measure and track the performance of the Group and make informed business decisions. The KPIs identified are linked to the Group's strategic priorities and are consistent with those presented in last year's annual report. Data is not available to report performance against all KPIs across all comparative years, as some of these metrics have only been monitored since the rollout of new systems during the comparative periods.

Create a leading portfolio of must-attend events

Link to principal risks and uncertainties

Venue unavailability page 26

Breach of health and safety regulations page 26

Breach of GDPR regulations page 27

IT cyber/phishing attack resulting in data loss page 27

Acquisition integration page 27

Effective control over non-wholly owned entities page 27

Visitor density (Visitors per m²)

2020	**1.1**
2019	1.5
2018	1.3
2017	Unavailable
2016	Unavailable

Visitor density has fallen during the year, reflecting the impact of travel restrictions limiting the number of attendees at events in the second half of the financial year. Data is currently available only for our Global Brands, Russia, Turkey and UK events.

Customer satisfaction[3] (Exhibitor NPS)

2020	**-3**
2019	-8
2018	+1
2017	Unavailable
2016	Unavailable

Customer satisfaction has improved in the events that were run during the year. Data is currently available only for our Global Brands, Russia, Turkey and UK events.

Manage cash flows to ensure the long-term viability of the Group

Link to principal risks and uncertainties

Liquidity risk page 25

Repatriation of profits from subsidiaries page 26

Effective control over non-wholly owned entities page 27

Cash conversion (%)

2020	**-228**
2019	94
2018	113
2017	134
2016	112

Cash conversion in the current year does not present a useful assessment of the Group's performance. This is due to the adjusted cash flow from operations being positive while headline operating profit on a cash basis is negative. This is due to the favourable working capital movement in the year, as a result of the successful roll-over of customer deposits to next year's events for FY20 event cancellations.

Adjusted net debt : Headline EBITDA

2020	**-20.1x**
2019	1.9x
2018	2.0x
2017	1.3x
2016	1.4x

Adjusted net debt to headline EBITDA also does not present a useful assessment of the Group's performance, as a result of the extent to which headline EBITDA has been impacted by COVID-19. Adjusted net debt has been reduced in the year from £111.7m to £67.7m but headline EBITDA is negative, as a result of the impact of COVID-19.

3 Customer satisfaction is assessed based on our exhibitor NPS, which is based on a survey of customers attending our events. The NPS score can be between -100 and +100.

Our global network

Global brands

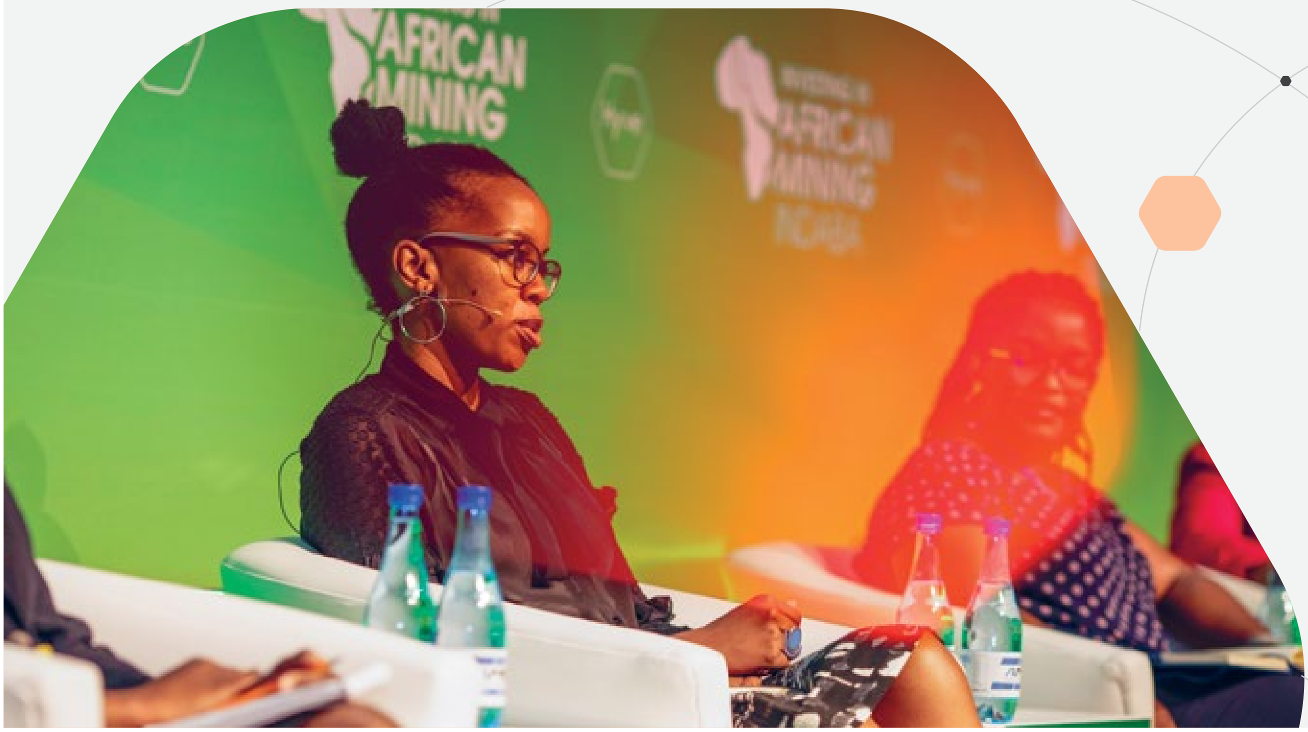
The Global Brands division comprises Africa Oil Week, Breakbulk, Mining Indaba, Bett, CWIEME and the Shoptalk and Groceryshop events acquired in December 2019. Overall revenues fell by 36% from the comparative period as a result of the cancellation of a number of events due to COVID-19, including Breakbulk Europe and CWIEME Berlin. The impact on headline profits was even greater as a result of unavoidable costs incurred in respect of event cancellations, including costs in relation to the newly acquired Shoptalk and Groceryshop events, neither of which were able to take place post-acquisition.

	2020 £m	2019 £m	Change	% change Like-for-like
Revenue	31.8	49.7	-36%	+9%
Headline profit before tax	**1.3**	**20.3**	**-90%**	

Africa Oil Week ran in November 2019, achieving double digit like-for-like revenue growth for the third year running, demonstrating the positive impact of the new portfolio and event leadership and the benefits of the TAG investment the event has received in recent years. In the same portfolio, Mining Indaba ran in February and also performed very well with the event now fully integrated in the Global Brands division, having had a full show cycle under Hyve ownership, delivering double-digit like-for-like revenue growth.

Bett, the education technology event, returned to revenue growth after the decline reported in the prior period. This was possible as a result of the investments made in the event team since acquisition in July 2018, as well as the restructuring of the event team and adoption of Hyve's best practice.

Shoptalk and Groceryshop, the two US-based market-leading e-commerce events focussed on the retail and grocery segments acquired in December 2019, were originally due to take place for the first time under Hyve's ownership in March and September respectively. Unfortunately, both were cancelled for 2020 as a result of COVID-19.



Asia

The Asia division comprises our businesses in India and China, as well as joint venture partnerships in both China and Indonesia. Revenues for the Asia division were down 26% from the comparative period and profits were down 23% due to the impact of COVID-19.

A significant contributor to the division's profits is the ChinaCoat event operated by our 50% owned joint venture partner, Sinostar. The event took place prior to the outbreak of COVID-19 and contributed £6.8m (2019: £6.9m) to headline profit before tax.

As China felt the impact of COVID-19 much earlier than the rest of the world and government measures were therefore relaxed at an earlier stage, the Group was able to run a number of domestic events in the region prior to the end of the year and the region's event schedule was largely unaffected, although the events that ran subsequent to the pandemic were smaller than in the previous year.

	2020 £m	2019 £m	Change	% change Like-for-like
Revenue	17.1	23.2	-26%	-21%
Headline profit before tax	**7.3**	**9.4**	**-23%**	

The Group's Acetech portfolio of construction events in India ran in the first half of the year prior to the outbreak. These events are operated by our 60% owned subsidiary ABEC. The performance across the portfolio reflected a challenging trading environment in the Indian construction sector. This was compounded by delays to the completion of the Pragati Maidan venue in Delhi which impacted the Acetech Delhi event in December 2019. Conversely, the biennial Indian paper event, Paperex, which is operated by a fully owned Hyve entity, achieved double-digit growth compared with the previous edition two years ago. A number of smaller events in India run by ABEC were cancelled in the second half of the year as a result of COVID-19.

Central Asia

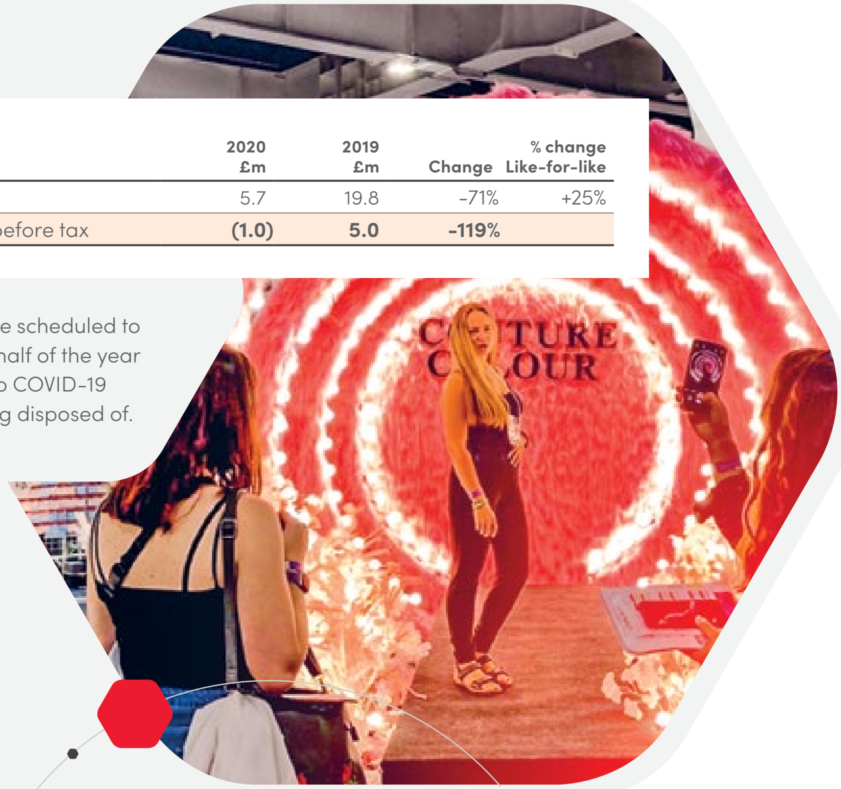
The Central Asia division now just includes our events in Kazakhstan following the disposal of our entire event portfolios in Azerbaijan and Uzbekistan in August 2020. Revenues for the division were down 71% from the comparative period due to the impact of COVID-19 , which also had a significant impact on the division's profitability.

Kazakhstan reported like-for-like growth prior to the pandemic, driven by the Agroworld Kazakhstan event. A number of events in the second half of the year were cancelled.

Prior to its disposal the Uzbekistan business performed well with the region benefiting from the new, investment-friendly Presidential regime, driving revenue growth across the majority of its events in the first half of the year prior to the COVID-19 pandemic.

	2020 £m	2019 £m	Change	% change Like-for-like
Revenue	5.7	19.8	-71%	+25%
Headline (loss)/profit before tax	**(1.0)**	**5.0**	**-119%**	

All Azerbaijan events were scheduled to take place in the second half of the year but were cancelled due to COVID-19 prior to the business being disposed of.



Eastern and Southern Europe

The Eastern and Southern Europe division comprises our event portfolios in Turkey and Ukraine. Revenues for the division were down 76% from the comparative period primarily due to the impact of COVID-19, in addition to it being the weaker biennial year for the division. The shortfall in revenue contributed to a significant reduction in the division's profits.

The only Turkish event to take place prior to the pandemic was EMITT, the international travel and tourism event in Istanbul. Despite challenges in the macroeconomic environment in Turkey, the event delivered revenue in line with the comparative period event on a like-for-like basis. All remaining events in Turkey's portfolio were postponed or cancelled for the year.

	2020 £m	2019 £m	Change	% change Like-for-like
Revenue	4.0	16.7	-76%	-44%
Headline (loss)/profit before tax	**(2.2)**	**5.8**	**-138%**	

Government measures in Ukraine were lifted towards the end of the year and the division was able to run a number of domestic events in August and September, but performance was significantly impacted by COVID-19 and the restrictions only being lifted weeks before the events were held.

Russia

	2020 £m	2019 £m	Change	% change Like-for-like
Revenue	21.8	62.6	-65%	-22%
Headline (loss)/profit before tax	**(4.4)**	**25.9**	**-117%**	

Revenues on Russian events were 65% lower than the comparative period. The division was performing very well prior to the COVID-19 pandemic with a notably strong performance at YugAgro, the agriculture event in Krasnodar, which delivered another year of double-digit like-for-like revenue growth, reflecting the continued positive impact the TAG investments have had.

The majority of other Russian events were cancelled for the year, including MosBuild, which is the division's largest event and one of the largest events in the Group. As the Group still incurred significant unavoidable costs in respect of these events there was limited mitigation of the revenue shortfall on profits.

Following the lifting of government measures in August, the Group was able to run its first Russian events since lockdown, including WorldFood Moscow. However as one of the region's most international events it was significantly impacted by COVID-19 with international exhibitors and visitors still unable to attend and customers had a limited time to prepare for the event.

UK

	2020 £m	2019 £m	Change	% change Like-for-like
Revenue	24.7	48.7	-49%	-12%
Headline (loss)/profit before tax	**(10.2)**	**15.5**	**-166%**	

The UK division comprises Spring Fair and Autumn Fair, Glee and our UK fashion portfolio which includes Pure and Moda. Revenue fell by 49% relative to the comparative period, due to the impact of COVID-19. The impact on headline profits was even greater as a result of unavoidable costs incurred in respect of event cancellations.

Spring Fair is the second largest event in the Hyve portfolio and took place in February at the NEC in Birmingham prior to the pandemic. Despite the ongoing impact from Brexit and reduced attendance by Chinese exhibitors due to COVID-19 travel restrictions, the rate of decline slowed compared with the previous year, reflecting progress and investments made by the new management team.

Events across the fashion portfolio struggled in the first half of the year, impacted by Brexit uncertainty and the challenged UK high street. The two largest brands in the fashion portfolio are Pure, the high-end fashion event which runs twice a year in Olympia and Moda, the mid-market focussed fashion event held twice annually at the NEC in Birmingham. Both February editions reported like-for-like double-digit revenue declines as a result of challenges faced in the sector and reduced attendance by Chinese exhibitors due to COVID-19 travel restrictions.

All UK events due to take place in the second half of the year were cancelled, including Autumn Fair, Glee, Pure and Moda.

Connecting the Board to important stakeholders

In accordance with Provision 5 of the 2018 UK Corporate Governance Code, we set out below how the Group engages with its key stakeholders. We have also provided two case studies to illustrate how the matters set out in section 172 (1) of the Companies Act 2006 have been considered in Board discussions and decision-making.

Employees

Hyve is a people business and the contribution of our employees is vital to the success of the Group.

In 2019, the Group launched a new set of values – information regarding the involvement of our employees in the creation of those values can be found in the 'Our people and values' section on pages 50 and 51. The embedding of our values is supported by activities such as town halls, webinars, CEO breakfasts and regular email and intranet updates. From time to time a Board meeting or a Committee meeting is held at an event giving the Directors the opportunity to experience the event and to meet a Hyve team on site. During the financial year, the Audit Committee meeting met at BETT 2020 at the ExCel in London, which gave our Non-Executive Directors the opportunity to meet some of the senior Hyve team during the event; a planned visit to MosBuild 2020 in Moscow had to be postponed due to the COVID-19 pandemic. The Non-Executive Senior Independent Director, Stephen Puckett, was appointed as the employee voice representative on the Board during the financial year.

The COVID-19 pandemic has required us to put some of our initiatives and in-house events on hold but that has not brought a stop to our employee engagement – further details can be found in the 'Our people and values' section on pages 50 and 51.

Customers

We engage with our exhibitors, visitors, sponsors and delegates through our sales, operations, customer success, marketing and content teams via all channels including website, email, social media, exhibitor portals, FAQ bots, calls and in-person meetings.

Following an event, customer surveys are undertaken with exhibitors and visitors. We also contact visitors who were due to attend events but did not attend. Some of our events have steering groups or advisory panels, which enable our major customers to share feedback with the Group.

During the pandemic, with many of our employees furloughed, our teams have been much reduced. However, we have continued to keep in regular contact with our customers to ensure that they can plan accordingly as events are rescheduled or, in some cases, cancelled. We have continued to bring our communities together and have launched a series of new virtual initiatives, including community hubs, newsletters, social media campaigns and webinars, giving our customers a platform to share news about how they have changed their businesses to cope with the pandemic.

Suppliers

The Group has had longstanding relationships with the majority of its suppliers who, for the most part, are venue owners and event services providers.

In line with our Code of Conduct, we endeavour to work fairly towards our suppliers at all times. We share event information with our suppliers via pre-event meetings and briefings to enable them to plan accordingly. Both parties benefit from our suppliers' familiarity with our events.

During the pandemic, we have been engaging with venue owners and other suppliers on a regular basis across all of the territories in which we operate, to ensure that they understand our latest forecasts and how those forecasts affect our arrangements with them. Through our involvement with national and international event industry bodies, such as the Association of Event Organisers in the UK, the Society of Independent Show Organizers in the US, and UFI, the Global Association of the Exhibition Industry, we are taking a leading role in setting standards for the safe return to in-person events.

Shareholders

The Group is committed to ongoing engagement with shareholders and has an established cycle of communication based on the Group's financial reporting calendar.

The Executive Directors have dialogue with institutional shareholders and general presentations are given to analysts and investors covering the annual and interim results. The Board receives institutional and analysts' feedback following both the interim and annual results roadshows. Large shareholders are also contacted regarding remuneration matters (by the Chair of the Remuneration Committee) and major transactions. Queries from retail shareholders are usually answered by the Company Secretary or the Company's Registrar and, if necessary, escalated to the Executive Directors.

During the pandemic, the Group has issued COVID-19 and trading updates on a regular basis to ensure that its shareholders (and other key stakeholders) are kept abreast of matters such as the impact of COVID-19 on its events schedule (including postponements and cancellations), its cost reduction programme and cash flow position, the progress of insurance claims and its strategy going forward. Following the announcement of the equity raise in May 2020, discussions were held with many of the Company's existing large shareholders and also with some potential new shareholders, giving the Executive Directors the opportunity to respond directly to any shareholder questions or concerns. The Company's broker engaged with many of the Company's shareholders on behalf of the Board and the Company's Registrar provided a helpline to answer queries in relation to the rights issue – a service which was primarily used by retail shareholders. The support of the Company's shareholders was demonstrated by the success of the rights issue with a near 99% take-up of rights. Since the rights issue, the Chairman and the Executive Directors have continued to engage with large shareholders on a regular basis to discuss various aspects of the business; shareholder views have subsequently been shared with the Board.

Community and environment

The Group is committed to using events as opportunities to make a positive impact on the world around us.

For the communities we work in, we look for ways to support them, whether that be through funding, lending our skills and expertise, or enabling our people to volunteer. We are involved in a number of programmes, more details of which can be found on pages 52 to 53. Environmental issues are addressed at event level and we recognise that, due to the industries we are involved in through our events, we have the power to contribute to positive change throughout the world and some of its largest industries.

Due to the reduction in the number of events being held during the pandemic, our engagement with local communities has, inevitably, been reduced; however, as events reopen, that engagement will restart.

The case studies overleaf are examples of how the Board considers its key stakeholders when deciding on significant matters that are likely to have an impact on all or many of its key stakeholders.

Acquisition of Shoptalk Commerce LLC and Groceryshop LLC (Shoptalk)

As reported elsewhere in this annual report, the Group completed the acquisition of Shoptalk in December 2019.

The strategic rationale for this significant acquisition was presented to the Board and during the decision process the Non-Executive Directors raised detailed and challenging questions to ensure that the acquisition was an appropriate fit for the Group and that it was in the best interests of the Group and its key stakeholders in the long term. Taking each part of section 172 (1) in turn, the matters considered by the Board in addition to the benefits of the acquisition for the shareholders of the Company, were as follows:

What are the likely consequences of the decision to acquire Shoptalk in the long term?

- The events are high quality, sustainable products with excellent revenue and profit growth potential and continue the evolution of the Group's portfolio towards market-leading events and global brands.
- They contribute towards the long-term development, diversification and sustainability of the Group.

How are the interests of the Company's employees affected by the acquisition of Shoptalk?

- These market-leading, industry-disrupting events embody the values that we encourage in our employees: Brilliant Work, Fresh Thinking, Rich Connections and Collective Buzz, helping to make Hyve a great place to work.
- The acquisition offers employees career development through the relaunch of Shoptalk Europe and other geo-clone opportunities.
- Equally, the Board recognised the impact that economies of scale through the integration of support functions could have on the Group's employee base.

How does the acquisition help to foster the Company's business relationships with suppliers, customers and others?

- The acquisition adds to the Group's portfolio of market-leading, content-driven events that provide an outstanding return on investment for customers.
- By strengthening the sustainability of the Group, the events help Hyve to foster long term relationships with venues and stand builders.

What is the impact of the acquisition on the community and the environment?

- As part of the events, partnerships are established with local charities in Las Vegas which complement the Group's other campaigns such as Pure's Power of One campaign and Mining Indaba's Young Leaders Programme.
- Hyve's impact on the environment is considered to be relatively low and the addition of these events to the Group's portfolio from an environmental perspective was not a significant issue for consideration.

How does the acquisition impact the desirability of the Company maintaining a reputation for high standards of business conduct?

- The acquisition supports that desirability with the addition of industry-leading capabilities; the events have very strong content teams with deep retail industry knowledge and will benefit the Group through the sharing of best practices.

How does the acquisition meet the Board's need to act fairly as between members of the Company?

- The acquisition strengthens the Group's portfolio, and thereby its long-term profitability and sustainability which benefits all of its key stakeholders.

Project Fortress

As reported elsewhere in this annual report, in March 2020 the Group initiated Project Fortress to manage its response to the COVID-19 pandemic.

Project Fortress was set up to implement rapid intervention and enable the Group to weather the impact of the worldwide crisis caused by the COVID-19 pandemic. Taking each part of section 172 (1) in turn, the matters considered by the Board in addition to the benefits of the project for the shareholders of the Company, were as follows:

What are the likely consequences of the decision to implement Project Fortress in the long term?

- It was imperative to the long-term survival of the business that the Group took immediate action to mitigate the impact of the pandemic and to protect the financial position of the business during the pandemic; the Board knew that doing nothing was not an option.
- Project Fortress involved assessing the Group's cash position under a range of scenarios to help it prepare for the immediate to long-term impact of the COVID-19 pandemic; the rights issue (which raised £126.6m) became a key step in this preparation.
- The Board believed that its strategy would position the Group at the forefront of any recovery to emerge successfully to get back to doing what Hyve does best – delivering in-person market leading events enhanced with hosted meetings capability.
- The Board was of the view that the measures being put in place would enable the Group to protect its core events, customers, employees and communities for the long term.
- The steps undertaken as part of Project Fortress delivered total savings of approximately £63m (including costs avoided as a result of cancelled or postponed events) in FY20 and annualised savings of £44m from FY21.

How are the interests of the Company's employees affected by Project Fortress?

- The Board was aware of the immediate impact that lockdown restrictions would have on its employees across its territories. As a result of investments in technology made through the Transformation and Growth (TAG) programme, the IT infrastructure was already in place enabling a seamless switch to working from home.
- As the pandemic evolved, management took further steps including furloughing 135 employees in the UK under the government's Coronavirus Job Retention Scheme, moving UK employees to a four-day working week and, as a long-term measure, implementing a restructuring plan to reduce the employee base across the Group.
- As offices reopened, measures were put in place to ensure the safety of those employees who opted to return to the offices.

How does Project Fortress help to foster the Company's business relationships with suppliers, customers and others?

- The Group has long term relationships with many of its customers and suppliers; regular dialogue with its customers, buying groups and other stakeholders for each event has been a vital component of the long-term success of the Group.
- By keeping customers informed and up to date with its plans, the Group could ensure that relationships which have been built over many years were maintained once events reopened.
- The Group activated a large-scale postponement plan, working with customers and suppliers to keep them informed as events were re-scheduled or cancelled.
- The Group stayed close to its customers throughout the pandemic with a programme of online engagement and relationship management.
- The cancellation of contractor contracts and the halt on capital expenditure had an impact on some suppliers.

What is the impact of Project Fortress on the community and the environment?

- Due to the significant reduction in the number of events being held, work with local communities was put on hold but will restart as events reopen.
- Safety measures have been put in place to protect all of those in the communities where we operate, as events reopen.
- Hyve's impact on the environment is considered to be relatively low and the impact of Project Fortress from an environmental perspective was not a significant issue for consideration.

How does Project Fortress impact the desirability of the Company maintaining a reputation for high standards of business conduct?

- The Board has ensured that, to the greatest extent possible, an open dialogue has been maintained with all of its key stakeholders to keep them abreast of its response to the pandemic thereby enabling them to plan accordingly.
- It is vital that the employees, customers, suppliers and other visitors who attend our events do so confident that high standards of health and safety have been implemented, particularly in respect of precautions against the spread of the COVID-19 virus.
- As events have reopened, the Group has implemented its own Safe & Secure standards to ensure globally consistent best practice.

How does Project Fortress meet the Board's need to act fairly as between members of the Company?

- Project Fortress was designed to protect the core assets of significant value to Hyve for the benefit of as many of its key stakeholders as possible.

How our values helped us to stay connected

Just over a year ago, we launched our four company values: Brilliant Work, Fresh Thinking, Rich Connections and Collective Buzz. These values were arrived at following hundreds of conversations across the entire business, involving colleagues from all geographies, disciplines and levels.

They were then launched through a series of workshops across our regions which we called our Big Conversations, along with our new Code of Conduct.

Since their launch, the values have been embedded into daily life at Hyve. They are already a key part of our culture, helping to guide our decision-making and inform our reward and recognition.

Our values

Importantly, our values guided how we supported our colleagues during the unprecedented COVID-19 pandemic:

1 Brilliant Work

Being unable to run in-person events hasn't stopped us from offering market-leading content to our customers. Throughout lockdown we empowered our people, giving them the ability to innovate and find creative solutions to staying connected with customers (see page 19).

2 Fresh Thinking

We launched our Fresh Thinking Challenge in March, which asked colleagues to submit their innovative ideas – big or small, event-specific or Group-wide, customer-facing or all about how we make life better for ourselves at Hyve. Over 200 submissions in total were received, despite many offices going into lockdown halfway through the month.

3 Rich Connections

During lockdown, our teams found new ways to make connections and continue learning. One example was our UK regional team's Thursday afternoon online interview sessions which featured guests such as Microsoft, who demonstrated 'How to get the most out of Microsoft Teams'.

4 Collective Buzz

Lockdown presented new challenges for us all, but our people found new ways to stay in touch and motivate each other, despite not being in the same room. Regular team video calls, group challenges and skill share sessions kept the energy high while working remotely.

Wellbeing Week

This year we hosted our global colleague Wellbeing Week for the second year in a row. The themes this year were Eating Well, Getting Active, Healthy Minds, and Money Matters. Despite the logistical challenges we faced due to the majority of teams working from home at the time, the week was a great success in bringing people together through a shared purpose while simultaneously encouraging good health and wellbeing.

Our teams around the world came up with creative ways to support Wellbeing Week:

- In China, our colleagues held peer-to-peer learning sessions and colleague-led yoga classes, as well as workshops on managing negative emotions and controlling daily expenses.
- Colleagues in India created a healthy eating plan and arranged a financial planning workshop. The team also subscribed to a daily fitness challenge such as wall-sitting, dancing and planking.
- The plank challenge was also taken on by our colleagues in Russia, who also shared healthy eating inspiration and held a wellbeing webinar that everyone could participate in from home.
- In the UK, team members heard wellness expert Marie Oakes relate her own story of burn-out and were able to participate in lunchtime mindfulness sessions.
- The team in Ukraine created a series of 14 online colleague-led workshops on topics including techniques for relaxation, how to live a more eco-conscious life and software demonstrations.

Communication

Regular communication has been key while our teams have been working remotely. During the first UK lockdown, our CEO recorded weekly videos from his home to update colleagues on the progress being made by the Project Fortress team (see page 04). Since then, colleagues have been kept up to date with regular email and intranet updates covering everything from Group financial performance to the reopening of some events in Russia, China, Ukraine and Turkey.

UK Employee Forum

In the UK, an employee forum was created to support our people through the restructure. The forum provided a platform where colleagues could raise questions and concerns and ensured the views of employees were represented throughout the process.

Support for those leaving the business

We sadly had to say goodbye to some colleagues this year, due to a necessary restructure to secure the future of the Group following the impact of COVID-19.

In the UK, a programme of support was put in place for those leaving the business, to help them secure their next role. Our Recruitment team ran a series of workshops on skills including CV writing, presenting at interviews, making the most of LinkedIn and working with agencies, which received very positive feedback. We also launched an alumni group on LinkedIn, which will allow us to stay connected to those who have left the Company in the future.

Safe return to work

We have now begun to steadily and safely reopen some of our offices and will continue to review this in accordance with local government guidance. For those offices that have re-opened, there are a number of new standards put in place to ensure the health and safety of our people:

- A thorough risk assessment and mitigation plan for each office;
- Guidance has been issued with regards to travel and keeping safe generally;
- Enhanced cleaning and sanitising;
- Social distancing measures including signage, removal of some desks, a clear desk policy and limited meeting room capacities;
- Removal of communal items from kitchens such as glasses and cutlery; and
- Temperature checking at some offices.

We continue to support any colleagues who are working from home and remain flexible should further lockdowns be announced.

Above all else, we care about the physical and mental wellbeing of our people and are committed to doing everything we can to help them maintain it.

Powering the sustainability agenda in major industries

Our events continue to stimulate discussions and spark connections which are leading industries towards a more sustainable future. Our event teams are ensuring that important topics, including global education, equality, climate change and wellbeing, are on the agenda, as we look to play a larger role in contributing to the global drive for sustainable development.

Global education

Climate change

Equality

Wellbeing

While only a portion of our events were able to take place this year, we didn't let that stop the conversation. Instead, corporate social responsibility topics held a prime spot in our virtual event agendas.

At Spring Fair 2020, which took place in the UK in February 2020, the team launched the Sustainability Trail, which celebrated brands and suppliers striving to do their part to ensure a more sustainable and ethical future for all.

At Bett 2020, which took place in London in January, the Global Education Council (GEC) led a debate which tested the boundaries of the future of education and discussed the path to the next generation of edtech. The GEC is a driving force of visionaries from some of the world's biggest education brands and institutions, led by Bett Chairman Jose Papa.

A renewed focus and energy

We operate events in 13 countries and in more than 10 major industries across the globe.

We work with countless major brands and influencers and where possible use our events as opportunities to bring industries together and spark conversations about a sustainable future. Sustainability is an area of our business where we have a hunger to do much, much more to make a positive impact.

The plans we were putting in place to evolve our sustainability strategy in FY20 were, unfortunately, put on hold due to the budget and resourcing constraints that occurred as a result of COVID-19. However, as we emerge from this crisis, we do so with a refreshed focus and energy on contributing to a more sustainable world.

We believe it is our obligation to connect the dots and bring together powerful change-makers, as well as to raise awareness, lead the debate and facilitate solutions. We must continue to seek new ways to inspire our customers, through world-class content, to develop the companies and industries they work in and take action against some of the world's largest issues.

As a provider of market-leading events, we recognise that we have a responsibility to take a more proactive approach to sustainability and to lead by example. In FY21, we will resume the work we had started in order to develop our Group sustainability strategy, embed social responsibility into our decision making and unite our people in a shared determination to do more.

Breakbulk Americas led a webinar on women in Breakbulk, creating a community to unite women in the industry, while the Breakbulk Europe team hosted a webinar titled 'Growing a sustainable future – The journey to zero emissions' which highlighted the roles and responsibilities within the project cargo and shipping sector when it comes to protecting the environment. During the discussion, top logistics professionals discussed their efforts in reducing their carbon footprint and their journey to zero emissions.

AOW Virtual featured a natural gas vs renewable energy debate and webinars highlighting the opportunities for Africa to support the transformation of the global energy sector from fossil-based to zero-carbon.

Throughout lockdown, the global **Bett** team came together to facilitate a number of discussions about education, including the important topic of keeping students safe while learning online. A mixture of webinars and written guides offered advice to educators on digital safeguarding throughout country lockdowns.

Sustainability has been made a category in the virtual Spring and Autumn Fair catalogue and this was a key feature of this year's virtual **Autumn Fair @ Home**. The sustainability feature is added to a retailer once certain criteria are met and the brand's catalogue profile then displays information about the brand's sustainability approach such as their initiatives, packaging and ethical considerations

Mining Indaba's virtual programme featured a number of sustainability-themed webinars including 'Evolving ESG Standards & The Growing Role of Sustainability in Driving Impact Investment in the Mining Sector', which highlighted industry ESG risks and what mining companies need to do to secure investor confidence.

Part of **Rosupack's** virtual summer events programme included a webinar about sustainable packaging, discussing the necessity for the industry to evolve and the role it can play in improving sustainability across the globe.

The UK's **fashion** team led a series of webinars and online panel discussions relating to sustainability including 'Committing to change: What are the Sustainable Development Goals and how can you apply them to your business?' and 'How adopting sustainable practices can build a more resilient fashion industry'.

The UK team also supported their customers in a necessary move to **online trading**, while physical stores were closed, by running a series of free online skills workshops covering topics such as digital retail and social media.

Non-financial information

We use a range of financial and non-financial metrics to measure our performance both internally and with our people (through employee listening) and externally with our customers (through NPS scores and relationship management), alongside metrics relevant to our financial strength, engagement and impact on society and the wider environment. We aim to comply with the non-financial reporting requirements contained in sections 414CA and 414CB of the Companies Act 2006. The below table, and information it refers to, is intended to help stakeholders understand our position on key non-financial matters. The information required to be contained in the non-financial reporting statement pursuant to the Companies Act 2006 is set out in this non-financial information statement. Other relevant information about our business model, KPIs and our approach to governance review and risk management are detailed elsewhere in this report:

Reporting requirement	Policies and standards which govern our approach	Where to find additional information
Environmental matters	The Company addresses environmental matters at event level, however it will assess what more could be done at Group level throughout 2021 (having put this on hold in 2020 due to the COVID-19 pandemic)	• Corporate social responsibility (see pages 52 and 53) • We have included information about greenhouse gas emissions in our Directors' report on pages 64 to 66
Employees	A global Code of Conduct was launched during the financial year; this code acts as an umbrella code for the following policies: Gifts and Hospitality, Whistleblowing, Anti-Bribery and Corruption, Anti-Modern Slavery/Human trafficking, Conflict of interest, Sanctions and Expenses New company values were launched in 2019	• We have included a statement about our whistleblowing arrangements in our Corporate governance report on pages 60 to 63 • Information about our employees can be found in the 'Our people and values' section on pages 50 and 51, the section 172(1) statement on pages 46 to 49 and in the Directors' report on pages 64 to 66
Human rights	Human Rights Policy Modern Slavery Statement Anti-Slavery and Human Trafficking Policy	• Our approach to human rights is covered by our Code of Conduct which was launched during the financial year. Further information can be found in our Corporate governance report on pages 60 to 63 and on our website: hyve.group/Responsibility/Human-Rights • We have included a statement about modern slavery in our Corporate governance report on pages 60 to 63 • Our Modern Slavery Statement can be found on our website: hyve.group/Responsibility/Modern-Slavery-Statement
Social matters	The Company addresses social and community matters at event level; the community engagement initiatives that we have undertaken in previous years were limited during FY20 due to the impact of COVID-19 on our event schedule	• Information on our social responsibility can be found on our website: hyve.group/Responsibility/Social-Responsibility
Anti-corruption and anti-bribery	Anti-Corruption Policy Gifts and Entertainment Policy	• We have included a statement about anti-corruption policies in our Corporate governance report on pages 62 and 63 • Further information can be found on our website: hyve.group/Responsibility/Anti-Corruption
Description of principal risks and impact of business activity		See pages 24 to 27 of this report
Description of business model		See pages 14 and 15 of this report
Non-financial KPIs		See pages 40 and 41 of this report

> We will maintain tight control over our costs, look to achieve further efficiencies and conserve cash, while maintaining the ability to respond to the expected improving situation surrounding COVID-19.

Richard Last
Chairman

Governance

The Board considers that the Group has been in compliance with all the principles and relevant provisions of the Code throughout the year ended 30 September 2020 and to the date of this report. Details of how the principles have been applied are as follows:

Board leadership and company purpose

Principles

A. A successful company is led by an effective and entrepreneurial board, whose role is to promote the long-term sustainable success of the company, generating value for shareholders and contributing to wider society.

- Directors' biographies on pages 58 and 59
- Our strategy on pages 16 to 23
- Business model on pages 14 and 15

B. The board should establish the company's purpose, values and strategy, and satisfy itself that these and its culture are aligned. All directors must act with integrity, lead by example and promote the desired culture.

- Our strategy on pages 16 to 23
- Our people and values on pages 50 and 51

C. The board should ensure that the necessary resources are in place for the company to meet its objectives and measure performance against them. The board should also establish a framework of prudent and effective controls, which enable risk to be assessed and managed.

- Our response to COVID-19 on pages 04 and 05
- Key performance indicators on pages 40 and 41
- Principal risks and uncertainties on pages 24 to 27
- Audit Committee report on pages 67 to 70
- Risk Committee report on page 71

D. In order for the company to meet its responsibilities to shareholders and stakeholders, the board should ensure effective engagement with, and encourage participation from, these parties.

- Section 172 statement on pages 46 and 47

E. The board should ensure that workforce policies and practices are consistent with the company's values and support its long-term sustainable success. The workforce should be able to raise any matters of concern.

- Section 172 statement case studies on pages 48 and 49
- Corporate Governance – Our commitment to compliance on page 62 and Whistleblowing arrangements on page 62

Division of responsibilities

Principles

F. The chair leads the board and is responsible for its overall effectiveness in directing the company. They should demonstrate objective judgement throughout their tenure and promote a culture of openness and debate. In addition, the chair facilitates constructive board relations and the effective contribution of all non-executive directors, and ensures that directors receive accurate, timely and clear information.

- Corporate governance report on pages 60 to 63

G. The board should include an appropriate combination of executive and non-executive (and, in particular, independent non-executive) directors, such that no one individual or small group of individuals dominates the board's decision-making. There should be a clear division of responsibilities between the leadership of the board and the executive leadership of the company's business.

- Corporate governance report on pages 60 to 63

H. Non-executive directors should have sufficient time to meet their board responsibilities. They should provide constructive challenge, strategic guidance, offer specialist advice and hold management to account.

- Corporate governance report on pages 60 to 63
- Nomination Committee report on pages 72 and 73

I. The board, supported by the company secretary, should ensure that it has the policies, processes, information, time and resources it needs in order to function effectively and efficiently.

- Corporate governance report on pages 60 to 63

Composition, succession and evaluation

Principles

J. Appointments to the board should be subject to a formal, rigorous and transparent procedure, and an effective succession plan should be maintained for board and senior management. Both appointments and succession plans should be based on merit and objective criteria and, within this context, should promote diversity of gender, social and ethnic backgrounds, cognitive and personal strengths.

- Nomination Committee report on pages 72 and 73

K. The board and its committees should have a combination of skills, experience and knowledge. Consideration should be given to the length of service of the board as a whole and membership regularly refreshed.

- Directors' biographies on pages 58 and 59
- Corporate governance report on pages 60 to 63
- Nomination Committee report on pages 72 and 73

L. Annual evaluation of the board should consider its composition, diversity and how effectively members work together to achieve objectives. Individual evaluation should demonstrate whether each director continues to contribute effectively.

- Corporate governance report on pages 60 to 63

Audit, risk and internal control

Principles

M. The board should establish formal and transparent policies and procedures to ensure the independence and effectiveness of internal and external audit functions and satisfy itself on the integrity of financial and narrative statements.

- Audit Committee report on pages 67 to 70

N. The board should present a fair, balanced and understandable assessment of the company's position and prospects.

- Strategic report on pages 01 to 54
- Audit Committee report on pages 67 to 70
- Directors' responsibility statement on page 90
- Financial statements on pages 91 to 160

O. The board should establish procedures to manage risk, oversee the internal control framework, and determine the nature and extent of the principal risks the company is willing to take in order to achieve its long-term strategic objectives.

- Audit Committee report on pages 67 to 70
- Risk Committee report on page 71
- Principal risks and uncertainties on pages 24 to 27

Remuneration

Principles

P. Remuneration policies and practices should be designed to support strategy and promote long-term sustainable success. Executive remuneration should be aligned to company purpose and values and be clearly linked to the successful delivery of the company's long-term strategy.

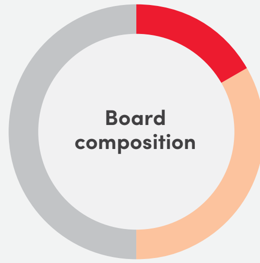
- Our strategy on pages 16 to 23
- Directors' remuneration report on pages 77 to 89

Q. A formal and transparent procedure for developing policy on executive remuneration and determining director and senior management remuneration should be established. No director should be involved in deciding their own remuneration outcome.

- Directors' remuneration report on pages 77 to 89

R. Directors should exercise independent judgement and discretion when authorising remuneration outcomes, taking account of company and individual performance, and wider circumstances.

- Directors' remuneration report on pages 77 to 89



Chairman	1
Executive Director	2
Non-Executive Director	3

0–3 years	2
3–6 years	0
6–9 years	2
9+ years	0

Male	5 (83.3%)
Female	1 (16.7%)

Male	387 (40.8%)
Female	561 (59.2%)

Male	19 (73.0%)
Female	7 (27.0%)

An experienced team to take us forward

Richard Last
Non-Executive Chairman

Richard joined Hyve Group plc as Chairman and Non-Executive Director in February 2018. He is also the chairman of Gamma Communications plc, which has a market capitalisation of over £1.5bn, revenues of over £300m and provides cloud, voice and data communications solutions to UK businesses, and the chairman of Tribal Group plc, an international technology solutions provider for the higher and further education sectors which is listed on AIM.

Richard, who is a fellow of the Institute of Chartered Accountants in England and Wales, is an experienced chairman, with over 30 years of public company board experience.

Richard is keen to promote the use of technology to improve customer experience, efficiency and profitability. He is also very passionate about the promotion and development of young talent and promoting wider diversity in organisations.

Mark Shashoua
Chief Executive Officer

Mark was appointed as Chief Executive Officer in September 2016. Mark was previously the CEO of i2i Events Group, the event arm of Ascential plc, where he spent five years leading the internationalisation and diversification of the business.

Mark was one of the founding members of Hyve Group plc, then called ITE Group, in 1991, where he was a senior Director and Board member for eight years. He is also a prominent figure in the international events industry and was recently appointed to the Board of UFI, the Global Association of the Events Industry.

Mark's focus is on evolving the business and working towards achieving its vision. He spends considerable time alongside regional leaders and event teams, discussing the strategy of each market-leading show and planning for sustainable growth.

Mark is passionate about representing the evolution of customers' behaviours in the events industry and pioneering constant change, while delivering value to shareholders.

John Gulliver
Chief Finance and Operations Officer

John was appointed as the Company's Chief Operating Officer in October 2017. With effect from 1 October 2020 John took up the newly-formed combined role of Chief Finance and Operations Officer. He oversaw the rollout of best practice as part of the TAG programme. John also has responsibility for implementing and maintaining our best-practice operating model across our global network of exhibitions.

Prior to joining, John held senior financial positions in the media sector, including Interim CFO at Emap/Top Right Group and also Divisional CFO at Ascential, and CFO of i2i Events Group from June 2012 to June 2017, where he worked alongside Mark Shashoua, CEO. Prior to that, John was Finance Director at Precise Media from 2008 to 2010.

John's background in finance and operational transformation, as well as his experience in the events sector, underpins his passion for bringing about positive change and disruption within the industry. John enjoys working in a change-led environment and loves the passion, energy and sense of achievement that occur as the Company, and the people working within it, realise their potential.

Stephen Puckett

Non-Executive Senior Independent Director

Stephen was appointed a Non-Executive Director of the Group in July 2013 and is a member of the Audit Committee, having been the Chair until January 2020. He was appointed Chair of the Group's Risk Committee in January 2020. He has been the Group's Non-Executive Senior Independent Director since January 2019.

From March 2015 to October 2020, Stephen was Chairman of Hydrogen Group plc, having joined the board in 2012. He is a Chartered Accountant who brings a wealth of financial and accounting experience amassed through his work with listed companies. In 2012, Stephen retired from the Board of Page Group plc (formerly Michael Page International plc) after more than 11 years as Group Finance Director, during which time he oversaw a period of significant overseas expansion and growth.

Stephen is a strong advocate for ensuring that the views of a wide range of stakeholders, particularly employees, are considered by the Board and that it is important to have a culture where everyone enjoys coming into work.

Sharon Baylay

Non-Executive Director

Sharon was appointed a Non-Executive Director of the Group in April 2014 and became Chair of the Remuneration Committee in October 2017. She is Senior Independent Director and Risk Chairman at Restore plc, and Non-Executive Chairman at Unique X, a privately-owned company.

Sharon joined Ted Baker plc as a Non-Executive Director in June 2018 and was acting Chair from December 2019 until she stepped down from the Board in July 2020. From 2009 to 2011, Sharon was Marketing Director and a Main Board Director of the BBC, responsible for all aspects of marketing, communications and audiences. She was also on the Board of BBC Worldwide, Freesat and Digital UK. Prior to the BBC, Sharon held a number of senior roles at Microsoft Corporation over a period of 15 years, including General Manager of the UK Online and Advertising business.

She is an Advanced Coach and Mentor, accredited by the Chartered Institute of Personnel and Development and a Member of Women in Advertising and Communications, London. Sharon brings extensive digital experience to the Board in addition to recent corporate governance experience.

Nicholas Backhouse

Non-Executive Director

Nicholas was appointed a Non-Executive Director of the Group in May 2019 and Chair of the Audit Committee in January 2020. He is also a member of the Remuneration Committee.

Nicholas has extensive experience at board level and is currently the Senior Independent Director of both Hollywood Bowl Group plc and Loungers plc and the Chairman of the Giggling Squid restaurant group. He has also held positions as Senior Independent Director of Guardian Media Group plc and Non-Executive Director of Marston's plc, All3media Ltd, Eaton Gate Gaming Ltd and Chichester Festival Theatre. Nicholas was previously the Deputy Chief Executive Officer of the David Lloyd Leisure Group, Group Finance Director of National Car Parks and Chief Financial Officer of both the Laurel Pub Company and Freeserve plc. He is a fellow of the Institute of Chartered Accountants in England and Wales and has an MA in economics from Cambridge University.

Nicholas has significant experience with companies undergoing operating model and cultural change.

UK Corporate Governance Code compliance

The Group is committed to high standards of corporate governance and supports the principles laid down in the UK Corporate Governance Code issued by the Financial Reporting Council (FRC) in July 2018 (the Code). This statement, together with the Committee reports, the Strategic report, the Directors' report and the section 172(1) statement, describes how the principles of the Code are applied and reports on the Company's compliance with the Code's provisions.

The Board

During the financial year the Board of Directors (the Board) had six members, comprising the Non-Executive Chairman, the Chief Executive Officer, the Chief Financial Officer and three independent Non-Executive Directors. The Chief Financial Officer stepped down from the Board on 30 September 2020. On 1 October 2020, John Gulliver was appointed as Chief Finance and Operations Officer. Therefore, at the date of this report, the Board continues to comprise six members.

All of the Directors bring strong judgement to the Board's deliberations. During the year, the Board has been of sufficient size and diversity that the balance of skills and experience was considered to be appropriate for the requirements of the business.

The Non-Executive Directors, including the Chairman, are all independent of management and free from any business or other relationship, including those relationships and circumstances referred to in provision 10 of the Code that could materially impair the exercise of independent and objective judgement. The Group considered that Richard Last was independent on his appointment as Chairman.

Board Committees

There are a number of standing Committees of the Board to which various matters are delegated. They all have formal Terms of Reference approved by the Board, which are available on the Group's website (hyve.group). The Committee reports are set out on pages 67 to 76.

Role and responsibilities of the Board

The Board has overall responsibility to shareholders for the proper management of the Group. In a normal financial year, the Board would meet formally at least six times. As detailed elsewhere in this annual report during the financial year ended 30 September 2020, the Group completed the acquisition of Shoptalk and, in response to the COVID-19 pandemic, undertook a rights issue. As a consequence of these two events, the Board met formally 13 times during the year. Furthermore, from the early stages of pandemic until the end of the rights issue process, the Board held weekly update calls before moving to bi-weekly update calls through to the end of the financial year.

Attendance by Directors at the formal Board meetings held during the financial year is set out below.

Board members	Meeting attendance
Richard Last (Chairman)	13/13
Nicholas Backhouse	13/13
Andrew Beach[1]	12/13
Sharon Baylay	13/13
Stephen Puckett[2]	12/13
Mark Shashoua	13/13

1 Andrew Beach was recused from a Board meeting held at the end of September 2020 to avoid a conflict of interest.

2 Stephen Puckett was unable to attend a Board meeting which was called at short notice due to a prior engagement; the Chairman and Stephen discussed the matters to be covered during the meeting in advance and the Chairman debriefed Stephen following the meeting.

Details of attendance at Committee meetings can be found in the relevant Committee reports.

The Board has a formal schedule of matters reserved to it for decision-making, including responsibility for the overall management and performance of the Group. This includes development and approval of its strategy; long-term objectives and commercial initiatives; approval of annual and interim results; annual budgets; material acquisitions and disposals; material agreements and major capital commitments; approval of treasury policies and assessment of its going concern position. Board discussions are held in an open and collaborative atmosphere with sufficient time allowed for debate and challenge – an assessment which is supported by the results of the Board evaluation.

Board meeting agendas are agreed in advance by the Chairman, the CEO and the Company Secretary. Board members receive appropriate documentation in advance of each Board meeting, which normally includes a formal agenda, a detailed report on current trading and full papers on matters where the Board will be required to make a decision or give approval. An update from the Chair of each Board Committee is provided at Board meetings as appropriate. Board papers are delivered through an electronic platform, improving the efficiency of its communications and reducing paper usage.

There is an established procedure for the preparation and review, at least annually, by the Board of medium-term plans and the annual budget. Management accounts are circulated to the Board on a monthly basis and business performance and any significant variances to budget or reforecast are formally reviewed at scheduled Board meetings. All major investment decisions are subject to post-completion reviews. Management accounts are circulated to the Board on a monthly basis and business performance and any significant variances to budget or reforecast are formally reviewed at scheduled Board meetings. All major investment decisions are subject to post-completion reviews.

During the year, the Chairman met with the Non-Executive Directors without the Executive Directors present. The Non-Executive Directors also met without the Chairman or Executive Directors present at a meeting chaired by the Senior Independent Director.

Board activities during the financial year

In addition to the regular reports from the CEO, CFO and Chief People Officer and the Committee updates, the main issues discussed and/or approved during the financial year included:

- Annual budget and forecast;
- Acquisition of Shoptalk and Groceryshop events (including financing);
- Financial results for the year ended 30 September 2019 and the half year ended 31 March 2020;
- COVID-19 impact and response;
- Rights issue in response to COVID-19;
- Cost reduction programme in response to COVID-19;
- Banking facilities;
- Strategy review to deal with impact of COVID-19;
- M&A updates;
- Insurance policies renewals;
- Insurance claims under event cancellation insurance;
- Board evaluation;
- Board composition;
- Directors' duties under section 172(1) of the Companies Act 2006;
- Policy reviews and approvals;
- Modern Slavery Statement; and
- Risk appetite.

The Directors

The biographical details of the Board members are set out on pages 58 and 59.

All of the Directors have occupied, or occupy, senior positions in UK and/or international listed companies and have substantial experience in business. At all times at least half the Board, excluding the Chairman, has comprised independent Non-Executive Directors.

The Non-Executive Directors were all appointed for an initial three-year term. As set out in the Code, the Non-Executive Directors (in common with the Executive Directors) will be subject to re-election each year by shareholders at the Company's Annual General Meeting, providing the Board continues to be satisfied that they remain independent. At the Annual General Meeting on 21 January 2021, all the Directors will once again offer themselves for re-election. The Board believes that the six Directors continue to be effective in their roles and believes that the Group and its shareholders should support their re-election at the Annual General Meeting.

The Board recognises that a minority of shareholders voted against the election of Richard Last at the Annual General Meeting held on 23 January 2020 as they were of the view that Richard served on too many company boards. The Board remains of the unanimous view that Richard is able to devote the necessary time to Hyve notwithstanding his other commitments, as has been demonstrated by Richard (and by all of the Non-Executive Directors) since the COVID-19 pandemic began to have an impact on the Group. As announced earlier this year, Richard stepped down as Non-Executive Chairman of Arcontech Group plc in September 2020. Richard continues to review and manage his commitments to ensure that he is able to continue to make the appropriate level of commitment to his role as Chairman of Hyve Group plc.

The Non-Executive Directors do not participate in any of the Group's pension schemes or in any of the Group's bonus, share option or other incentive schemes.

The Chairman and Chief Executive Officer

The different roles of the Chairman and Chief Executive Officer are acknowledged. A responsibility statement for each of those roles has been agreed and adopted by the Board.

For the Chairman, that statement includes, among other matters, ensuring that the members of the Board receive accurate, timely and clear information, ensuring that sufficient time is allowed for discussion of complex issues and encouraging active engagement by all members of the Board.

For the Chief Executive Officer that statement includes, among other matters, the development of the strategic operating plans that reflect the corporate objectives and priorities established by the Board, managing the day-to-day activities of the Group and providing leadership to management and other employees.

Senior Independent Non-Executive Director

Throughout the financial year, Stephen Puckett fulfilled the role of Senior Independent Non-Executive Director. The Senior Independent Non-Executive Director's responsibilities include acting as an intermediary for the other Directors and for shareholders, and being a sounding board for the Chairman. During the financial year, the Senior Independent Director was appointed to the role of employee voice on the Board.

Board effectiveness review

It had been the intention of the Committee to appoint an external provider to undertake an evaluation of the Board and its Committees during the year. However, due to the impact of the COVID-19 pandemic on the business, it was agreed that internal evaluations should be undertaken instead. The process was led by the Chairman and the Senior Independent Director, assisted by the Company Secretary. The evaluation questionnaire covered a wide range of areas including (but not limited to) the format and planning of Board meetings, Board composition, Board performance, Company strategy, and corporate governance.

The results of the evaluation were reviewed by the Board and it was agreed that the evaluation confirmed that the Board was operating effectively; a small number of areas were identified where it was felt that improvements could be made, such as changes to the content of Board reports and better provision of development programmes for the Directors. The need to appoint additional Non-Executive Directors within the next few years was recognised by all Board members and this will be a key objective as the impact of the COVID-19 pandemic lessens.

Support and advice

A new Company Secretary was appointed during the financial year; all Directors had input into the job specification to ensure that it met with the Board's requirements. The Board has access to the advice and services of the Company Secretary, who is responsible for ensuring that all Board procedures have been complied with. The Board has approved a procedure for all Directors to take independent legal and financial professional advice at the Company's expense, if required to support the performance of their duties as Directors of the Group. No such advice was sought by any Director during the year.

Training and development

An induction programme is arranged for newly appointed Directors, which includes presentations on the business, current strategy and shareholder expectations. Guidance is also given on the duties, responsibilities and liabilities of a director of a listed company and key Board policies and procedures. Business familiarisation involves Directors visiting exhibitions in markets in which the Group operates to gain a greater understanding of the Group's activities and to meet senior managers throughout the business.

Every Director is encouraged to continue his or her own professional development through attendance at seminars and briefings. As referred to above, the Board evaluation highlighted the need for better provision of development programmes for the Directors.

Conflicts of interest

The Company's articles of association, in line with the Companies Act 2006, allow the Board to authorise potential conflicts of interest that may arise and impose limits or conditions, as appropriate. The Group has established a procedure whereby any decision of the Board to authorise a conflict of interest is only effective if it is agreed without the conflicted Director(s) voting or without their votes being counted. In making such a decision, as always the Directors must act in a way that they consider in good faith, will be most likely to promote the success of the Group.

During the financial year, a Conflicts of Interest Policy was launched, setting out for all employees across the Group the actions that are expected from them in the event that a potential conflict of interest arises.

Shareholder relations

Details of shareholder engagement can be found in the section 172(1) statement on pages 46 and 47. A trading update will be released on the day of the Annual General Meeting which is scheduled to take place on 21 January 2021. Previous trading updates and other announcements and press releases can be found on the Group's website at hyve.group.

Strategic report and principal risks and uncertainties

The Strategic report set out on pages 01 to 54 details the financial performance of the Group. The key risks and uncertainties the Group identifies and monitors are laid out on pages 24 to 27.

Our commitment to compliance

Hyve is committed to building a culture of compliance and effective governance. In May 2019 the Group Compliance Officer and General Counsel implemented a Group-wide compliance programme, which delivered a policy framework, education and training and subsequent enforcement policy. This programme, which concluded in October 2020, was prepared in line with international best practice guidance and the recommendations of regulators such as the UK Ministry of Justice. Consideration was also given to best practice in international businesses, of equivalent size and complexity, in more regulated sectors.

Furthermore, in March 2020, the Group launched a new Code of Conduct which defines our behaviours in alignment with Hyve's values of Brilliant Work, Fresh Thinking, Rich Connections and Collective Buzz. The Code of Conduct is a Global Framework that clearly set outs what is expected from every person working for, and with, our businesses, anywhere in the world. Training on the Code and other Group policies was implemented to ensure that our employees understand our obligations when it comes to operating in a fair and ethical way. The Code of Conduct, like most of our policies, is provided in several languages on the Company's intranet.

The Code of Conduct is underpinned by other relevant global policies, including our Whistleblowing Policy (please refer to the section below for additional details). The Code of Conduct sets out the channels available to any person who works with Hyve to raise concerns that our policies are not being complied with, that something illegal or unethical has occurred in our business or supply chains, or that behaviours do not comply with our Code of Conduct.

The Code of Conduct also incorporates our approach to diversity and inclusion – further information can be found in the Nomination Committee report on pages 72 and 73.

Whistleblowing arrangements

Following a detailed review, a new Whistleblowing Policy was adopted during the financial year. In FY19 the Group procured its first, fully independent whistleblowing service. The appointment of an independent partner to manage a fully confidential whistleblowing service allows for anyone who works with Hyve to raise their concerns, anonymously if necessary, in their local language – recognising the multinational, geographic reach of our business and its operations.

During the financial year, bespoke training was delivered to Hyve teams globally on how to raise concerns using the new service and senior leaders were educated on the Whistleblowing Policy itself and how Hyve deals with concerns that are raised.

Anti-corruption policies

Our Anti-Bribery and Corruption Policy was revised in 2019 following its adoption in 2011, and subsequent 2017 review. Hyve takes a zero-tolerance position in relation to corruption, wherever and in whatever form that may be encountered. The Policy applies to individual employees, agents, sponsors, intermediaries, consultants and any other people or bodies associated with Hyve or any of our subsidiaries and employees and it sets out their responsibilities in terms of charity donations and sponsorships, facilitating payments, gifts and hospitality. The prevention, detection and reporting of bribery and corruption is the responsibility of all of our employees. Awareness of the Policy is assessed as part of the internal audit process.

Our Gifts and Entertainment Policy requires business units to maintain a gift and hospitality register which records information such as the name of the receiver of the gift or hospitality, the name of the person and organisation making the gift or providing the hospitality and the estimated value of the gift or hospitality. The register is reviewed as part of the internal audit process.

Human rights

We are committed to treating all our employees, world-wide with dignity and respect. We recognise that we operate in many different markets with diverse cultures and we respect those differences while being committed to support and uphold the provision of basic human rights and eliminate discriminatory practices. We respect the dignity of all individuals, and seek to enable all of our employees to perform and deliver their best work by accepting and valuing different talents, experiences and backgrounds.

Hyve's Human Rights Policy emphasises our commitment to basic human rights in the way we do business. We support our employees in creating and maintaining a work culture which prohibits forced labour and ensures the human rights of all employees. This Policy also provides for maintaining an environment that fosters open and direct communication between managers and employees as the most effective way to work together for the resolution of differences, and respects employees' rights to participate in collective bargaining via unions should they so choose.

The Policy applies to all Hyve employees wherever they work world-wide and Hyve encourages third parties who do business with us to conduct business in ways that reflect the principles of this policy. Hyve is committed to maintaining a working environment that respects and supports the basic human rights of all its employees world-wide, to the extent permitted by law and, specifically:

- Prohibits any employment of children below the school leaving age;
- Prohibits the Company forcing employees to work overtime, work excessive hours, or during religious holidays or prayer times;
- Provides a safe, healthy and secure working environment for all its employees; and
- Acknowledges that employees may wish to participate in union arrangements if they choose.

Employees are expected to report any behaviour that violates this policy.

Modern slavery

Hyve recognises that human rights violations, including forced labour and trafficking, can occur in all sectors and countries. As a responsible business, we are committed to playing our part to help eliminate such violations.

Our Modern Slavery Statement details the steps we take to help prevent any incidence of modern slavery, both in our own business and in our supply chains. It is available at the following address: hyve.group/Responsibility/Modern-Slavery-Statement.

As part of the compliance programme implementation, arrangements in relation to preventing modern slavery were created, including a new Anti-Slavery and Human Trafficking Policy. The Policy gives workers, contractors and other business partners guidance on Modern Slavery and clearly states the measures in place to tackle Modern Slavery in its business and supply chains. Hyve also undertook an assessment of its current risks in this area based upon the findings of the Global Slavery Index report.

The Directors have pleasure in submitting their report and the audited financial statements for the year ended 30 September 2020.

Principal activities and review of the business

The principal activities of the Group comprise the organisation of trade exhibitions and conferences.

The main subsidiary and associate undertakings which affect the profits or net assets of the Group in the year are listed in note 5 to the financial statements of the Company and note 18 to the financial statements of the Group.

Details of the Group's performance during the year and expected future developments are contained in the Chief Executive Officer's statement on pages 08 to 11, the Chief Finance and Operations Officer's statement on pages 30 to 39 and the Divisional trading summaries on pages 42 to 45. Details of the Group's Risk Committee report are on page 71 and the principal risks and uncertainties are on pages 24 to 27.

Results and dividends

The audited accounts for the year ended 30 September 2020 are set out on pages 91 to 160. The Group's loss for the year, after taxation, was £302.8m (2019: profit of £4.1m).

As stated in the interim results announcement which was issued on 7 May 2020, the Group has suspended the payment of dividends in respect of the financial year ended 30 September 2020. Future dividends will be kept under review and subject to bank waiver restrictions. In the previous financial year ended 30 September 2019, the final dividend was 1.6p and the total dividend was 2.5p.

Capital structure

Details of the Company's issued share capital and movements during the year are shown in note 25 to the financial statements of the Company. The Company has one class of ordinary shares which carry no right to fixed income. Each share carries the right to one vote at general meetings of the Company.

There are no specific restrictions on the size of a holding or on the transfer of shares, which are both governed by the general provisions of the articles of association and prevailing legislation. The Directors are not aware of any agreements between holders of the Company's shares that may result in restrictions on the transfer of securities or on voting rights. No person has any special rights of control over the Company's share capital and all shares are fully paid.

Details of employee share schemes are set out in note 28 to the financial statements of the Group. The Trustee of the Hyve Group Employees Share Trust is not permitted to vote on any unvested shares held in the Trust unless expressly directed to do so by the Company. A dividend waiver is in place in respect of the Trustee's holding, apart from the shares which are held in the Trust as part of the Directors' Deferred Bonus Plan.

There are a number of agreements that take effect, alter or terminate upon a change of control of the Company, such as commercial contracts, bank facility agreements, property lease arrangements and employee share plans. None of these are considered to be significant in terms of their likely impact on the business of the Group as a whole. Furthermore, the Directors are not aware of any agreements between the Company and its Directors or employees that provide compensation for loss of office or employment that occurs because of a takeover bid.

Articles of Association

A special resolution will be put to shareholders at the next Annual General Meeting to seek approval for amendments to the Company's articles of association.

The Directors

The Directors who served throughout the year were as follows:

Executive Directors
- Mark Shashoua
- Andrew Beach

Non-Executive Directors
- Richard Last – Chairman
- Stephen Puckett
- Nicholas Backhouse
- Sharon Baylay

Andrew Beach stepped down from the Board on 30 September 2020. Post year end, on 1 October 2020, John Gulliver (formerly Chief Operating Officer of Hyve) was appointed to the combined role of Chief Finance and Operations Officer.

The biographical details of the Board of Directors (as at the date of signing this report) are set out on pages 58 and 59.

In accordance with its articles of association and in compliance with the Companies Act, the Company has granted a qualifying third-party indemnity to each Director. Directors' and officers' insurance cover is also provided by the Company, in line with normal market practice, for the benefit of Directors in respect of claims arising in the performance of their duties.

Company Directors' shareholdings

The Directors who held office at 30 September 2020 had the following interests (including family interests) in the ordinary shares of the Company:

Name of Director	**Number of shares as at 30 September 2020[1]**	Number of shares as at 30 September 2019[1]
Executive Directors		
Mark Shashoua	**609,277**	130,652
Andrew Beach	**52,000**	12,500
Non-Executive Directors		
Richard Last	**195,000**	50,000
Nicholas Backhouse	**16,250**	5,000
Sharon Baylay	**9,205**	2,832
Stephen Puckett	**8,937**	2,750

1 On 28 May 2020 the Company undertook a share consolidation under which shareholders received consolidated ordinary shares in the ratio of one consolidated ordinary share in substitution for every 10 existing ordinary shares. The shareholdings for 2019 have been adjusted to reflect the consolidation. Each Director took up in full his or her rights available under the rights issue which completed on 12 June 2020.

The Directors, as employees and potential beneficiaries, have an interest in up to 1,204,275 shares held by the Hyve Group Employees Share Trust at 30 September 2020. The Hyve Group Employees Share Trust held 812,656 ordinary shares at 30 September 2020.

In line with the Company's Remuneration Policy, a third of the value received under the Group's Bonus Plan by the Executive Directors is deferred into shares, held in the Hyve Group Employees Share Trust.

Company's shareholders

At 30 October 2020, the Company had been notified under Rule 5 of the Financial Conduct Authority's Disclosure and Transparency Rules of the following interests in its ordinary shares:

Name of holder	Number of shares	Percentage held
RWC Partners	**33,657,025**	12.69%
Helikon Investments[1]	**31,921,069**	12.04%
Amiral Gestion	**16,545,476**	6.24%
BlackRock	**16,094,578**	6.07%
JO Hambro Capital Management	**12,635,208**	4.77%
Bestinver Asset Management	**12,633,180**	4.76%
Jupiter Asset Management	**12,131,777**	4.58%
Fidelity Management & Research	**9,895,544**	3.73%
Legal & General Investment Management	**9,002,601**	3.40%
Aberforth Partners	**8,688,321**	3.28%

1 This holding relates to a CfD holding only.

Authority to purchase the Company's shares

At the Annual General Meeting on 23 January 2020, shareholders authorised the Company to make one or more market purchases of up to 74,161,846 of the Company's ordinary shares to be held in treasury at a price between 1.0p (exclusive of expenses) and 105% of the average closing middle market price of a share for the five business days immediately preceding the date on which the share is purchased.

No purchases were made during the year and the Directors propose to renew this authority at the 2021 Annual General Meeting.

Charitable and political donations

The Group made £10,400 of charitable donations (2019: £11,465) during the year. No political donations were made (2019: nil).

Employees

The Group's People Strategy is to attract, develop and retain professional, motivated and talented employees and enable them to achieve brilliant results. The Group cascades the key priorities and business objectives throughout the organisation, ensuring all employees understand how their personal contribution supports the Group's success. The Group links incentives to delivering on objectives, and the Remuneration Policy is designed to reinforce this approach. The Group places great importance on the development of its people to support the business in meeting its objectives. This is reflected through the Performance Management Framework and the resulting learning and development initiatives.

It is the Group's policy to consider fully applications for employment from anyone qualified to apply, regardless of their status, disability, age, gender, gender identification, sexual orientation or belief. To reflect this policy, opportunities for career progression and development are offered on merit and regardless of the factors noted above. In the event of a member of staff becoming disabled, every effort would be made to ensure their continued employment and progression in the Group, and it is Group policy that training, career development and promotion of disabled employees match that of other employees as far as possible.

More information on our employees can be found in the 'Our people and values' section on pages 50 and 51 and in the section 172(1) statement on pages 46 and 47.

Supplier payment policy

The Company's policy, which is also applied to the Group, is to agree payment terms with suppliers when entering into each transaction to ensure that suppliers are made aware of the terms of payment and abide by the terms of payment. Hyve Group plc has no trade creditors. Trade creditors of the Group (consolidated) at 30 September 2020 were equivalent to 18 days (2019: 13.2 days) purchases, based on the average daily amount invoiced by suppliers during the year.

Greenhouse gas emissions

The Group recognises that our global operations have an environmental impact and we are committed to monitoring and reducing our emissions year on year. We are also aware of our reporting obligations under The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018. As such, this year we have upgraded our energy and carbon reporting to meet these new requirements and increase the transparency with which we communicate about our environmental impact to our stakeholders. In the period covered by the emissions report, the Group has not undertaken any energy initiatives. The Group's greenhouse gas location-based emissions for the 2019–2020 period were 910 tonnes of carbon dioxide equivalent (CO_2e), broken down into scope 1, 2 and 3 activities. At a global level, the Group's 2019–2020 emissions have decreased by 8% on 2018–2019.

Scope 1 emissions – Emissions have dropped by 3% due to the change of portfolio over the period. All four sites reporting natural gas in 2018–2019 are no longer being reported after closure of those offices. Other fuel usage occurred at the New Delhi office in 2018–2019; however, there was no consumption in the 2019–2020 reporting period. An increase of 32% of company car emissions is attributed to a 366% distance travelled increase on the previous year in Istanbul, which makes up 72% of company car emissions for 2019–2020.

Scope 2 emissions – Emissions associated with the consumption of electricity, heat and steam have decreased by 18% compared to 2018–2019. This was driven by a decrease in electricity emissions associated with the closure of the Russian sites throughout the 2018–2019 year. The London office has had a 1,770% increase since 2018–2019; however, this substantial increase is attributable to the omission of data in the prior year which cannot be collected retrospectively. Heat and steam emissions have decreased by 43% due to the closure of two offices in Russia.

Scope 3 emissions – There is an increase of 67 tCO_2e due to emissions being reported on electricity and distribution this year. No emissions were published for the 2018–2019 period.

The methodology used to calculate the greenhouse gas emissions is in accordance with the requirements of the following standards:

- Greenhouse Gas (GHG) Protocol (revised version) by the World Resources Institute (WRI);
- Defra's environmental reporting guidelines: Including Streamlined Energy and Carbon Reporting (SECR) requirements (March 2019); and
- UK office emissions have been calculated using the Defra 2019 and IEA 2019 issue of the conversion factor repository.

Following an operational control approach to defining our organisational boundary, our calculated greenhouse gas emissions from business activities fall within the reporting period of May 2019 to April 2020 and using the reporting period of May 2018 to April 2019 for comparison.

Energy and carbon disclosures for reporting year[1]

		Global emissions (tCO_2e)			UK emissions (tCO_2e)		
	Emissions source	2018-2019	**2019-2020**	Variance	2018-2019	**2018-2019**	Variance
Scope 1	Natural gas	54	0	-100%	16	0	-100%
	Other fuel types	5	0	-100%	0	0	0%
	Company and leased cars	148	195	+32%	0	0	0%
	Refrigerant	22	27	+23%	0	4	n/a
Total Scope 1		**229**	**222**	**-3%**	**16**	**4**	**-75%**
Scope 2	Electricity	616	541	-12%	22	146	+564%
	Heat and steam	140	80	-43%	0	0	0%
Total Scope 2		**756**	**621**	**-18%**	**22**	**146**	**+564%**
Scope 3	Electricity transmission and distribution	0	67	n/a	0	12	n/a
Total (market based)		**n/a**	**982**	**0%**	**n/a**	**222**	**n/a**
Total (location based)		**985**	**910**	**-14%**	**38**	**162**	**+305%**
Total energy usage (kWh)[2]		**2,801,537**	**2,471,777**	**-11%**	**166,006**	**572,560**	**+245%**
Normaliser	tCO_2e per FTE	0.8	0.8	-9%	0.09	0.4	+344%

1 This work is partially based on the country-specific CO_2 emission factors developed by the International Energy Agency, © OECD/IEA 2019 but the resulting work has been prepared by Hyve Group plc and does not necessarily reflect the views of the International Energy Agency.

2 Energy reporting includes kWh from scope 1, scope 2 and scope 3 employee cars only (as required by the SECR regulation).

Annual General Meeting

The notice convening the Annual General Meeting to be held at 09:00am on 21 January 2021 is contained in a circular sent to shareholders at the same time as this report.

Auditor

BDO LLP was appointed as the Group's new auditor at the Company's Annual General Meeting held on 23 January 2020. The Committee believes that BDO LLP has a strong team with the skills and experience to provide rigour and challenge in the audit. A resolution to reappoint BDO LLP as the Company's auditor and to authorise the Directors to determine the auditor's remuneration will be proposed at the Company's Annual General Meeting in January 2021.

Post-balance sheet events

Since 30 September 2020 the Group has received a further £13.1m and had confirmation of a further £11.5m of insurance proceeds in respect of event cancellation and postponement claims, taking total confirmed insurance proceeds to date to £46.7m. On 15 November 2020, the minority shareholders of ABEC exercised their put option in respect of 20% of the total shares of ABEC. The validity of the option exercise is under review, as is the amount of the claim. On 30 November 2020 the Group repaid £17.5m on its Term Loan and drew an additional £70.0m on its Revolving Credit Facility, increasing total drawn bank loans to £171m, leaving undrawn facilities of £62m, and cash and cash equivalents increasing to £101m compared with £50m at 30 September 2020.

Fair, balanced and understandable statement

Each of the Directors considers that the annual report taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy.

Directors' statement as to disclosure of information to auditors

Each Director of the Company at the date when this report was approved confirms:

- So far as he/she is aware, there is no relevant audit information (as defined by the Companies Act 2006) of which the Company's auditors are unaware; and
- He/she has taken all the steps that he/she ought to have taken as a Director to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given in accordance with section 418 of the Companies Act 2006.

Authorised for issue by the Board of Directors.

Jared Cranney
Company Secretary

1 December 2020

Audit Committee report

Committee members	Meeting attendance
Nicholas Backhouse	**5/5**
Sharon Baylay	5/5
Stephen Puckett	5/5

The Audit Committee (the Committee) was in place throughout the financial year. The Committee was chaired by Stephen Puckett until the Annual General Meeting in January 2020, at which point Nicholas Backhouse took over as Chair of the Committee with Stephen remaining as a member. The Board considers that Nicholas has the appropriate financial expertise, as required by Provision 24 of the UK Corporate Governance Code (the Code), as he is a Chartered Accountant, has held executive roles in financial positions in other companies and has chaired other listed companies' Audit Committees. All members of the Committee are independent Non-Executive Directors and they are considered to provide a wide range of international, financial and commercial expertise necessary to fulfil the Committee's duties. Members of the Committee are appointed by the Board, on the recommendation of the Nomination Committee in consultation with the Chairman of the Audit Committee, for an initial period of three years, which can then be followed by an additional two further three-year periods. All Committee members played an active role in all Committee meetings held throughout the year.

All members of the Board have an open invitation to attend Committee meetings. Representatives of the external auditor attend each meeting along with the Chief Finance and Operations Officer, the Group Finance Director and the Company Secretary, unless there is a conflict of interest. Other relevant people from the business are also invited to attend certain meetings or parts of meetings to provide a deeper level of insight into certain key issues and developments. The Chairman of the Committee reports to the Board, as part of a separate agenda item, on the activity of the Committee and matters of particular relevance to the Board in the conduct of their work.

The Chairman of the Committee has also held meetings with the Chairman of the Board, the Chief Executive Officer, the Chief Finance and Operations Officer and other members of management and the finance team during the year to identify matters which require meaningful discussion at Committee meetings. He also meets the external audit partner privately to discuss any matters they wish to raise or concerns they have.

Terms of Reference

The Audit Committee's Terms of Reference are available on the Group's website (hyve.group) or can be obtained from the Company Secretary. The Terms of Reference are reviewed annually and presented to the Board for approval.

Effectiveness evaluation

An internal evaluation of the Committee was undertaken during the financial year. There were no significant issues arising from the evaluation and it was felt by all respondents that the Committee was working effectively and that there had been an improvement in the workings of the Committee on the prior financial year, in respect of the time devoted to Committee business, the quality of the Committee papers, the number and length of meetings and the time available to Committee members to fulfil their responsibilities.

The role and responsibilities of the Committee

The Board Committee meets at least three times a year and as and when required. The Committee is responsible for monitoring the integrity of the financial statements of the Company and any formal announcements relating to the Company's financial performance, and for providing effective corporate governance over the appropriateness of the Group's financial reporting. The Committee works with the Risk Committee and this ensures effective and sufficient coverage of financial reporting risks within the Group's risk management processes.

In the first half of the financial year, prior to travel restrictions following the COVID-19 outbreak, individual members of the Committee visited a range of the Group's offices and events, held meetings with local staff and, where appropriate, followed up on matters previously identified by external and internal audits.

During the year, the Committee focussed on the following:

- The appointment of a new external auditor as part of a tender process;
- The transition of external auditor from Deloitte LLP (Deloitte) to BDO LLP (BDO) for the year ended 30 September 2020;

Audit Committee responsibilities include:

- Reviewing the integrity of the Group's financial statements and reporting and advising the Board on whether the Committee believes the Annual Report and Accounts, taken as a whole, are fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's performance, business model and strategy;
- Monitoring compliance with relevant statutory and listing requirements;
- Reporting to the Board on the appropriateness of the accounting policies and practices;
- Overseeing the relationship with the external auditor, advising the Board on the appointment of the external auditor, agreeing their audit scope and audit fees, and assessing the independence and effectiveness of the external audit process;
- Reviewing the effectiveness of the Group's internal controls and assessing the effectiveness of the Group's internal audit provider and process; and
- Monitoring the Group's whistleblowing, bribery prevention and fraud detection policies and processes.

- Alternative performance measures (APMs), ensuring an appropriate balance between the prominence given to statutory and adjusted results;
- The presentation of adjusting items;
- Acquisition accounting in respect of the Shoptalk acquisition;
- Accounting treatment for disposals completed during the year;
- The impairment review of goodwill and acquired intangible assets;
- Tax provisions, the recoverability of deferred tax assets and transfer pricing;
- The adoption of new accounting standards, including IFRS 16 Leases, which comes into effect for the Group during the year, including a review of the judgements and key assumptions used by management;
- Internal audit, including a review of the scope, timetable and reports issued during the year;
- The effectiveness of the Group's internal controls and risk management; and
- An assessment of the appropriateness of the going concern and long-term viability statements.

Audit Committee activities during the financial year:

Each of the Committee meetings held during the year has a particular area of focus. This year's meetings focussed on:

- The key areas of focus in advance of the commencement of the year-end audit;
- The review of the Group's full year results for the year ended 30 September 2019 prior to the Board's approval, significant financial judgements made in respect of that year and the external auditor's year-end report;
- The review of the independence and effectiveness of the external auditor and the 2019 Annual Report process;
- The review of the Group's interim results for the period ended 31 March 2020 and the external auditor's interim review report; and
- The external auditor's scope and plan for the audit of the year ended 30 September 2020.

Four Committee meetings were held subsequent to the period end and focussed on:

- The key areas of focus in advance of the commencement of the year-end audit; and
- The review of the Group's full year results for the year ended 30 September 2020 prior to the Board's approval, significant financial judgements made in respect of the year and the external auditor's year-end report.

In assessing the appropriateness of the financial statements, the Committee concentrated on the key matters summarised below. These were discussed with the external auditor, BDO, throughout the year and at the Committee meetings as well as during the year-end audit.

Impairment of goodwill, intangible assets and investments

This involves measuring the carrying value of goodwill, intangible assets and investments against the value in use of each of the cash generating units (CGUs) and investments. There are a number of judgements and estimates to consider in the value in use calculations, principally regarding the forecast cash flows, the discount rates used, and the long-term growth rates applied. Forecast cash flows are based on the Board-approved budget and three year plan. Discount rates are selected to reflect the risk-adjusted cost of capital for the respective territories.

Growth rates reflect management's view of the long-term forecast rates of growth using third-party sources such as the International Monetary Fund's World Economic Outlook reports. Impairment charges of £263.0m were recognised during the year across a number of CGUs, chiefly as a result of the COVID-19 outbreak, which resulted in a rise in discount rates due to the increased risk environment and a decline in forecast operating profits as a result of event postponements and cancellations as well as the longer-lasting impact of COVID-19 on performance due to the unprecedented levels of disruption and uncertainty across all markets. The Committee agreed on the impairments recognised.

Acquisition accounting

Following the acquisition of Shoptalk in the year, there is a level of judgement involved in identifying and valuing the assets acquired in the business combination. The Committee assesses the processes used in the identification and valuation of acquired assets and liabilities including the reasonableness of any assumptions used. The Committee also assesses the purchase price allocation of consideration and the allocation between goodwill and identified intangible assets. The Committee reviewed management's papers, the acquisition accounting calculations and underlying estimates and assumptions for the Shoptalk acquisition. The Committee agreed that the assets and liabilities were recognised at their fair value at acquisition.

Alternative performance measures

Consideration has been given to whether there is an appropriate balance between the prominence given to statutory results and alternative performance measures (APMs) in the annual report. Separately disclosed items of income and expenditure have been presented as adjusting items to allow a set of headline results to be presented in addition to statutory results. The FRC thematic reviews and *ESMA Guidelines on Alternative Performance Measures* have been used when considering the appropriateness of the adjusting items, the APMs presented and the disclosures in the annual report. The Committee is satisfied that the disclosures included in the annual report are fair and balanced.

Going concern

The Committee has reviewed the Group's assessment of going concern over a period greater than 12 months. In assessing the Group's going concern status, the Committee has considered the Group's financial position presented in the Budget and three-year plan recently approved by the Board. In the context of the current challenging environment as a result of COVID-19, a number of alternative scenarios have also been considered, including the modelling of additional downside sensitivities. These were based on the potential financial impact of further event cancellations over the next 12 months and the specific risks associated with the COVID-19 pandemic on the trading environment, including international travel restrictions. The Committee has concluded that the assumptions considered are appropriate when assessing the Group's going concern status. The Committee has also reviewed the Group's reverse stress test in a further downside scenario. In addition, the Committee has reviewed this with management and is satisfied that this is appropriate in supporting the Group as a going concern. The Committee received regular updates on the steps taken by management in response to the COVID-19 outbreak, including the additional liquidity secured during the year following the £126m rights issue and external bank debt covenant waivers secured in May 2020.

Internal control and risk management

The effectiveness of the internal control process is assessed throughout the year through discussions with head office, local management teams and others involved in the process.

During the year the Group's approach to monitoring internal controls was revisited by the Audit Committee. An updated controls matrix was created, identifying all financial, operational and compliance controls in place across the Group. All key controls identified were subsequently tested by management for operating effectiveness on a sample basis. The findings of the controls tests were presented to the Committee who found the current internal controls process to be operating effectively.

The Internal Audit function is outsourced to PricewaterhouseCoopers (PwC), who provide independent assurance through planned audit activities on a rotational basis, assessing whether the controls in place are adequately designed and implemented and making recommendations for improvement.

The Committee annually approves the schedule and scope of upcoming internal audit reviews over a two-year period, ensuring that the planned work covers the Group's key risk areas, primary markets and certain key financial controls. During the year all internal audit reviews were temporarily suspended following the COVID-19 outbreak but have all now been rescheduled for 2021.

The reports, findings and recommendations are presented for the Committee's review at the meetings held throughout the year. The Committee reviews the reports and considers progress against the recommendations. The Group operates across a number of territories and the role of internal audit and the follow-up process on the findings in internal reports are important parts of the Group's overall control environment.

The Group's risk management process is covered in detail in the report of the Risk Committee on page 71.

External audit

As communicated last year, following a thorough tender process the appointment of BDO as the Group's auditor was approved by the Board during 2019. The appointment subsequently received the approval of shareholders at the Annual General Meeting in January 2020. Deloitte resigned as external auditor for the Group following the completion of the 2019 audit.

The effectiveness of the 2019 external audit process, in Deloitte's final year as external auditor, was formally assessed by the Committee at the beginning of 2020. Feedback was sought from various participants in the process (Audit Committee members, Executive Directors, members of the finance team and management of subsidiary units). The effectiveness of the audit partner, the audit team, their approach to audits, including planning and execution, communication, support and value were assessed and discussed. Overall, the effectiveness of the external audit process was assessed to be performing as expected.

The effectiveness of the external audit process is dependent on appropriate audit risk identification at the start of the audit cycle. A detailed audit plan is received from the auditor, which sets out the key risks identified. For the financial year ended 30 September 2020, the primary risks identified by BDO were as set out on page 92 to 96.

BDO provided the Committee with their views on these issues at the Committee meeting held to consider the financial statements. In addition, they provided the Committee with details of any identified misstatements greater than £30,000 and any other adjustments that were qualitatively significant which management had not corrected on the basis that the misstatements were not, individually or in aggregate, material.

Private meetings were held with BDO throughout the year to provide additional opportunity for open dialogue and feedback from the Committee and the auditor without management being present. Matters discussed were the preparedness and efficiency of management with respect to the audit, the strengths and any perceived weaknesses of the financial management team, confirmation that no restriction on scope had been placed on them by management and how they had exercised professional judgement.

During the year, BDO and member firms of BDO charged the Group £661,000 (2019: Deloitte charged £505,000) for audit and audit-related services.

Non-audit services

To safeguard the objectivity and independence of the external auditor from becoming compromised, the Committee has a formal policy governing the engagement of the external auditor to provide non-audit services. No material changes have been made to this policy during the year. Non-audit fees on any project regardless of size, with the exception of assurance services in respect of the half-year review, are submitted for approval by the Committee Chairman, who must report to the Committee on the use of this delegated authority at the next Committee meeting.

Our policy ensures that the Committee challenges the decision to use the external audit firm where suitable, practical and reasonably priced alternatives exist. In addition, the Committee considers the overall level of non-audit fees and would not expect these fees to be in aggregate greater than the audit fee. During the year, the external auditor performed non-audit services totalling £439,000 (2019: £58,000), which represents 66% (2019: 10%) of the audit fee. The services provided in the year included £55,000, in respect of the interim review and £384,000 in respect of reporting accountant work for the rights issue completed in the year. The Audit Committee approved the appointment of BDO on the basis that they were best placed to provide the services and there was no conflict of interest with their role as external auditor. Refer to note 4 to the financial statements of the Group for further information.

On behalf of the Audit Committee

Nicholas Backhouse
Chairman of the Audit Committee

1 December 2020

Risk Committee report

Committee members	Meeting attendance
Stephen Puckett	**3/3***
Sharon Baylay	3/3*

* This includes an operational Risk Committee meeting held before the Committee became a formal Committee of the Board.

Membership

As disclosed in last year's annual report, during the financial year the Risk Committee (the Committee) ceased to be an operational committee and became a formal committee of the Board. As a result the composition of the Committee was changed to two Non-Executive Directors only and Stephen Puckett, the Senior Independent Director, was appointed Chair of the Committee. All Non-Executive Directors are invited to attend Committee meetings.

Attendance at the Committee meetings during the financial year is set out above.

The Chief Financial Officer, the Chief Operating Officer, the Chief People Officer, the Company Secretary and the General Counsel attended all of the Committee meetings held during the financial year.

Terms of Reference

The Committee's Terms of Reference were updated during the financial year to reflect the changes outlined above. They are available on the Group's website (hyve.group) or can be obtained from the Company Secretary. The Terms of Reference are reviewed annually and presented to the Board for approval.

The role and responsibilities of the Committee

The Committee meets a minimum of twice a year and as required; during the financial year, the Committee met on three occasions, including its final meeting before becoming a formal committee of the Board. The Board is ultimately responsible for the Group's risk management framework. The Committee oversees, reports and makes recommendations to the Board in respect of financial and non-financial risks faced by the Group.

The purpose of the Committee is to identify, assess, monitor and manage risks faced by the Group over time with the intention of exposing threats to be mitigated and opportunities to be exploited. The Committee works closely with the Audit Committee, which remains responsible for risks arising in financial reporting. Both members of the Committee are also members of the Audit Committee. The key risks from the Group's Risk Register are regularly shared with the Board and discussed.

The Committee's work is primarily driven by the assessment of its principal risks and uncertainties and its emerging risks. These risks and uncertainties are the output of a series of risk registers, which are developed across the Group, and then accumulated and reviewed by the Committee. The Committee reviews these assessments and makes adjustments to the overall risk plan as appropriate.

Assessment of the Group's risk profile

The key risks identified and monitored by the Group, as identified by the Committee, are set out in the principal risks and uncertainties within the Strategic report. Wherever possible, action plans are in place to provide future mitigation against these key risks. As these are implemented, they will be reported on in future reports.

Effectiveness of the Committee

An internal evaluation of the Committee was undertaken during the financial year. While, generally, the Committee was considered to be working effectively, it was felt that, given the progress which has been made on overall risk management, the Committee could now focus more time on the strategic and Board-level risks faced by the business. This was on the basis that operational risks were being adequately covered elsewhere in the business. It was agreed at the last Committee meeting of the financial year that the Chairman of the Committee and the Chief Finance and Operations Officer would undertake a review of the workings of the Committee.

On behalf of the Risk Committee

Stephen Puckett
Chair of the Risk Committee

1 December 2020

Risk Committee activities during the financial year

The main issues discussed and/or approved during the financial year under review included:

- Regular reviews of the Risk Register with updates to mitigating actions (both existing and planned) and, where appropriate, changes to risk ratings;
- A review of the impact of COVID-19 on each risk on the Risk Register;
- A review of business continuity/ disaster recovery plans where available;
- Identifying and reporting key risks to the Board and responding to feedback from the Board;
- Compliance with the Group's governance framework;
- The potential risks associated with acquisition integration and mitigating actions;
- The Committee's Terms of Reference; and
- The results of the internal evaluation of the Committee.

Committee members	Meeting attendance
Richard Last	**5/5**
Nicholas Backhouse	5/5
Sharon Baylay	5/5
Stephen Puckett[1]	4/5

1 Stephen Puckett was unable to attend a Committee meeting which was called at short notice due to a prior engagement; the Chairman of the Committee and Stephen discussed the matters to be covered during the meeting in advance and the Chairman debriefed Stephen following the meeting.

Membership

The Nomination Committee (the Committee) was in place throughout the financial year and is chaired by the Chairman of the Group. All of the members of the Committee who served during the year were independent Non-Executive Directors.

Attendance at the Committee meetings during the financial year is set out above.

The Chief Executive Officer and other individuals (internal and external) may also be invited to attend meetings, unless they have a conflict of interest. During the year, the Chief Executive Officer and Chief People Officer attended some of the Committee meetings, either partially or fully. The Company Secretary attended each Committee meeting in order to take the minutes.

Terms of Reference

The Committee's Terms of Reference are available on the Group's website (hyve.group) or can be obtained from the Company Secretary. The Terms of Reference are reviewed annually and presented to the Board for approval.

The role and responsibilities of the Committee

The Committee meets a minimum of twice a year and as required; during the financial year, the Committee met on five occasions. The Committee has delegated responsibility from the Board for appointments to the Board and for succession planning for Directors and other senior executives. As part of its duties the Committee:

- Regularly reviews the structure, size and composition (including the skills, knowledge, experience and diversity) required of the Board and makes recommendations to the Board with regard to any changes;
- Takes into account, when considering succession planning, the challenges and opportunities facing the Group and what skills and expertise are therefore required on the Board in the future;
- Identifies and nominates for the approval of the Board, candidates to fill Board vacancies as and when they arise;
- Keeps under review the leadership needs of the Group; and
- Agrees the evaluation process for the Board and its committees.

Nomination Committee activities during the financial year

The main issues discussed and/or approved during the financial year under review included:

- The balance of skills and experience on the Board;
- The identification of skills required for the appointment of the next Non-Executive Director;
- The requirements of the Hampton-Alexander review and the Parker review;
- The resignation of the CFO and promotion of the COO to the role of CFOO;
- The Company's succession plans for the Company's Board, its Executive Team and other senior roles across the Group plus, immediate stand-ins;
- Employee talent management and succession planning;
- The Board and Committee responses following the internal evaluation process;
- Membership and Chairmanship of the plc committees;
- The Committee's Terms of Reference (updated in line with ICSA guidance);
- The Committee's Schedule of Matters for the next financial year; and
- The role of the Senior Independent Director as responsible for the employee voice on the Board.

During the financial year a number of matters which had been instigated or were due to be instigated by the Committee had to be put on hold due to the COVID-19 pandemic. Those matters included the following:

- The role specification for and the appointment of an additional Non-Executive Director;
- The appointment of an external search consultant;
- The Leadership Development Strategy; and
- The appointment of an external evaluator for the Board and Committee evaluations.

It is the Committee's intention to return to these matters during FY21.

Appointments to the Board follow a formal, rigorous and transparent process, which involves the Committee interviewing candidates proposed by either existing Board members or by external search consultants. Careful consideration is given to ensure appointees have sufficient time available to devote to the role and that the balance of skills, knowledge, experience and diversity on the Board is either maintained or improved. Additional external appointments are not undertaken by Board members without prior approval of the Board.

The Committee recognises the benefits of having a diverse Board and sees increasing diversity at Board level as an important element in maintaining a competitive advantage. A truly diverse Board in its broadest sense will include and make good use of differences in the skills, regional and industry experience, background, race, gender and other qualities of Directors. These differences will be considered in determining the optimum composition of the Board and when possible should be balanced appropriately. All Board appointments are made on merit, in the context of the skills and experience that the Board, as a whole, requires to be effective.

Hyve is a multinational company with many different cultures working together to achieve its goals. During the financial year we launched our Code of Conduct, which incorporates our approach to diversity and inclusion and which prohibits discrimination against others based on their gender and gender identification, sexual orientation, age, disability, religion, nationality, marital status, colour or creed, or any other characteristic that is protected by law. Our discipline and grievance procedure is intended to enforce appropriate standards of behaviour. The Code of Conduct is available to employees on the Company's intranet.

Information on gender balance of those in senior management and their direct reports can be found on page 57.

Effectiveness of the Committee

An internal evaluation of the Committee was undertaken during the financial year. It was felt by all respondents that the Committee was working effectively and that there had been an improvement in the workings of the Committee on the prior financial year following the introduction of greater formality to the Committee meeting process and to the operation of the Committee. The Committee agreed that the survey groups for future evaluations of all Board Committees would be widened to include regular attendees as well as Committee members.

On behalf of the Nomination Committee

Richard Last
Chair of the Nomination Committee

1 December 2020

	Chair of the Committee	Meeting attendance
Committee members		
Sharon Baylay	**X**	**5/5**
Nicholas Backhouse		5/5
Stephen Puckett		1/1

Dear shareholder

I am pleased to present the Remuneration Committee's report for the year ended 30 September 2020.

What is in this Report?

The report includes details of the payments made to our Executive and Non-Executive Directors for the year ending 30 September 2020. It also includes a summary of the Remuneration Policy and information on how this Policy will be implemented during the financial year ending 30 September 2021.

This annual statement and the annual report on remuneration (set out on pages 77 to 90) will be subject to an advisory vote at this year's Annual General Meeting to be held on 21 January 2021. The Directors' Remuneration Policy was approved at our 2019 Annual General Meeting and is not subject to a shareholder vote this year; a summary is included on pages 86 to 89 for information only and the full Policy can be viewed on our website.

Business context

This year has seen unprecedented challenges for companies around the world. As a global provider of in-person events, Hyve is significantly impacted by COVID-19 and this is reflected in our financial results.

The year started positively for Hyve, with revenues up 7% on a like-for-like basis in the first quarter, our TAG programme coming to a successful end, and the acquisition of Shoptalk and Groceryshop.

As the pandemic began to impact the world, the Board had two main priorities: to ensure the safety of our colleagues and our customers; and to provide the business with the financial stability to weather the crisis. Management responded quickly and decisively to the crisis and implemented a number of steps to protect the long-term future of the business. We implemented World Health Organization and government advice to make the working environment safer and facilitated our colleagues in working remotely. Through Project Fortress, management implemented our event postponement and cancellation plans and identified substantial cost and cash savings, as well as strengthening our balance sheet by increasing our cash resources and renegotiating our bank facilities. Around 165 colleagues were furloughed under the UK Government's job retention scheme. In May the Group announced an underwritten rights issue of £126.6m, which was supported by our shareholders.

In September, additional restructuring measures were introduced, including the merging of our UK and Global Brands operations and further streamlining of the Group's central headquarter overheads.

The significant impact of COVID-19 is reflected in our financial results for the year. Three events were postponed and a further 67 were cancelled. Hyve benefited from management having taken out specific communicable diseases insurance for certain events, and monies received from insurers totalled £22.0m in the year. Turnover for the year was £105.1m (FY19: £220.7m) and the Group recognised a headline loss before tax of £18.7m (FY19: profit of £50.4m).

Remuneration response to COVID-19 and 2020 performance and reward outcomes

As part of the cost-saving programme, the Directors and most senior managers volunteered to reduce their salaries by 20% for three months, at a time when many UK employees were furloughed under the UK government's Coronavirus Job Retention Scheme.

Executive Directors announced that they would waive any bonus for the financial year and it was also agreed that the employee bonus scheme for the financial year would be cancelled.

Long-term incentive awards granted in December 2017 were based on a three-year performance period ending 30 September 2020, with a challenging cumulative earnings per share (EPS) target worth 70% of the award, and the remainder based on relative total shareholder return (TSR) performance. Despite the excellent progress on delivering against our ambitious strategy prior to the pandemic, the advent of the pandemic meant that neither the EPS nor TSR performance thresholds were achieved, resulting in no awards vesting.

Since his appointment the Chief Executive Officer has invested a significant amount of his own funds (around £2m or roughly 400% of salary) into Hyve shares. He has therefore been aligned with shareholders' experience with a very significant loss of value to his shareholding following the pandemic.

Executive Director changes

In September, we announced further restructuring. As part of targeted cost savings, the Board restructured the senior finance team, with the newly formed combined role of Chief Finance and Operations Officer. Andrew Beach stepped down as the Group's Chief Financial Officer. Details of his terms of departure are set out on page 80. The Board appointed John Gulliver, previously the Chief Operating Officer, in the newly formed combined role and he joined the Board effective 1 October 2020, with a salary of £295,000.

Implementation of Policy for 2021

The next 12–24 months are crucial to long-term shareholder value preservation and future growth. The Board strongly believes that we have the right management team to deliver financial resilience, maximise revenue, and accelerate our omnichannel strategy. At the same time, there continues to be significant uncertainty around the return of our markets.

The Committee determined that, notwithstanding the significant change to the business environment from when the Policy was set, it was not the right time to review the Policy.

In the context of our business circumstances, implementation of the Policy for 2021 has focussed on the following:

- Recognising shareholders' experience, we will not be adjusting the targets for inflight awards.
- The framework should support the retention of management and, importantly, incentivise them to take the appropriate actions to safeguard value and to support future growth.
- An approach to measures and targets which takes into account the challenges of setting robust three-year financial targets.

The Committee carried out an extensive shareholder consultation process to gather views on our proposals for the 2021 remuneration framework. We were pleased that a significant majority of our shareholders were supportive of our overall approach, recognising the challenges we face this year. Our overall approach is as follows:

Salary
There will be no increases to Executive Director salaries for FY21.

Annual bonus
The annual bonus for 2021 will continue to operate based on a combination of challenging financial targets and tailored strategic objectives. The weightings have been changed this year, with 55% of the bonus based on financial performance targets (with financial metrics aligned to our key areas of financial focus this year), and the remainder on strategic objectives linked to our key objectives of both repositioning the business for the future, and taking the right actions during the pandemic. The measures are set out on page 76.

Performance Share Plan
Our approach to the Performance Share Plan (PSP) this year reflects the significant challenges with setting three year EPS growth, return on capital employed (ROCE) or relative TSR targets. We therefore determined that for this year we would take the following approach to the operation of the PSP:

- Share price/TSR measure – Given the challenges in profit forecasting, a share price/TSR based measure was our preferred approach.
- Underpin test based on business sustainability – Alongside the share price/TSR targets, the performance share award will be subject to strong underpins linked to strategic progress and financial resilience, recognising how important it is that we deliver on our strategy in the next 1–2 years as the base for future value creation.
- Approach to targets – Challenging share price/TSR targets will need to be met to achieve full vesting. More moderate share price/TSR targets are set for majority vesting to reflect our retention focus for this year. This also reflected that we are taking a consistent approach across the broader senior management team.
- Share price cap – To mitigate against potential windfall gains due to unforeseen share price movements, there will be a cap on the maximum value of the award on vesting that is attributable to share price growth.
- Holding period – Awards subject to a two-year holding period.

We consulted widely with shareholders throughout the year, including on proposed share price targets for the PSP award. All shareholders we consulted with were comfortable that the maximum target was significantly challenging, but some shareholders asked that we adjust the targets for partial vesting upwards.

Following the consultation period Pfizer made their announcement in relation to a vaccine, and along with other significantly impacted companies, we saw share price volatility and an upwards movement in Hyve's share price, and so we paused our work concluding on share price targets in light of this development. However, having received further shareholder feedback expressing a preference for us to come to a conclusion on targets prior to publication of the Directors' remuneration report the Committee agreed that, notwithstanding the volatility and uncertainty as to whether the share price uplift would sustain, it would be beneficial to set the targets prior to publication in the normal way.

And so, in conclusion, the Committee decided to make further upwards adjustments to the share price/TSR targets for threshold and partial vesting (compared with those provided in shareholder consultation) to reflect both recent share price movements as well as to respond to shareholder comments. In doing so, we sought to balance alignment with shareholders, and the original principles of our proposal which was to have moderate share price/TSR targets for majority vesting to reflect our retention focus this year. The targets are shown on page 76.

I would like to thank all the shareholders we engaged with for their constructive input into the process.

Our Policy will be due for renewal next year and we will be consulting widely with shareholders on our approach during the course of this financial year.

Committee membership changes

Following Nicholas Backhouse's appointment to the Remuneration Committee September in 2019 Stephen Puckett stepped down from the Committee at the end of December 2019. I would like to thank Stephen for his significant contribution to the Committee during his membership.

Annual General Meeting

We are committed to maintaining an ongoing dialogue with shareholders on the issue of executive remuneration and we welcome any feedback you may have. As noted above, we consulted with a significant number of our shareholders on how we intended to operate our incentive plans in 2021. We appreciated their feedback, suggestions and support which we have taken into account in finalising our approach.

I hope to receive your support in approving this report at the Annual General Meeting on 21 January 2021.

Sharon Baylay
Chair of Remuneration Committee

1 December 2020

Implementation of Remuneration Policy for the year ending 30 September 2021

The table below sets out how the Remuneration Policy will be applied for the year ending 30 September 2021.

Element	Application for the year ending 30 September 2021
Salary	No salary increase for Mark Shashoua. The Committee set John Gulliver's salary on appointment to the Board* and no increase has been applied from that date. The salaries, effective 1 October 2020 are: Mark Shashoua – £492,000 John Gulliver – £295,000
Benefits	Benefits for FY21 will be in line with the Remuneration Policy.
Pension	Pension contributions of 10% of salary for both Executive Directors, in line with the wider UK workforce.
Annual bonus	For FY21, the annual bonus opportunities will be 150% and 120% of salary for Mark Shashoua and John Gulliver, respectively. The annual bonus weightings have been changed this year to better reflect the current short term priorities, with 55% of the bonus based on financial performance targets and the remaining 45% on strategic objectives linked to our key objectives of both repositioning the business for the future, and taking the right actions during the pandemic. The financial measures will be as follows:

Measure	Weighting
Headline profit before tax	15%
Net debt	15%
Insurance receipts	10%
Cost savings	15%

The strategic measures will be focussed on portfolio management and disposals (15%), successful rollout of hosted meetings (15%) and strategic people objectives (15%).

The targets are considered commercially sensitive and will therefore be disclosed retrospectively.

FY21 bonus will be subject to an underlying minimum cash underpin.

PSP

The Committee intends to grant PSP awards with a face value of 100% and 80% of salary to Mark Shashoua and John Gulliver, respectively.

Due to the significant challenges with setting three-year EPS growth and ROCE targets, the FY21 PSP award will be 100% based on share price/TSR. An 'underpin' test based on progress in the development of digital strategy as well as financial resilience will apply.

Share price[1]	Percentage of award vesting	Strategic and financial underpin condition
£1.90	100%	Vesting of awards will be subject to the Committee being satisfied that over the performance period:
£1.40	80%	• There has been measurable progress in Hyve's digital and omnichannel strategy;
£1.25	50%	• Strategic actions have been taken to seek to maximise the preservation of value within the Group; and
£1.10	20%	• Share price performance is underpinned by the Group's financial resilience including cashflow and net debt.

1 Three month average to the end of the performance period.

To mitigate against the potential for windfall gains, the value at vesting will be capped such that participants cannot receive any share price growth above a £2.50 share price.

In line with the Policy, a two year holding period will apply to any award vesting.

* New Executive Director – John Gulliver was promoted to a new combined role of Chief Finance and Operations Officer and joined the Board effective 1 October 2020.

Directors' remuneration report

Annual Report on Directors' remuneration

In line with the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended in 2013), the following parts of the Annual Report on Directors' Remuneration are audited: the single total figure of remuneration for each Director, including annual bonus and PSP outcomes for the financial year ending 30 September 2020; scheme/interests awarded during the year; pension entitlements; payments to past Directors and payments for loss of office; and Directors' shareholdings and share interests. All other parts of the Directors' remuneration report are unaudited.

Membership

The Remuneration Committee was chaired by Sharon Baylay who, along with Nicholas Backhouse, served throughout the year. Stephen Puckett stepped down from the Committee at the end of December 2019. Members of the Committee are appointed by the Board, on the recommendation of the Nomination Committee in consultation with the Chairman of the Remuneration Committee, for an initial period of three years, which can then be followed by an additional two further three-year periods. All of the members of the Committee who served during the year were independent Non-Executive Directors. During the financial year the Committee members played an active role in all Remuneration Committee meetings held.

Where there is no conflict of interest, the Board Chairman, Chief Executive Officer, Chief Financial Officer, Chief People Officer and Company Secretary may be invited to attend the Committee's meetings to assist the Committee in making informed decisions. To maximise effectiveness, meetings of the Committee generally take place just prior to a Company Board meeting. The Chair of the Committee reports to the Board, as part of a separate agenda item, on the activity of the Committee and matters of particular relevance to the Board in the conduct of its work. No individual is present when their own remuneration is being discussed. The Chair of the Committee also meets separately with the Board Chairman, Chief Executive Officer, Chief Financial Officer, Chairman of the Audit Committee, Chief People Officer and the Committee's external advisers.

Advisers

Korn Ferry was appointed by the Committee in 2016 to be the Committee Remuneration Adviser. During the year, the Committee reviewed its advisory requirements and, following a competitive tender process, subsequently appointed Deloitte as its Remuneration Adviser effective from 11 August 2020. During FY20, the Committee paid the following for services from its advisers: Korn Ferry £12,240; Deloitte £37,100 with the fees charged on a time spent and materials provided basis. Neither Deloitte nor Korn Ferry provided any other services to Hyve during the financial year.

Deloitte and Korn Ferry are signatories to the Remuneration Consultants' Group Code of Conduct and any advice provided is governed by that Code. Advisers attend Committee meetings as appropriate, and provide advice on remuneration policy, best practice and market updates. The Committee evaluates the support provided by its advisers annually and is comfortable that the individual advisers detailed did not have any connections with the Group or individual directors that may impair their independence.

Terms of Reference

The Remuneration Committee's Terms of Reference are available on the Group's website (hyve.group) or can be obtained from the Company Secretary. The Terms of Reference are reviewed annually and presented to the Board for approval.

The role and responsibilities of the Committee

The Remuneration Committee meets at least three times a year and on other occasions, as required. The Committee has delegated responsibility from the Board to set the Remuneration Policy for all Executive Directors and the Company Chairman. The objective of such policy shall be to ensure that members of the executive management of the Company are provided with appropriate incentives to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their individual contributions to the success of the Company. The Company Chairman and the Executive Directors are responsible for setting the remuneration of the Non-Executive Directors.

Committee responsibilities include:

- Determining and agreeing with the Board the Policy for the remuneration of the Executive Directors and members of the executive management (including pensions);
- Reviewing the on-going appropriateness and relevance of the Remuneration Policy;
- Approving the design of, and determining targets for, any performance-related pay schemes operated by the Company and approving the total annual payments made under the schemes;
- Overseeing any major changes in employee benefits structures throughout the Group;
- Measuring subsequent performance as a prelude to determining the Executive Directors' and executive management total remuneration on behalf of the Board;
- Determining the structure and quantum of short-term remuneration; and
- Granting awards under long-term incentive plans and options under the various Hyve Group share schemes.

Activities during the financial year

The main issues discussed and/or approved during the financial year under review included:

- Approval of the prior year Directors' Remuneration Report, review of shareholder comments and Annual General Meeting voting on the Report;
- Annual review of the Company Chairman and Executive Directors' salaries or fee arrangements and benefits;
- Review of the Executive Directors' and executive management performance against the targets set under the 2019 Annual Bonus Scheme and approval of the corresponding payments;
- Review of the personal objectives of the Chief Executive Officer proposed by the Company Chairman, and of the Chief Financial Officer as proposed by the Chief Executive Officer;
- Review and approval of grants made during the year under the PSP;
- Interview and selection of a new independent Remuneration Adviser;
- Approval of the vesting level for PSP awards vesting on performance to 30 September 2020;
- Consideration and approval of the terms of departure for Andrew Beach and other senior management;
- Engaging with the Human Resources function on succession planning and organisation restructuring; review of the performance targets to be applied for the awards to be made under the PSP;
- Consideration of shareholder views as part of consultation of remuneration approach for FY20/21; and
- The impact of the share consolidation and rights issue in 2020 on PSP awards.

Single figure of remuneration for Directors for the year ended 30 September 2020 (audited information)

The table below sets out a single figure for the total remuneration received by each Director for the year ended 30 September 2020 and the prior year. The Remuneration Policy operated as intended in the year.

	1. Base salary/Fees[1]		2. Benefits[2]		3. Annual bonus[3]		4. Long-term incentives[4]		5. Pension		Total remuneration		Total fixed remuneration		Total variable remuneration	
	2020 £000	2019 £000	**2020 £000**	2019 £000	**2020 £000**	2019 £000	**2020 £000**	2019 £000	**2020 £000**	2019 £000	**2020 £000**	2019 £000	**2020 £000**	2019 £000	**2020 £000**	2019 £000
Executive Directors																
Mark Shashoua	**464**	477	**1**	1	**0**	298	**0**	0	**47**	47	**512**	823	**512**	525	**0**	298
Andrew Beach	**277**	284	**1**	1	**0**	142	**0**	0	**29**	28	**307**	455	**307**	313	**0**	142
Non-Executive Directors																
Richard Last	**168**	173	**–**	–	**–**	–	**–**	–	**–**	–	**168**	173	**168**	173	**–**	–
Sharon Baylay	**57**	57	**–**	–	**–**	–	**–**	–	**–**	–	**57**	57	**57**	57	**–**	–
Nicholas Backhouse[5]	**55**	20	**–**	–	**–**	–	**–**	–	**–**	–	**55**	20	**55**	20	**–**	–
Stephen Puckett	**57**	61	**–**	–	**–**	–	**–**	–	**–**	–	**57**	61	**57**	61	**–**	–

1 See the Annual Report on Directors' remuneration on page 80 for further details of Non-Executive Director fees.

2 Taxable benefits include private medical insurance contributions.

3 Annual bonus payable for performance over the relevant financial year. Details are set out on page 79 of the performance targets set and actual performance against them. Consistent with the terms of the Remuneration Policy one-third of the bonus earned is deferred into the Company's shares for a period of three years with the balance payable in cash. These shares will be held in the Hyve Group Employees' Share Trust. Annual bonus awards are subject to recovery and withholding provisions in line with the Company's Remuneration Policy.

4 There was no vesting of long-term incentive awards in relation to the current Executive Directors for performance periods concluding 30 September 2020.

5 2019 is a pro rated amount of Nicholas Backhouse's annual fees as he was appointed to the Board on 1 May 2019.

Executive Directors' base salaries (audited information)

As disclosed in last year's Directors' remuneration report, the base salaries of the Chief Executive Officer and Chief Financial Officer were reviewed and the new salaries, effective from 1 January 2020, were £492,000 (3% increase), for Mark Shashoua, and £295,000 (3.9% increase) for Andrew Beach. The Committee was comfortable setting base salaries at these levels given the size of the roles and the experience and calibre of the individuals.

As part of the cost-saving programme, the Executive Directors volunteered to reduce their salaries by 20% for three months. This temporary reduction is reflected in the single figure table.

The Executive Directors' salaries which will be paid from 1 October 2020 are set out on page 76.

Pension and other benefits (audited information)

During the year, the Group made pension contributions or payments in lieu of contributions equal to 10% of each Executive Directors' salary for the relevant pro-rata period of their employment.

Pension contributions are aligned with those available to the wider UK workforce.

Annual bonus (audited information)

Framework and outcomes for the financial year ended 30 September 2020

For the 2020 financial year, the Executive Directors were to participate in the Executive Bonus Plan, designed to reinforce delivery of sustainable profit growth and the achievement of strategic objectives. The maximum annual bonus opportunity was 150% of salary for Mark Shashoua and 120% for Andrew Beach. The annual bonus was based 85% on financial targets and 15% on personal targets.

In April 2020 Executive Directors announced they would waive any bonus for the financial year and the Company announced the cancellation of all the 2020 discretionary bonus plans. The financial targets set at the start of the year have been provided below.

Measure	Weighting	Threshold	Target	Maximum	Achieved
Headline profit before tax	50%	£51.26m	£56.96m	£62.65m	(£18.70m)
Revenue growth	20%	0.4%	5.4%	10.4%	(52%)
Cash conversion	15%	85%	95%	105%	n/a

No annual bonus payment will be made for the personal targets (accounting for 15% of the total bonus for Mark Shashoua and Andrew Beach) given the cancellation of the bonus plan.

Long-term incentive (audited information)

Mark Shashoua and Andrew Beach were recipients of the PSP awards in December 2017 which had a performance period ending on 30 September 2020. In the event, neither the EPS or TSR performance met the minimum performance requirement for the awards and so the awards, and those to the other recipients, will lapse.

The EPS of (13.6p) achieved for the financial year ended 30 September 2020 was below the Executive Directors' threshold target of 31.1p required to be met for any portion of the EPS element of the December 2017 award to vest. With regards to the relative TSR element, Hyve Group's TSR over the performance period was below the median level required for any portion of this part of the award to vest.

Scheme interests awarded during the year (audited information)

Mark Shashoua and Andrew Beach received awards of 100% of salary and 80% of salary respectively during the financial year ended 30 September 2020.

The vesting of the awards will be assessed against a combination of adjusted (headline) 2022 EPS (40% of the award), relative TSR (40% of the award) and 2022 ROCE (20% of the award). The conditions will operate independently and be tested over the three-year period ending 30 September 2022.

The EPS condition (40% of an award) is as follows:

EPS for the financial year ending 30 September 2022	Vesting percentage of the shares subject to the EPS performance target
39p or more	100%
Between 34p and 39p	On a straight-line basis between 100% and 20% for the CEO and between 100% and 30% for the CFO
Equal to 34p	20% for the CEO; 30% for the CFO
Less than 34p	0%

Adjusted (headline) EPS will be calculated in line with the standard definition used by the Company, namely EPS excluding adjusting items such as amortisation, impairment and exceptional costs. The above targets have been adjusted following the share consolidation and rights issue in 2020. The EPS shown above has been adjusted for the share consolidation and rights issue using the standard TERP methodology.

The TSR condition (40% of an award) is based on Hyve Group's performance over the performance period against a peer group comprising the constituents of the FTSE 250 and FTSE Small Cap indices (excluding investment trusts) with vesting as follows:

Rank of the Company's TSR against the rank of the TSRs of the members of the comparator group	Vesting percentage of the shares subject to the TSR performance target
Upper quartile (or higher)	100%
Between median and upper quartile	On a straight-line basis between 100% and 20% for the CEO and between 100% and 30% for the CFO
Median	20% for the CEO; 30% for the CFO
Below median	0%

The ROCE condition (20% of an award) is as follows:

ROCE for the financial year ending 30 September 2022	Vesting percentage of the shares subject to the ROCE performance target
12% or more	100%
Between 10% and 12%	On a straight-line basis between 100% and 20% for the CEO and 30% for the CFO
10%	20% for the CEO; 30% for the CFO
Less than 10%	0%

ROCE is defined as headline operating profit (i.e. before adjusting items such as amortisation and impairment) divided by net assets excluding all balances relating to any provisions, financial instruments, interest-bearing liabilities and cash or cash equivalents.

The Committee also retains discretion to adjust the formula-based vesting outcome having had regard to wider overall Company performance.

To the extent that the awards vest, they will be subject to a two-year holding period. Vested awards will be subject to clawback for the later of one year following the date of vesting or completion of the next audit of the Group's accounts in the event of a fraud or material misstatement of results being identified in relation to the years in which the PSP is earned.

Details of awards granted on 23 January 2020 are set out below. The number of shares and the price at grant have been adjusted to take account of the share consolidation and 2020 rights issue:

Executive Director	Basis of award	Face value[1]	Shares over which awards granted[2]	Threshold vesting (% of award)	Performance period	Performance measure
Mark Shashoua	100% of base salary	£492,000	81,102	20%	1 October 2019 to 30 September 2022, inclusive	Headline diluted EPS (40%), relative TSR (40%) and ROCE (20%)
Andrew Beach	80% of base salary	£236,660	38,901	30%	1 October 2019 to 30 September 2022, inclusive	Headline diluted EPS (40%), relative TSR (40%) and ROCE (20%)

1 Calculated using the average share price on the three days immediately preceding the date of grant of £6.07.

2 Awards granted as nominal cost options with an exercise price of 10p per share. The number of shares has been adjusted for the share consolidation and 2020 rights issue.

Chairman and Non-Executive Director fees (not subject to audit)

Non-Executive Directors' fees were reviewed in 2019; the workload of the Committee Chairs was considered, and it was decided to increase and rebalance the fees paid to the Non-Executive Directors. The underlying increase was in line with the UK budgeted salary increases.

With effect from 1 January 2020, the Chairman's fee is £178,500 (2019: £173,350) and the Non-Executive Directors will receive a base fee of £50,725 (2019: £49,250), with an additional fee for the Senior Independent Director of £7,500 (2019: £7,000) and for the Audit, Remuneration, and Risk Committee Chairs of £10,000 (2019: £8,000). The increases to the Chairman's fee and the Non-Executive Director base fee were at 3%, which was consistent with the budgeted salary increase for the UK population, and the increased Senior Independent Director fee reflected the increased time commitment of the role.

As part of the cost saving programme, the Chairman and Non-Executive Directors volunteered to reduce their fees by 20% for three months. This temporary reduction is reflected in the single figure table.

Payments for loss of office (audited information)

As announced on 23 September, Andrew Beach stepped down from the Board and ceased employment with the Group on 30 September 2020. As part of targeted cost savings, the Board restructured the senior finance team, and the Chief Finance Officer role was combined with the Chief Operations Officer role. In line with the approved Remuneration policy and his service contract, and taking into account that the departure was linked to a restructuring of the Group, he received the following payments:

- Payment in lieu of 12 months' notice, comprising salary, pension allowance and benefits (£326,180);
- Payment in settlement of legal obligations and enforcement restrictions (£33,820);
- Outplacement fees and professional advice fees (£40,000 and £2,000 respectively); and
- Outstanding holiday pay (£11,346).

The total amounted to £413,346.

The Committee determined that Andrew should be treated as a "good leaver" and therefore outstanding share awards will be treated as follows:

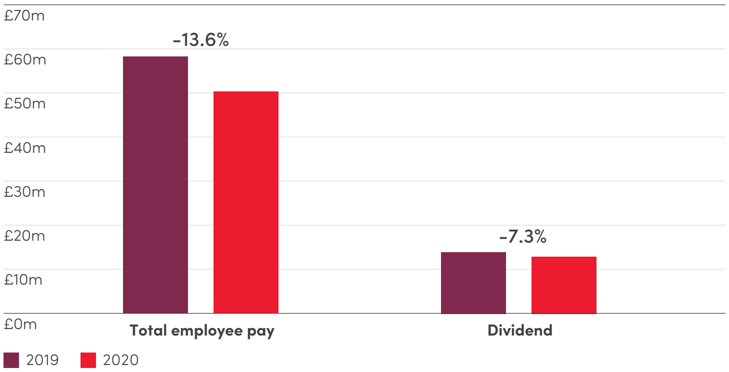
- Deferred Bonus Share Plan – outstanding share awards in relation to previously earned bonus awards will be retained and will be released at the normal release date.
- PSP – outstanding awards will be pro-rated for time in employment and will be released at the normal release date, subject to the performance conditions being met. The performance conditions for the PSP awards are significantly underwater and are not expected to vest.

Payments to past Directors (audited information)

There have been no payments to past directors.

Relative importance of spend on pay (not subject to audit)

The graph below shows the Group's total employee pay and distributions to shareholders for the financial years ended 30 September 2019 and 30 September 2020, and the percentage change.



Chief Executive Officer pay ratio (not subject to audit)

The table below compares the Chief Executive Officer's single figure of total remuneration for the year to the equivalent remuneration of the upper quartile, median and lower quartile UK employees. This is the first year we have provided a pay ratio and as such, no prior year comparator data is shown.

Year	Method	25th percentile pay ratio	Median pay ratio	75th percentile pay ratio
2020	Option C	17:1	14:1	7:1

The Group has chosen to use Option C as it enabled the use of readily available data that was current to Hyve's year-end and given there were unusual circumstances impacting pay during the year as a result of the pandemic. The three representative individuals chosen were selected based on their gross pay in September 2020.

The salary and total remuneration received during 2020 by the employees used in the above analysis are set out below.

	25th percentile pay ratio	Median pay ratio	75th percentile pay ratio
Salary	£29,130	£29,941	£64,600
Total remuneration	£30,441	£36,294	£70,748

Notes on the calculation:

1 The CEO's single figure of remuneration shown on page 78 was used in the calculation.

2 The total remuneration for the three individuals shown above was calculated on the same basis, save for the exclusion of benefits for practical purposes. This is not considered to materially impact the results.

3 As detailed earlier in the report, no employees received a bonus in the year, and no long-term incentives vested. The individual identified at median received sales commission in the year and this is included in the calculation.

4 All three individuals temporarily reduced their working hours (and accordingly, salary) to 80% in the year as part of the cost savings programme in response to the COVID-19 pandemic. For the individual at median, this included payments as part of the Coronavirus Job Retention Scheme. Given that the CEO also received a temporary salary reduction to 80% in the year, all figures are considered to be on a like-for-like basis and no adjustments have been made.

5 To ensure that the individuals identified at the three quartiles are representative of the UK workforce, the total pay and benefits for a small number of employees centred around each quartile were also considered to confirm there were no anomalies. The individuals identified were deemed appropriately representative.

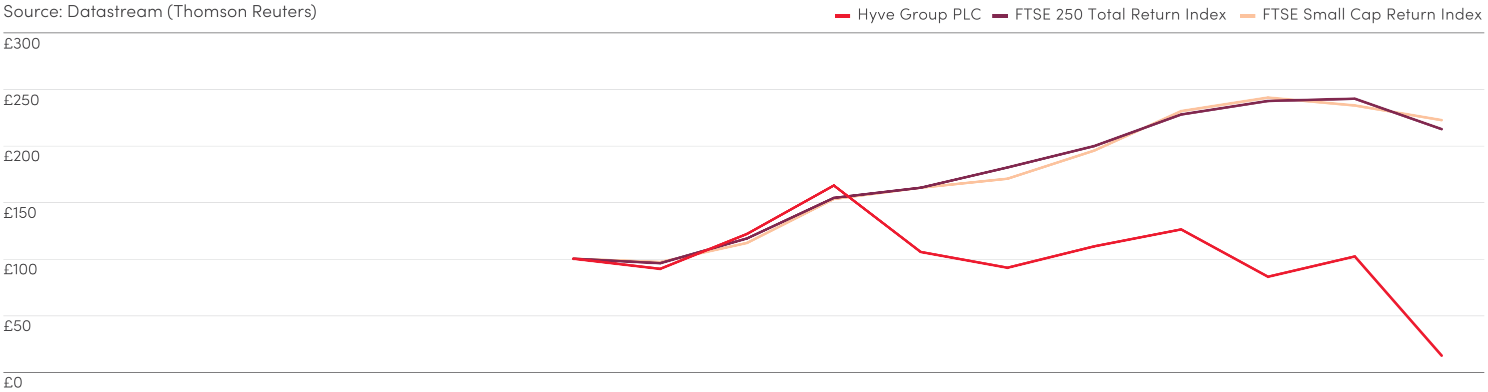
The pandemic adversely impacted the approach to pay at Hyve in the year, removing the opportunity for incentive-based pay for many employees. The median pay ratio is relative to an individual receiving sales commission which increased their total remuneration. In a year where bonuses and long-term incentives are paid, it would be expected that the pay ratios may be higher than this year, reflecting Hyve's approach of increasing the portion of the package that is at risk for more senior individuals.

Performance graph (not subject to audit)

The chart below compares the value of £100 invested in Hyve Group plc shares, including reinvested dividends, on 30 September 2010 compared with the equivalent investment in the FTSE 250 Index and FTSE Small Cap Index, over the last 10 financial years. The FTSE 250 Index and FTSE Small Cap Index have been chosen as the Company has been a constituent of both indices during the period since 2008. The table below shows the single figure for the CEO over the same period.

Total shareholder return

Source: Datastream (Thomson Reuters)



Financial year ended 30 September		2011	2012	2013	2014	2015	2016	2017	2018	2019	**2020**
Russell Taylor = */Mark Shashoua = #		*	*	*	*	*	* #	#	#	#	**#**
CEO single figure of remuneration (£000)		1,348	1,558	1,951	1,050	567	618	1,035	1,191	823	**512**
Annual bonus awarded	% of maximum opportunity	94%	80%	94%	68%	16%	27%	79.9%	97.8%	41.7%	**0%**
	£ amount (£000)	375	332	402	298	72	122	539	680	298	**0**
PSP vesting	% of maximum opportunity	100%	100%	100%	70%	0%	0%	0%	0%	0%	**0%**
	£ amount (£000)	540	774	1,080	277	0	0	0	0	0	**0**

Change in Directors' remuneration and for employees as a whole over FY20 (not subject to audit)

The CEO and other Directors have service agreements with Hyve Group plc, the parent company. The parent company has no other employees.

The table below shows the change in the Directors' annual cash, defined as salary, taxable benefits, and annual bonus, compared with the average employee for 2019 to 2020.

	Year-on-year change in pay for Directors comparted with the global average employee						
	Executive Directors		Non-Executive Directors				
2020	Mark Shashoua	Andrew Beach	Richard Last	Stephen Puckett	Sharon Baylay	Nicholas Backhouse	Average Employee1
Base Salary/fees	**-3%**	**-2%**	**-3%**	**-7%**	**0%**	**175%[2]**	**-12%**
Benefits	**1%**	**4%**	**–**	**–**	**–**	**–**	**30%**
Bonus	**-100%**	**-100%**	**–**	**–**	**–**	**–**	**-85%**

1 The change in salary and taxable benefits for other employees reflects a combination of a change in the size and geographical footprint of the Company (more UK employees and fewer in Russia) and the impact of foreign exchange movement.

2 Nicholas Backhouse was appointed to the Board on 1 May 2019 and the increase has been calculated against the pro-rata fees paid in FY19.

Dilution limits (not subject to audit)

The Group has at all times complied with the dilution limits set out in the rules of its share plans (principally a limit of 10% in 10 years). The Group will also operate within a dilution limit of 5% in any rolling 10-year period for discretionary schemes. The Company is currently well within these dilution limits. Shares to satisfy awards granted under the PSP, which are normally purchased in the market do not count towards the dilution limits.

Directors' shareholding guidelines and share scheme interests (audited information)

During the year, the Executive Directors were required to retain shares of a value equal to 25% of the gain made after tax, on the vesting of awards under the Plans, until they have built up their minimum shareholding of at least 200% of annual base salary. The Committee believes that the leaver provisions currently in place for the discretionary share plans ensure the alignment of the interests of our Executive Directors and Hyve's shareholders post-cessation of employment. The Committee will keep this approach under review.

The table below shows the Directors' interests in shares owned outright and/or vested, and the extent to which the Group's shareholding guidelines are met. There have been no changes to the holdings of the current Directors (including any connected persons) between 30 September 2020 and 30 November 2020, being the last practicable date before publication of this report.

	Number of unvested shares subject to performance conditions[1]	Number of shares held under the Deferred Bonus Share Plan[2]	**Number of shares held as at 30 September 2020[3]**	Number of shares held as at 30 September 2019[4]	Shareholding guideline (as % of salary/fees)	Guideline met[5]
Mark Shashoua	779,063	113,533	**609,277**	130,652	200%	Yes[5] 80%
Andrew Beach	258,795	52,884	**52,000**	12,500	200%	No[5] 11%
Richard Last	–	–	**195,000**	50,000	n/a	n/a
Nicholas Backhouse	–	–	**16,250**	5,000	n/a	n/a
Sharon Baylay	–	–	**9,205**	2,832	n/a	n/a
Stephen Puckett	–	–	**8,937**	2,750	n/a	n/a

1 PSP awards are granted as nominal cost options.

2 Deferred bonus share awards in respect of the years ended 30 September 2017, 2018 and 2019.

3 Current shareholding includes net shares owned outright and/or vested and shares held by family interests. On 28 May 2020, the Company undertook a share consolidation under which shareholders received consolidated ordinary shares in the ratio of one consolidated ordinary share in substitution for every 10 existing ordinary shares. Each Director took up in full his or her rights available under the rights issue which completed on 12 June 2020.

4 On 28 May 2020 the Company undertook a share consolidation under which shareholders received consolidated ordinary shares in the ratio of one consolidated ordinary share in substitution for every 10 existing ordinary shares. The shareholdings for 2019 have been adjusted to reflect the consolidation. Each Director took up in full his or her rights available under the rights issue which completed on 12 June 2020.

5 Mark Shashoua had invested a significant amount in the Company prior to the pandemic's impact on the share price, the share consolidation and latest rights issue; and exceeded the shareholding guideline at that time. Consequently, in the Committee's opinion he is considered to continue to meet the shareholding guidelines.

Directors' interests in Performance Share Plans (audited information)

Details of outstanding PSP awards are as follows. The performance targets are summarised below the table:

Director Scheme	1 Oct 2019	Granted during the year	Option price (£)	Exercised during the year	Lapsed	Market price at exercise date (£)	**30 Sep 2020**	Date of grant	Share price on date of grant (p)	Exercisable from	Exercisable to	Gain on exercise £000
Mark Shashoua												
2014 Employees' Performance Share Plan	123,829	–	0.01	–	(123,829)	–	**–**	16/06/2017	£5.45	16/06/2020	16/06/2027	–
2014 Employees' Performance Share Plan	73,049	–	0.01	–	–	–	**73,049**	04/12/2017	£6.34	04/12/2020	04/12/2027	–
2014 Employees' Performance Share Plan	624,912		0.01	–	–	–	**624,912**	14/03/2019	£3.82	14/03/2022	14/03/2029	–
2014 Employees' Performance Share Plan	–	81,102					**81,102**	23/01/2020	£6.07	23/01/2023	23/01/2030	
Total	821,790	81,102		–	(123,829)	–	**779,063**					
Andrew Beach												
2014 Employees' Performance Share Plan	61,410	–	0.01	–	(61,410)	–	**–**	16/06/2017	£5.45	16/06/2020	16/06/2027	–
2014 Employees' Performance Share Plan	34,089	–	0.01	–	–	–	**34,089**	04/12/2017	£6.34	04/12/2020	04/12/2027	–
2014 Employees' Performance Share Plan	185,805		0.01	–	–	–	**185,805**	14/03/2019	£3.82	14/03/2022	14/03/2029	–
2014 Employees' Performance Share Plan	–	38,901					**38,901**	23/01/2020	£6.07	23/01/2023	23/01/2030	
Total	281,304	38,901		–	(61,410)	–	**258,795**					

1 The performance conditions applying to the award granted on 23 January 2020 are detailed on page 79.

2 The performance conditions applying to the awards granted in prior years are set out in the Directors' remuneration report for the respective year.

3 The performance conditions for the award granted on 4 December 2017 were tested after the year end. As set out on page 79 above, the threshold performance targets were not met and, as a result, this award lapsed in full.

4 On leaving the Group, Andrew Beach's outstanding awards were subsequently reduced in accordance the rules of the Plan.

For all the awards, both the number of shares included in the above tables and the share price at grant have been adjusted following the share consolidation and 2020 rights issue using the standard TERP adjustment to maintain the value of the award, on a theoretical basis, through the 2020 rights issue. The awards granted in 2017 had previously been adjusted in a similar manner for the 2018 rights issue. The TERP formula is as approved by HMRC and applied to both executive and all-employee share awards.

Service contracts (not subject to audit)

In line with Provision 18 of the 2018 UK Corporate Governance Code, all Directors are subject to re-election annually at the Company's Annual General Meeting. The Chairman has a six-month notice period and the Non-Executive Directors have a one-month notice period. Each Non-Executive Director is engaged on the basis of a letter of appointment, and these are available to view at the Group's registered office and at the Annual General Meeting.

The effective dates of their letters of appointment are as follows:

Director	Date of letter of appointment	Notice period
Richard Last	12 February 2018	Six months
Stephen Puckett	16 May 2013	One month
Sharon Baylay	24 March 2014	One month
Nicholas Backhouse	1 May 2019	One month

Executive Director service contracts have no fixed term and have a notice period of up to 12 months from either the Executive Director or the Group. The Executive Director service contracts are available to view at the Group's registered office and at the Annual General Meeting. The dates of the Executive Director service contracts and the relevant notice period are as follows:

Director	Effective date of contract	Notice period
Mark Shashoua	1 September 2016	12 months
John Gulliver	1 October 2020	Six months

Statement of shareholder voting at the Annual General Meeting (not subject to audit)
The following table shows the voting outcome of the latest Directors' Remuneration Policy and Annual Report on Remuneration resolutions presented to shareholders:

Resolution	Votes for	Votes for (%)	Votes against	Votes against (%)	Votes withheld (abstentions)
Annual report on Directors' remuneration (2020 Annual General Meeting)	616,221,691	89.3%	73,669,643	10.7%	400
Directors' Remuneration Policy (2019 Annual General Meeting)	404,779,176	63.6%	231,169,758	36.4%	1,665

UK Corporate Governance Code: Provision 40 (not subject to audit)

The Committee considers that the current Remuneration Policy and its implementation during the year appropriately addresses the following principles, as set out in the UK Corporate Governance Code.

Principle	How the Committee has addressed this
Clarity	In line with our commitment to transparency and engagement with shareholders on executive remuneration, the Remuneration Committee Chair has engaged with our shareholders to set out changes to remuneration in the following year.
Simplicity	In determining the remuneration framework, the Committee was mindful of avoiding complexity and ensuring that arrangements are easy to understand for stakeholders. Our remuneration arrangements are simple in nature and well understood by participants and shareholders.
Risk	The Committee believes that the structure of remuneration arrangements does not encourage inappropriate risk taking. The remuneration framework has a number of features that align remuneration outcomes with risk, including the deferral of bonus into shares, the LTIP holding period, and personal shareholding requirements. These features ensure that Executive Directors are incentivised to deliver the Group's strategic ambitions within the Group's risk appetite. Malus and clawback provisions apply to both the annual bonus and PSP.
Predictability	The Remuneration Policy contains details of threshold, target and maximum opportunity under the annual bonus and PSP. Actual outcomes are dependent on performance achieved against predetermined targets. For the 2021 PSP, the value at vesting will be capped such that participants cannot receive any share price growth above a £2.50 share price.
Proportionality	The Remuneration Policy is designed such that Executive Directors are not rewarded for poor performance. Performance conditions attached to the annual bonus and PSP require a minimum level of performance to be achieved before any payout is achieved. The Committee has discretion to adjust both annual bonus and PSP outcomes when they are not considered to appropriately reflect the underlying performance of the individual or the Group. The Committee is mindful of alignment to the workforce when making decisions about executive pay, as is demonstrated through the temporary 20% salary cut volunteered by Directors. Periodically, the Committee receives reports on the employees' views on the Company's remuneration structure.
Alignment to culture	The performance measures that are used for the annual bonus and PSP are closely aligned to a Company's purpose, values and strategy. For 2021, the annual bonus framework has been changed to align with the changes to the short-term strategic goals.

Summary of Remuneration Policy (not subject to audit)

The following section sets out a summary of the Directors' Remuneration Policy that was approved by shareholders at the Annual General Meeting on 24 January 2019, and became effective from that date. The full Policy can be found in the Directors' Remuneration Report in the 2018 Annual Report and Accounts on the Company's website: hyve.group

Element	Purpose and link to strategy	Operation	Opportunity	Performance metrics
Base salary/fees	Set at competitive levels in the markets in which Hyve Group plc operates, in order to attract and retain executives, capable of delivering the Group strategy.	Reviewed annually with changes normally effective from 1 October of each year. (From 2020, effective 1 January.) Decisions influenced by: • Scope of the role and the markets in which Hyve Group plc operates; • Performance and experience of the individual; • Pay levels at organisations of a similar size and complexity; and • Pay and conditions elsewhere in the Group.	Salaries will be eligible for increases during the three-year period that the Remuneration Policy operates from the effective date. During this time, salaries may be increased each year (in percentage of salary terms) in line with increases granted to the wider workforce. Increases beyond those granted to the wider workforce (in percentage of salary terms) may be awarded in certain circumstances such as where there is a change in responsibility, experience or a significant increase in the scale of the role and/or size, value and/or complexity of the Group.	Not applicable.
Benefits	Designed to be competitive in the market in which the individual is employed.	Benefits include life insurance, private medical insurance and income protection insurance. Where appropriate, other benefits may be offered including, but not limited to, allowances for car, accommodation, relocation, other expatriate benefits and participation in all-employee share schemes. Benefits vary by role and individual circumstance and eligibility is reviewed periodically Benefits are not pensionable.	The value of benefits may vary from year to year depending on the cost to the Company from third party providers.	Not applicable.

Element	Purpose and link to strategy	Operation	Opportunity	Performance metrics
Pension	To provide cost-effective retirement benefits.	Participation in defined contribution plan or cash allowance in lieu.	Up to 10% of base salary.	Not applicable.
Annual performance bonus	Designed to reinforce individual performance and contribution to the achievement of sustainable profit growth and strategic objectives.	Compulsory deferral of one-third of any bonus paid into shares for three years with the balance of the bonus paid in cash. Deferred shares typically vest after three years and are normally subject to continued employment. Dividend equivalent payments may be made (in cash or shares) on deferred shares at the time of vesting and may assume the reinvestment of dividends. Annual bonus awards are not pensionable. Payments made under the annual bonus are subject to recovery and withholding provisions which enable value over-paid to be recouped to the later of one-year following the date of payment or the completion of the next audit of the Group's accounts, in the event of a fraud or material misstatement of results being identified in relation to the year in which the bonus was earned.	Maximum potential opportunity of up to 150% of base salary. For the current Executive Directors, the annual bonus will be limited to the following levels during the three-year policy period: • 150% of salary (Chief Executive); and • 120% of salary (Chief Financial Officer).	Details of the performance measures used for the current year and targets set for the year under review and performance against them will be provided in the Annual Report on Directors' Remuneration. Bonus will be predominantly based on a challenging range of financial targets set in line with the Group's KPIs (for example, revenue growth, cash conversion and profit). For a minority of the bonus, targets relating to the Group's other KPIs will operate (for example, strategic targets). For financial targets, and where practicable strategic targets, bonus starts to accrue once the threshold target is met (0% payable) rising on a graduated scale to 100% for out-performance. The Committee may adjust bonus outcomes, based on the application of the bonus formula set at the start of the relevant year, if it considers the quantum to be inconsistent with the Company's overall performance during the year. For the avoidance of doubt this can be to zero and bonuses may not exceed the maximum levels detailed above. Any use of such discretion would be detailed in the Annual Report on Directors' Remuneration.

Element	Purpose and link to strategy	Operation	Opportunity	Performance metrics
Performance Share Plan	Ensures that the Executive Directors' interests are aligned with those of shareholders through providing share-based awards linked to sustained improvements in long-term targeted performance metrics.	Awards of nominal cost (or nil cost) options may be granted annually as a percentage of base salary. Vesting is based on performance measured over a minimum of three years. The performance period normally starts at the beginning of the financial year in which the date of grant falls. Any shares which vest following the end of the three-year performance period must be held for a further two years (other than in respect of shares sold to pay tax). Dividend equivalent payments may be made (in cash or shares) on PSP shares at the time of vesting on vested shares and may assume the reinvestment of dividends. Payments made under the PSP are subject to recovery and withholding provisions which enable recoupment of the value overpaid for the later of one year following the date of vesting or the completion of the next audit of the Group's accounts in the event of fraud or material misstatement of results being identified in relation to the years in which the PSP is earned.	In normal circumstances, the maximum award limit is capped at 150% of salary other than in exceptional circumstances (e.g. recruitment 'buy-out' to compensate for value forfeit from a previous employer) when awards may be granted up to 200% of salary. Awards above this level, up to 500% of salary, may be granted in 2019 only (see below). For the current Executive Directors, the annual PSP award limit for the three-year Remuneration Policy period (excluding any buy-out awards) will be limited to: For 2019: • 500% of salary (Chief Executive); and • 250% of salary (Chief Financial Officer). For 2020 and 2021: • 100% of salary (Chief Executive); and • 80% of salary (Chief Financial Officer).	Granted subject to challenging financial (e.g. EPS and ROCE) and/or TSR performance targets tested over three years. For awards granted in 2019, 5% of maximum vests for threshold performance for the CEO (10% of maximum for other Executive Directors), rising on a graduated basis to full vesting for equalling, or exceeding, the maximum performance targets (no awards vest for performance below threshold). For awards granted in 2020 and 2021, 20% of maximum vests for threshold performance for the CEO (30% of maximum for other Executive Directors), rising on a graduated basis to full vesting for equalling, or exceeding, the maximum performance targets (no awards vest for performance below threshold). The Committee may adjust PSP vesting outcomes, based on the result of testing the performance condition, if it considers the quantum to be inconsistent with the Company's overall performance during the three-year performance period. For the avoidance of doubt this can be to zero. Any use of such discretion would be detailed in the Annual Report on Directors' Remuneration.

Element	Purpose and link to strategy	Operation	Opportunity	Performance metrics
Non-Executive Directors' fees	To reflect the time commitment in preparing for and attending meetings, the duties and responsibilities of the role, and the contribution expected from the Non-Executive Directors.	Annual fee for Chairman. Annual base fee for Non-Executive Directors. Additional fees are paid to the Senior Independent Director and the Chair of the Audit and Remuneration Committees to reflect additional responsibilities. Fees are reviewed annually, taking into account, time commitment, responsibilities and fees paid by comparable companies. All Non-Executive Directors are reimbursed for travel and related business expenses reasonably incurred in performing their duties such that they are no worse off on a post-tax basis.	There is no prescribed maximum. Non-Executive Director fee increases are applied in line with the outcome of periodic reviews and taking into account wider factors – for example, inflation.	Not applicable.

Directors' responsibilities statement

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 are required to prepare the Group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and Article 4 of the IAS Regulation and have elected to prepare the parent company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. Under company law, the Directors must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing the parent company financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

In preparing the Group financial statements, International Accounting Standard 1 requires that Directors:

- Properly select and apply accounting policies;
- Present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- Provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- Make an assessment of the Company's ability to continue as a going concern.

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

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

Responsibility statement

We confirm that to the best of our knowledge:

- The financial statements, prepared in accordance with the relevant financial reporting framework, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole.
- The Strategic report includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.
- The annual report and financial statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's performance, business model and strategy.

This responsibility statement was approved by the Board of Directors on 1 December 2020 and is signed on its behalf by:

John Gulliver
Chief Finance and Operations Officer

1 December 2020

> Looking ahead, the market-leading events we have strengthened and nurtured, as well as significant available cash and debt facility, give us a robust platform on which to build as in-person events resume.

John Gulliver
Chief Finance & Operations Officer

Financial Statements

Opinion

We have audited the financial statements of Hyve Group plc (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 30 September 2020 which comprise Consolidated Income Statement, Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Equity, Consolidated Statement of Financial Position, Consolidated Cash Flow Statement, The Company Statement of Financial Position, The Company Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union. The financial reporting framework that has been applied in the preparation of the Parent Company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard in the United Kingdom and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 30 September 2020 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the Parent Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006; and, as regards the Group financial statements, Article 4 of the IAS Regulation.

Basis for opinion

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

Conclusions relating to principal risks, going concern and viability statement

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

- the directors' confirmation set out on page 71 in the annual report that they have carried out a robust assessment of the Group's principal risks and uncertainties and the disclosures in the annual report that describe the principal risks and the procedures in place to identify emerging risks and explain how they are being managed or mitigated;
- the directors' statement set out in note 2 of the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting in preparing the financial statements and the directors' identification of any material uncertainties to the Group and the Parent Company's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements;
- whether the directors' statement relating to going concern required under the Listing Rules in accordance with Listing Rule 9.8.6R(3) is materially inconsistent with our knowledge obtained in the audit; or
- the directors' explanation set out on page 29 in the annual report as to how they have assessed the prospects of the Group, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified, 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 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.

Valuation of Intangible Assets, including Goodwill

Key audit matter

The Group has material intangible assets, including goodwill, arising primarily from historic acquisitions as part of business combinations. As set out in notes 12 and 14, as at 30 September 2020 the Group carried £66.8m of goodwill and £240.6m of other intangible assets on the Consolidated Statement of Financial Position. During the year ended 30 September 2020, impairment charges totalling £195.1m have been recognised in respect of goodwill, £63.4m in relation to acquired intangible assets, and £4.5m in relation to Interests in associates and joint ventures.

Management are required to test annually for impairment, or more frequently if there are indications that goodwill might be impaired.

Management tests impairment through determination of the value in use of each cash generating unit identified (CGU). Management has determined that its goodwill and intangible assets are allocated to 11 cash generating units.

To determine the value in use of each CGU, management prepares a detailed impairment model using a number of judgemental assumptions (as described in note 12 to the financial statements). These include Board-approved forecasts of the expected cash flows of the Group for a period of 4 years from 30 September 2020, inflation rates, risk free rates, market risk premiums and industry betas taking into consideration the specific risk premium and inflation rates of the respective country of each CGU.

On March 11, 2020, the World Health Organization declared a global pandemic in relation to COVID-19. This has impacted both global health and the economic welfare across the globe, with restrictions on movement of goods and people put in place in a number of countries, and overall trading slowing across the globe in a number of industries. The Group has recognised impairment charges totalling £195.1m in respect of goodwill, £63.4m in relation to acquired intangible assets, and £4.5m in relation to Interests in associates and joint ventures during the year. Therefore, there is a risk, whether due to fraud or error, that the application of inappropriate assumptions supports assets that should otherwise be impaired or further impaired.

How the key audit matter was addressed in our audit

As part of audit workings completed, we have challenged Management's value in use determined for each CGU within the model prepared, including the assumptions underpinning the model.

Our work in relation to the model and its assumptions was as follows:

- considering the appropriateness and completeness of the number of CGUs identified by management and the associated allocation of assets of the Group to each of these CGU as per the accounting policy;
- testing of the arithmetic accuracy of the model used by management;
- agreeing the underlying cash flow projections for each CGU to Board approved forecasts;
- challenged management on their assessment of the impact of COVID-19 on the future forecast cash flows, as well as reviewing movements in both revenues anticipated and costs to be incurred in relation to future events as indicated by management;
- reviewed the likelihood and timing of events forecast by management to take place in the short term, agreeing to available third party and other available information as applicable;
- reviewing the reasonability of central costs that are allocated to the CGUs;
- engaging our valuation specialists to independently assess appropriate discount rates;
- agreeing assumptions used within the estimation of discount rates including, country specific risk premiums, inflation rates, risk free rates against independent market data;
- reviewing future forecast cash flows and revenues against post year end performance and cash collection positions;
- analysed the sensitivity of the model to changes in assumptions as outlined within note 12 in relation to forecast cash flows to evaluate the impact of movements on the underlying value of CGUs and considered their reasonability as key assumptions based upon our understanding of the Group and its operations; and
- review and consideration of whether the disclosures in the annual report and accounts were appropriate to the Group's situation and in line with IAS 36.

Key observations

Based on the procedures performed, we concluded that the assumptions used within the impairment model prepared by management are reasonable and noted no instances of material misstatements in the year.

We noted that disclosures made by management within notes 12 and 14 of the financial statements are in line with expectations and the sensitivities and assumptions outlined are consistent with the model prepared.

Acquisition of Shoptalk Commerce LLC (Shoptalk) and Groceryshop LLC (Groceryshop)

Key audit matter	As outlined within note 13 of the financial statements, the group completed the acquisition of 100% of the share capital of Shoptalk Commerce LLC (Shoptalk) and Groceryshop LLC (Groceryshop) on 18 December 2019. As a result of the acquisition, the Group recognised goodwill arising on acquisition of £57.5m and intangible assets of £63.1m. The valuation of the identified intangible assets is a subjective process requiring a high level of estimation and judgement by management including the determination of assumptions in relation to the discount factor applied and the useful life of contracts and the resulting amortisation period. We therefore identified a key audit matter in relation to the valuation and completeness of separately identifiable intangible assets recognised upon acquisition. Management's associated accounting policies are detailed in note 2 to the financial statements, along with the material judgements relating to intangible assets acquired in business combination.
How the key audit matter was addressed in our audit	We have obtained the valuation report prepared by management's expert and engaged our valuation specialists to review the report along with the assumptions utilised to arrive at the final position. We have specifically performed the following audit work: • considered the capability, competence and independence of the management expert engaged by management, including the review of the scope of the engagement instructions; • analysed the underlying cash flow projection forecasts used to build the model upon which the valuation was based against trading history and future expectations; • benchmarked inputs used to form discount rates within the model to other external supporting documentation; • agreed the forecasts for arithmetic accuracy; • confirmed the accuracy of the calculations within the valuation report in obtaining the final valuation through re-performance; and • performed substantive testing on the acquisition balance sheet which included testing balances above a threshold at the date of acquisition and testing a sample of transactions for cut-off around the acquisition date to supporting documentation. We have reviewed the disclosures around the business combination and IFRS 3 purchase price allocation through reading all available legal documentation setting out the transaction (including the SPA), obtaining expert advice through our valuations team to test the inputs used in modelling the intangible values, and re-performing calculations to ensure they are arithmetically accurate.
Key observations	As a result of our work on acquisitions, specific testing on the acquisition balance sheet, audit work on intangible assets acquired, and other work noted above, we have not found any instances of material misstatement in this area.

Disclosure of adjusting items and the presentation of alternative performance measures in the financial statements

Key audit matter

The Group presents alternative performance measures to provide supplemental information to enable users of the financial statements to gain an understanding of the Group's financial performance.

During the year, the Group recognised items classified as 'adjusting items' amounting to a £294.2m credit prior to the impact on taxation (2019: £41.7m). The disclosure of adjusting items and their presentation on the face of the consolidated income statement remains a key audit matter given the level of management judgement involved as inappropriate classification of such items would impact on the disclosure of Headline profit before tax, which is a key performance indicator used by the Group.

These adjusting items include restructuring and integration costs which have spanned a number of years, and consequently, we consider there is management judgement in determining whether those costs or projects are adjusting. Other costs include the impairment charges recognised in relation to goodwill, intangible assets and the impairment of investments in associates and joint ventures, transaction costs relating to potential acquisitions and disposals and profits recognised on disposals.

The nature of these costs has been defined in the CFOO statement on pages 33 to 36 and the related accounting policy has been disclosed in note 2 to the financial statements. Detail of all Alternative Performance Measures used is included in the Glossary and the Audit Committee's discussion of this matter is set out on pages 68 and 69.

How the key audit matter was addressed in our audit

As part of audit procedures completed, each adjusting item was discussed and challenged with Management.

Our work in relation to the adjusting items and their application included the following:

- agreement of a sample of items to supporting documentation, challenging management's rationale for the presentation of each within the consolidated income statement as adjusting;
- focussed on areas of judgement, including costs which had reoccurred over a number of financial years;
- testing, on a sample basis, of items within the consolidated income statement to identify income and expenses which may be adjusting by nature but not separately identified;
- considered rationales provided by management against the applicable accounting standards and guidance issued by regulators for reasonability;
- assessed the disclosure of the accounting policy within note 2 for adjusting items, description of the items classified as adjusting within note 5 and the reconciliations between statutory and adjusted measures. This was performed in the context of the latest guidance published by the European and Securities Markets Authority (ESMA) and the Financial Reporting Council (FRC).

Key observations

We have concluded that the items described as adjusting in the consolidated income statement meet the requirements of IAS 1 and the Group's accounting policy, and that they are appropriately disclosed.

Going Concern

Key audit matter

As referenced in the Group overview on page 2, the operations of the Group have been significantly impacted by COVID-19, both in terms of varying local restrictions on business events and by international travel constraints. It has caused significant disruption and economic uncertainty globally.

The outbreak has had an impact on the Group's future expected cash flows due to the heightened uncertainty, which has a direct impact on the going concern assessment.

Management has included COVID-19 considerations when modelling future cash flows and assessing assets for impairment. There is a risk that models upon which the going concern assessment is made are unreasonable and as such, the going concern assumption used in the preparation of the financial statements is inappropriately used and the directors' confirmation set out on pages 28 and 29 in the annual report and disclosures set out in note 2 are inappropriately made.

How the key audit matter was addressed in our audit

We reviewed and evaluated management's cash flow forecasts and the process by which they were determined and approved, agreeing the forecasts with the latest Board approved budgets and confirming the mathematical accuracy of underlying calculations.

In assessing management's review of the going concern assumption within the financial statements, we have undertaken the following audit procedures:

- obtained from management their latest assessments that support the Board's conclusions with respect to the going concern basis of preparation of the financial statements;
- evaluated management's base case forecast and downside scenarios, and challenged the adequacy and appropriateness of the underlying assumptions, including the impact on revenue of an extended period of restrictions in the trade exhibitions and conferences sector;
- reviewed management's "stress test" analysis outlining the conditions management believe are required for the Group to breach covenants outlined within the Directors' report on pages 64 to 66 and reviewed the likelihood of such conditions arising;
- robustly challenged management on assumptions used within forecasts;
- reviewed the impact of COVID-19 on the future forecast cash flows, reviewing movements in both revenues anticipated and costs to be incurred in relation to future events; and
- review of future forecast cash flows and revenues against post year end performance and cash collection positions.

Key observations

Our conclusion in respect of going concern is included in the "principal risks, going concern and viability statement" section of this report on pages 24 to 29.

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. At the planning stage we set an overall level of materiality for the financial statements as a whole based on our understanding of the elements of the financial statements that are likely to be of greatest significance to users. In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed.

Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

	Group financial statements	Parent company financial statements
Materiality	£1.5m	£0.54m
Basis for determining materiality	1% of normalised 3-year revenue	1% of total assets, capped at a level below Group performance materiality)
Rationale for the benchmark applied	Given the significant loss before tax and decrease in revenue for the current year due to the effects of COVID-19, we based our materiality calculation on a normalised 3-year revenue. The use of the three year averages reduces the impact of COVID-19 on the materiality levels while also reflecting the current size and nature of the Group. In determining the use of the three year average, we satisfied ourselves that the use of the average does not mask long-term decline in revenue.	Given the nature of the Company as a parent company, we consider Total assets to be the most appropriate basis for materiality. We have, however, capped the materiality at 60% of Group performance materiality.
Performance materiality	£0.9m	£0.3m
Basis for determining performance materiality	60% of the Group materiality level.	60% of the parent company materiality level.
Rationale for the benchmark applied	The application of materiality at the individual account or balance level is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.	

We agreed to report to the Audit Committee any corrected or uncorrected identified misstatements exceeding £30,000 for the Group and £10,800 for the Parent Company in addition to other identified misstatements that warranted reporting on qualitative grounds.

An overview of the scope of our audit

Of the group's 75 reporting components, we subjected 9 to full scope audits for group purposes and 6 to specified risk-focussed audit procedures. The latter were not individually financially significant enough to require a full scope audit for group purposes, but were included in the scope of our group audit work in order to provide further coverage over the Group's results. Components identified as significant were identified in the UK, Russia, India and Hong Kong . In addition one component in China was identified for specified risk-focussed audit procedures.

The components within the scope of our work accounted for the percentages illustrated below.

	Number of components	Group revenue
Full scope audit work completed by BDO UK	6	48%
Full scope audit work completed by BDO member firms in Russia, India and Hong Kong	3	23%
Risk-focussed procedures completed by BDO UK	3	8%
Risk-focussed procedures completed by component auditors in Hong Kong	1	6%
Enhanced analytical reviews	60	15%

The remaining 15% of total group revenue is represented by 60 of the reporting components, none of which individually represented more than 5% of any of total group revenue, group profit before tax or total group assets.

For these residual components, we performed analysis at an aggregated group level to re-examine our assessment that there were no significant risks of material misstatement within these.

The component materialities ranged from £360k to £540k having regard to the mix of size and risk profile of the Group across the components.

The work on the overseas components was directed, supervised and reviewed by the Group audit team. This included, but was not limited to, the issuance of Group audit instructions, holding periodic meetings, including planning and close meetings, remotely reviewing work and discussions with component audit teams and local management.

Capability of the audit in detecting irregularities, including fraud

Based on our understanding of the Group and the industry in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the failure to comply with international tax legislation and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, Financial Conduct Authority regulations including the UK Listing Rules and the principles of the UK Governance Code. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting journal entries to increase revenue or profits, the classification of exceptional items and management bias in accounting estimates including those relating to key audit matters outlined above. The Group engagement team shared this risk assessment with the component auditors so that they could include appropriate audit procedures in response to such risks in their work.

Audit procedures performed by the Group engagement team and/or component auditors included:

- Discussions with management and the Group's legal counsel, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Evaluating and, where appropriate challenging assumptions and judgements made by management in determining significant accounting estimates, in particular in relation to impairment of goodwill and intangible assets, acquisition accounting, and the going concern assumption;
- Agreement of the financial statement disclosures to underlying supporting documentation;
- Review of minutes of Board meetings throughout the year;
- Review of tax compliance and involvement of our tax specialists in the audit; and
- Identifying and testing unusual journal entries, in particular journal entries posted with unusual account combinations.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Other information

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

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

We have nothing to report in this regard.

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

- **Fair, balanced and understandable** – the statement given on page 66 by the directors that they consider the annual report and financial statements taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position, performance, business model and strategy, is materially inconsistent with our knowledge obtained in the audit; or
- **Audit committee reporting** – the section describing the work of the audit committee on pages 67 to 70 does not appropriately address matters communicated by us to the audit committee; or
- **Directors' statement of compliance with the UK Corporate Governance Code** – the parts of the directors' statement required under the Listing Rules on page 60 relating to the Company's compliance with the UK Corporate Governance Code containing provisions specified for review by the auditor in accordance with Listing Rule 9.8.10R(2) do not properly disclose a departure from a relevant provision of the UK Corporate Governance Code.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

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

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements and the part of the directors' remuneration report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 90, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

Other matters which we are required to address

Following the recommendation of the audit committee, we were appointed by the directors with our appointment approved by the shareholders on 23 January 2020 to audit the financial statements for the year ending 30 September 2020 and subsequent financial periods. The period of total uninterrupted engagement is one year.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Group or the Parent Company and we remain independent of the Group and the Parent Company in conducting our audit.

Our audit opinion is consistent with the additional report to the audit committee.

Use of our report

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

Andrew Viner (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London, United Kingdom

1 December 2020

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Consolidated income statement

For the year ended 30 September 2020

	Notes	Year ended 30 September 2020 Headline £000	Year ended 30 September 2020 Adjusting items (note 5) £000	Year ended 30 September 2020 Statutory £000	Year ended 30 September 2019 Headline (restated[1]) £000	Year ended 30 September 2019 Adjusting items (note 5) £000	Year ended 30 September 2019 Statutory (restated[1]) £000
Revenue	3	**105,082**	**–**	**105,082**	220,723	–	220,723
Cost of sales		**(100,903)**	**–**	**(100,903)**	(131,619)	–	(131,619)
Impairment loss in respect of trade receivables		**(2,891)**	**–**	**(2,891)**	(1,724)	–	(1,724)
Gross profit		**1,288**	**–**	**1,288**	87,380	–	87,380
Other operating income		**22,578**	**–**	**22,578**	934	–	934
Administrative expenses		**(43,065)**	**(294,531)**	**(337,596)**	(39,708)	(39,691)	(79,399)
Foreign exchange gain/(loss) on operating activities		**2,806**	**–**	**2,806**	(1,140)	–	(1,140)
Share of results of associates and joint ventures	3	**5,748**	**(1,536)**	**4,212**	8,297	(1,900)	6,397
Operating (loss)/profit		**(10,645)**	**(296,067)**	**(306,712)**	55,763	(41,591)	14,172
Investment revenue	6	**611**	**4,804**	**5,415**	1,019	1,335	2,354
Finance costs	7	**(8,663)**	**(2,957)**	**(11,620)**	(6,374)	(1,439)	(7,813)
(Loss)/profit before tax	3	**(18,697)**	**(294,220)**	**(312,917)**	50,408	(41,695)	8,713
Tax (charge)/credit	9	**(4,360)**	**14,457**	**10,097**	(13,115)	8,530	(4,585)
(Loss)/profit		**(23,057)**	**(279,763)**	**(302,820)**	37,293	(33,165)	4,128
Attributable to:							
Owners of the Company		**(23,985)**	**(279,763)**	**(303,748)**	36,313	(33,165)	3,148
Non-controlling interests		**928**	**–**	**928**	980	–	980
		(23,057)	**(279,763)**	**(302,820)**	37,293	(33,165)	4,128
Earnings per share (p)							
Basic	11	**(13.6)**	**–**	**(171.6)**	27.8	–	2.4
Diluted	11	**(13.6)**	**–**	**(171.6)**	27.8	–	2.4

1 The weighted average number of shares used for basic and diluted and headline basic and diluted earnings per share for 2019 has been restated as a result of the share consolidation and rights issue which took place during the year, in order to provide a comparative measure. As a result, basic and diluted and headline basic and diluted earnings per share for 2019 have also been restated.

The results stated above relate to continuing activities of the Group. The accompanying notes 1 to 31 form an integral part of the Consolidated financial statements.

Consolidated statement of comprehensive income

For the year ended 30 September 2020

	Notes	**2020 £000**	2019 £000
(Loss)/profit for the year attributable to shareholders		**(302,820)**	4,128
Cash flow hedges:			
Movement in fair value of cash flow hedges		**(763)**	269
Fair value of cash flow hedges released to the income statement		**52**	655
Currency translation movement on net investment in subsidiary undertakings		**(5,603)**	7,561
Total other comprehensive (loss)/income		**(6,314)**	8,485
		(309,134)	12,613
Tax relating to components of comprehensive (loss)/income	9	**–**	(153)
Total comprehensive (loss)/income for the year		**(309,134)**	12,460
Attributable to:			
Owners of the Company		**(310,062)**	11,480
Non-controlling interests		**928**	980
		(309,134)	12,460

All items recognised in comprehensive income may be reclassified subsequently to the income statement.

The accompanying notes 1 to 31 form an integral part of the Consolidated financial statements.

Consolidated statement of changes in equity

For the year ended 30 September 2020

	Share capital £000	Share premium account £000	Merger reserve £000	Capital redemption reserve £000	ESOT reserve £000	Retained earnings £000	Equity option reserve £000	Translation reserve £000	Hedge reserve £000	Total £000	Non-controlling interests £000	Total equity £000
Balance as at 1 October 2019	7,416	279,756	2,746	457	(2,787)	70,009	(13,255)	(45,133)	(247)	298,962	22,803	321,765
Effect of initial application of IFRS 16 on 1 October 2019 (note 1)	–	–	–	–	–	(334)	–	–	–	(334)	–	(334)
Revised balance as at 1 October 2019	**7,416**	**279,756**	**2,746**	**457**	**(2,787)**	**69,675**	**(13,255)**	**(45,133)**	**(247)**	**298,628**	**22,803**	**321,431**
Net loss for the year	–	–	–	–	–	(303,748)	–	–	–	**(303,748)**	928	**(302,820)**
Currency translation movement on net investment in subsidiary undertakings	–	–	–	–	–	–	–	(5,603)	–	**(5,603)**	–	**(5,603)**
Movement in fair value of cash flow hedges	–	–	–	–	–	–	–	–	(763)	**(763)**	–	**(763)**
Fair value of cash flow hedges released to the income statement	–	–	–	–	–	–	–	–	52	**52**	–	**52**
Total comprehensive income for the year	**–**	**–**	**–**	**–**	**–**	**(303,748)**	**–**	**(5,603)**	**(711)**	**(310,062)**	**928**	**(309,134)**
Dividends (note 10)	–	–	–	–	–	(13,012)	–	–	–	**(13,012)**	(1,809)	**(14,821)**
Exercise of share options	–	–	–	–	(388)	–	–	–	–	**(388)**	–	**(388)**
Share-based payments	–	–	–	–	–	556	–	–	–	**556**	–	**556**
Issue of shares – share placement	596	49,413	–	–	–	–	–	–		**50,009**	–	**50,009**
Issue of shares – subscription	146	11,283	–	–	–	–	–	–		**11,429**	–	**11,429**
Issue of shares – rights issue	18,355	99,632	–	–	–	–	–	–	–	**117,987**	–	**117,987**
Capital reduction	–	(279,813)	–	–	–	279,813	–	–	–	**–**	–	**–**
Tax credited to equity	–	–	–	–	–	63	–	–	–	**63**	–	**63**
Disposal of subsidiary	–	–	–	–	–	–	–	(186)	–	**(186)**	–	**(186)**
Balance as at 30 September 2020	**26,513**	**160,271**	**2,746**	**457**	**(3,175)**	**33,347**	**(13,255)**	**(50,922)**	**(958)**	**155,024**	**21,922**	**176,946**

The accompanying notes 1 to 31 form an integral part of the Consolidated financial statements.

	Share capital £000	Share premium account £000	Merger reserve £000	Capital redemption reserve £000	ESOT reserve £000	Retained earnings £000	Equity option reserve £000	Translation reserve £000	Hedge reserve £000	Total £000	Non-controlling interests £000	Total equity £000
Balance as at 1 October 2018	**7,416**	**279,756**	**2,746**	**457**	**(2,794)**	**80,800**	**(13,255)**	**(53,073)**	**(1,018)**	**301,035**	**23,847**	**324,882**
Net profit for the year	–	–	–	–	–	3,148	–	–	–	**3,148**	980	**4,128**
Currency translation movement on net investment in subsidiary undertakings	–	–	–	–	–	–	–	7,561	–	**7,561**	–	**7,561**
Movement in fair value of cash flow hedges	–	–	–	–	–	–	–	–	269	**269**	–	**269**
Fair value of cash flow hedges released to the income statement	–	–	–	–	–	–	–	–	655	**655**	–	**655**
Tax relating to components of comprehensive income (note 9)	–	–	–	–	–	–	–	–	(153)	**(153)**	–	**(153)**
Total comprehensive income for the year	**–**	**–**	**–**	**–**	**–**	**3,148**	**–**	**7,561**	**771**	**11,480**	**980**	**12,460**
Dividends (note 10)	–	–	–	–	–	(14,043)	–	–	–	**(14,043)**	(1,978)	**(16,021)**
Exercise of share options	–	–	–	–	7	(8)	–	–	–	**(1)**	–	**(1)**
Share-based payments	–	–	–	–	–	112	–	–	–	**112**	–	**112**
Disposal of subsidiary	–	–	–	–	–	–	–	379	–	**379**	(46)	**333**
Balance as at 30 September 2019	**7,416**	**279,756**	**2,746**	**457**	**(2,787)**	**70,009**	**(13,255)**	**(45,133)**	**(247)**	**298,962**	**22,803**	**321,765**

Consolidated statement of financial position

30 September 2020

	Notes	2020 £000	2019 £000
Non-current assets			
Goodwill	12	**66,829**	209,970
Other intangible assets	14	**240,572**	270,608
Property, plant and equipment	15	**17,964**	5,167
Interests in associates and joint ventures	18	**37,444**	43,374
Investments	19	**1,540**	500
Deferred consideration receivable > 1 year	19	**6,865**	3,795
Deferred tax asset	24	**460**	8,547
		371,674	541,961
Current assets			
Trade and other receivables	19	**33,731**	59,024
Tax prepayment	19	**1,374**	3,300
Cash and cash equivalents	19	**50,330**	33,027
		85,435	95,351
Total assets		**457,109**	637,312
Current liabilities			
Bank loan and overdrafts	20	**(17,500)**	(17,500)
Trade and other payables	21	**(58,454)**	(33,390)
Deferred income	21	**(61,276)**	(79,701)
Corporation tax		**(1,360)**	(1,929)
Derivative financial instruments	23	**(9,393)**	(12,955)
Provisions	22	**(170)**	(306)
		(148,153)	(145,781)
Non-current liabilities			
Bank loan and overdrafts	20	**(100,485)**	(127,205)
Provisions	22	**(1,547)**	(1,505)
Deferred income	21	**–**	(291)
Lease liabilities	27	**(15,332)**	–
Deferred tax liabilities	24	**(13,773)**	(40,655)
Derivative financial instruments	23	**(873)**	(110)
		(132,010)	(169,766)
Total liabilities		**(280,163)**	(315,547)
Net assets		**176,946**	321,765
Equity			
Share capital	25	**26,513**	7,416
Share premium account		**160,271**	279,756
Merger reserve		**2,746**	2,746
Capital redemption reserve		**457**	457
Employee Share Ownership Trust (ESOT) reserve		**(3,175)**	(2,787)
Retained earnings		**33,347**	70,009
Equity option reserve		**(13,255)**	(13,255)
Translation reserve		**(50,922)**	(45,133)
Hedge reserve		**(958)**	(247)
Equity attributable to equity holders of the parent		**155,024**	298,962
Non-controlling interests	26	**21,922**	22,803
Total equity		**176,946**	321,765

The accompanying notes 1 to 31 form an integral part of the Consolidated financial statements.

The financial statements of Hyve Group plc, registered company number 01927339, were approved by the Board of Directors and authorised for issue on 1 December 2020. They were signed on their behalf by:

Mark Shashoua
Chief Executive Officer

John Gulliver
Chief Finance and Operations Officer

Consolidated cash flow statement

For the year ended 30 September 2020

	Notes	2020 £000	2019 £000
Operating activities			
Operating (loss)/profit		**(306,712)**	14,172
Adjustments:			
Depreciation and amortisation		**36,425**	27,032
Impairment of goodwill, intangible assets and investments in associates and JVs		**263,015**	–
Share-based payments		**579**	63
Decrease in provisions		**(119)**	(1,278)
(Profit)/loss on disposal of plant, property and equipment and computer software		**(8)**	10
(Profit)/loss on disposal of subsidiary holdings		**(2,263)**	3,154
Fair value of cash flow hedges recognised in the income statement		**52**	654
Share of profit from associates and joint ventures		**(4,212)**	(6,397)
Operating cash flows before movements in working capital		**(13,243)**	37,410
Decrease/(increase) in receivables		**31,285**	(4,346)
Prepayments to venues		**(1,630)**	(730)
Utilisation of venue prepayments		**726**	719
Decrease in deferred income		**(28,823)**	(96)
Increase in payables		**14,910**	1,249
Operating cash flows after movements in working capital		**3,225**	34,206
Dividends received from associates and joint ventures		**4,528**	6,147
Cash generated from operations		**7,753**	40,353
Tax paid		**(2,713)**	(11,548)
Net cash from operating activities		**5,040**	28,805
Investing activities			
Interest received	6	**611**	1,019
Acquisition of investments		**(1,040)**	(500)
Acquisition of businesses – cash paid net of cash acquired	13	**(97,757)**	(31,478)
Purchase of plant, property and equipment and computer software		**(1,942)**	(3,776)
Disposal of plant, property and equipment and computer software		**–**	70
Disposal of subsidiaries and investments – cash received net of cash disposed		**(650)**	(462)
Net cash utilised on investing activities		**(100,778)**	(35,127)
Financing activities			
Equity dividends paid		**(12,995)**	(14,077)
Dividends paid to non-controlling interests		**(1,808)**	(1,978)
Interest paid and bank charges	7	**(7,980)**	(6,374)
Principal lease payments		**(3,940)**	–
Proceeds from the issue of share capital and exercise of share options		**179,084**	–
Fees relating to issue of share capital		**(11,088)**	–
Acquisition of shares for ESOT		**(388)**	–
Drawdown of borrowings		**145,321**	258,457
Repayment of borrowings		**(173,432)**	(246,330)
Net cash inflow/(outflow) from financing activities		**112,774**	(10,302)
Net increase/(decrease) in cash and cash equivalents		**17,036**	(16,624)
Cash and cash equivalents at beginning of year		**33,027**	49,649
Effect of foreign exchange rates		**267**	2
Cash and cash equivalents at end of year		**50,330**	33,027

The accompanying notes 1 to 31 form an integral part of the Consolidated financial statements.

Notes to the consolidated accounts

For the year ended 30 September 2020

1 General information

Hyve Group plc is a public company limited by shares incorporated in the United Kingdom under the Companies Act and is registered in England and Wales. The address of the registered office is given on page 160. The nature of the Group's operations and its principal activities are set out in the Strategic report on pages 02 to 54 and in note 3.

These financial statements are presented in British pounds sterling. Foreign operations are included in accordance with the accounting policies set out below.

Amendments to IFRSs that are mandatorily effective for the current year
In the current year, the Group has applied International Financial Reporting Standard (IFRS) 16 Leases, issued by the International Accounting Standards Board (IASB) and mandatorily effective for the Group's accounting period that began on 1 October 2019.

Details of the impact of IFRS 16 are given below. The remaining new and amended standards and Interpretations issued by the IASB that apply for the first time in these financial statements are not expected to impact the Group as they are either not relevant to the Group's activities or require accounting which is consistent with the Group's current accounting policies.

IFRS 16 Leases
Effective 1 January 2019, IFRS 16 has replaced International Accounting Standard (IAS) 17 Leases and IFRS Interpretations Committee (IFRIC) 4 Determining Whether an Arrangement Contains a Lease. IFRS 16 provides a single lessee accounting model, requiring the recognition of assets and liabilities for all leases, together with options to exclude leases where the lease term is 12 months or less, or where the underlying asset is of low value. IFRS 16 substantially carries forward the lessor accounting in IAS 17, with the distinction between operating leases and finance leases being retained. The Group does not have significant leasing activities acting as a lessor.

(a) Transition method and practical expedients utilised
The Group adopted IFRS 16 using the modified retrospective approach, with recognition of transitional adjustments on the date of initial application (1 October 2019), without restatement of comparative figures. The Group elected to apply the practical expedient to not reassess whether a contract is or contains a lease at the date of initial application. Contracts entered into before the transition date that were not identified as leases under IAS 17 and IFRIC 4 were not reassessed. The definition of a lease under IFRS 16 was applied only to contracts entered into or changed on or after 1 October 2019.

IFRS 16 provides for certain optional practical expedients, including those related to the initial adoption of the standard. The Group applied the following practical expedients when applying IFRS 16 to leases previously classified as operating leases under IAS 17:

- Apply a single discount rate to a portfolio of leases with reasonably similar characteristics; and
- Apply the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term remaining as of the date of initial application.

As a lessee, the Group previously classified leases as operating or finance leases based on its assessment of whether the lease transferred substantially all of the risks and rewards of ownership. Under IFRS 16, the Group recognises right-of-use assets and lease liabilities for most leases. However, the Group has elected not to recognise right-of-use assets and lease liabilities for some leases of low value assets based on the value of the underlying asset when new or for short-term leases with a lease term of 12 months or less.

The treatment of venue leases is expected to remain unchanged, due to the cumulative tenancy dates over the term of each venue lease being less than 12 months. All current venue contracts are therefore treated as short term leases and excluded from the assessment under the related practical expedient.

On adoption of IFRS 16, the Group recognised right-of-use assets and lease liabilities primarily in relation to leases of office space, which had previously been classified as operating leases. The lease liabilities were measured at the present value of the remaining lease payments, discounted using an incremental borrowing rate as at 1 October 2019. Incremental borrowing rates were calculated for each of the Group's material leases, representing the rate at which a similar borrowing could be obtained from an independent creditor under comparable terms and conditions in the region where the lease is situated. Incremental borrowing rates were calculated for the United Kingdom, Russia and United States. The weighted average rate applied was 3.4%.

The right-of-use assets were measured either at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments, or at the carrying value that would have resulted from IFRS 16 being applied from the commencement date of the leases, subject to the practical expedients noted above.

The following table presents the impact of adopting IFRS 16 on the statement of financial position as at 1 October 2019:

	£000
Right-of-use assets recognised	15,686
Lease liabilities recognised	(17,038)
Other adjustments to statement of financial position on transition:	
Provisions	1,056
Accruals	73
Prepayments	(370)
Deferred tax asset	259
Net reduction in retained earnings	**(334)**

Included in profit or loss for the period is £3.1m of depreciation of right-of-use assets and £0.6m of finance expense on lease liabilities. Short-term and low-value leases included in profit or loss for the period were £30.9m including venue lease costs of £30.4m

1 General information continued

The following table reconciles the minimum lease commitments disclosed in the Group's 30 September 2019 annual financial statements to the amount of lease liabilities recognised on 1 October 2019:

	Land and buildings £000	Venues £000
Minimum operating lease commitment at 30 September 2019	17,345	99,056
Short-term leases not recognised under IFRS 16	(265)	(99,056)
Low-value leases not recognised under IFRS 16	(5)	–
Other adjustments to the statement of financial position	759	–
Lease payments previously excluded	1,264	–
Undiscounted lease payments	**19,098**	**–**
Effect of discounting	(2,060)	–
Lease liabilities	**17,038**	**–**

Other adjustments to the statement of financial position consists of lease provisions, accruals and prepayments.

Certain lease payments previously excluded from the disclosure of minimum operating lease commitments at 30 September 2019 have now been included on adoption of IFRS 16, primarily due to the existence of renewal options and automatic renewal mechanisms which means these contracts in substance have lease terms greater than 12 months.

(b) Significant accounting policies subsequent to transition
All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a term of 12 months or less.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the group's incremental borrowing rate on commencement of the lease is used. None of the Group's contractual lease liabilities include variable lease payments.

On initial recognition, the carrying value of the lease liability also includes:

- Amounts expected to be payable under any residual value guarantee;
- The exercise price of any purchase option granted in favour of the Group if it is reasonably certain to assess that option; and
- Any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

Right-of-use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- Lease payments made at or before commencement of the lease;
- Initial direct costs incurred; and
- The amount of any provision recognised where the Group is contractually required to dismantle, remove or restore the leased asset.

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term. Lease liabilities are remeasured when there is a change in future lease payments arising from a change in an index or rate or when there is a change in the assessment of the term of any lease.

Use of estimates and judgements
There have been no material revisions to the nature and amount of estimates of amounts reported in prior periods, except where the implementation of IFRS 16 discussed above requires a different approach to the accounting previously applied. Significant estimates and judgements that have been required for the implementation of this new standard are:

- The determination of whether an arrangement contains a lease;
- The determination of lease term for some lease contracts in which the Group is a lessee that include renewal options and termination options, and the determination whether the Group is reasonably certain to exercise such option; and
- The determination of the incremental borrowing rate used to measure lease liabilities.

Liabilities of £1.0m were recognised at transition in relation to leases with some form of renewal option or autorenewal mechanism in the lease contracts which the Group is reasonably certain will be exercised.

The measurement of the lease liabilities on transition is most sensitive to the incremental borrowing rates used. The Group has conducted a sensitivity analysis taking into consideration the impact of a change in the incremental borrowing rates.

A 1% increase across the incremental borrowing rates used in measuring the lease liabilities would decrease those lease liabilities on transition by £0.5m (3%). A 1% decrease across the incremental borrowing rates used in measuring the lease liabilities would increase those lease liabilities on transition by £0.6m (3%).

Impact of accounting standards to be applied in future periods
The Group has not yet adopted certain new standards, amendments and interpretations to existing standards, which have been published but are only effective for the Group's accounting period beginning on or after 1 October 2020. These standards and interpretations in future periods will not have a material impact on the financial statements of the Group.

2 Basis of accounting

Hyve Group plc ('the Company') is a UK listed company and, together with its subsidiary operations, is hereafter referred to as 'the Group'. The Company is required to prepare its Consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) adopted by the European Union and therefore the Group financial statements comply with Article 4 of the EU IAS Regulation. In addition, the Group has complied with IFRS as issued by the International Accounting Standards Board (IASB).

The preparation of financial statements under IFRS requires the Directors to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, and income and expenses. These estimates and associated assumptions are based on past experience and other factors considered applicable at the time and are used to make judgements about the carrying value of assets and liabilities that cannot be readily determined from other sources. Actual results may differ from these estimates.

These estimates and underlying assumptions are reviewed on an ongoing basis. Changes to estimates and assumptions are reflected in the financial statements in the period in which they are made.

The financial statements have been prepared on a going concern basis, which assumes that the Company will continue in operational existence for the foreseeable future as disclosed in the Strategic report on page 28.

The statements are presented in pounds sterling and have been prepared under IFRS using the historical cost basis, except for the revaluation of certain financial instruments which are recognised at fair value at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for assets. The principal accounting policies adopted are consistent with the prior year, with the exception of changes due to the adoption of IFRS 16 and are set out below.

Basis of consolidation

The Group accounts consolidate the accounts of Hyve Group plc and the subsidiary undertakings controlled by the Company drawn up to 30 September each year. Control is achieved where the Company has power over the investee, is exposed, or has rights, to variable returns from its involvement with the investee, and has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

On acquisition, the assets and liabilities of a subsidiary are measured at their fair values at the date of acquisition. Any excess of the cost of acquisition over the fair values of the identifiable net assets is recognised as goodwill. The interest of non-controlling shareholders is stated at the non-controlling interest's proportion of the fair values of assets and liabilities recognised.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, the results of subsidiaries acquired or disposed of during the year are included in profit or loss from the date the Company gains control until the date when the Company ceases to control the subsidiary. Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of the subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used in line with those used by the Group.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Non-controlling interest in the net assets of consolidated subsidiaries is identified separately from the Group's equity therein. Non-controlling interests consist of the amount of those interests as at the date of the original business combination and the non-controlling interest's share of changes in equity since the date of the combination. Losses applicable to the non-controlling interests in excess of their interest in the subsidiaries equity are allocated against non-controlling interests, even if this results in a deficit balance.

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

Business combinations

The acquisition of subsidiaries is accounted for using the acquisition method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. Any costs attributable to the business combination are expensed directly to the Consolidated income statement. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 are recognised at their fair value at the acquisition date, except for non-current assets (or disposal groups) that are classified as held for resale in accordance with IFRS 5 Non-current assets held for sale and discontinued operations.

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognised immediately in the income statement.

2 Basis of accounting continued

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration, which is classified as a financial liability that is within the scope of IFRS 9, will be recognised in the income statement.

The interest of minority shareholders in the acquiree is initially measured as the non-controlling interest's proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

Non-current assets held for sale
Non-current assets (and disposal groups) classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

When the Group is committed to a sale plan involving disposal of an investment in an associate, or a portion of an investment in an associate, the investment, or the portion of the investment in the associate that will be disposed of is classified as held for sale when the criteria described above are met, and the Group discontinues the use of the equity method in relation to the portion that is classified a held for sale. Any retained portion of an investment in an associate that has not been classified as held for sale continues to be accounted for using the equity method. The Group discontinues the use of the equity method at the time of disposal when the disposal results in the Group losing significant influence over the associate.

After the disposal takes place, the Group accounts for any retained interest in the associate in accordance with IFRS 9 unless the retained interest continues to be an associate, in which case the Group uses the equity method (see the accounting policy regarding investments in associates below).

Goodwill
Goodwill arising on consolidation represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of a subsidiary at the date of acquisition. Goodwill is recognised as an asset and reviewed for impairment at least annually. Any impairment is recognised immediately in the Consolidated income statement and is not subsequently reversed.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash generating units (CGUs) expected to benefit from the synergies of the combination. CGUs to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the CGU is less than the carrying value of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to other assets of the unit, pro rata based on the carrying amount of each asset in the unit.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Goodwill on acquisition of a foreign entity is treated as an asset of the foreign entity and translated at the closing rate.

Intangible assets
Computer software is initially measured at purchase cost. Customer relationships, trademarks and licences, and visitor databases are initially measured at fair value. Computer software, customer relationships, trademarks and licences and visitor databases have a definite useful life and are carried at cost or fair value less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost over their estimated useful life. The estimated useful lives are typically between 3 and 12 years for customer relationships, for trademarks up to 20 years and for visitor databases between 5 and 8 years. Computer software is amortised over 5 years.

Impairment of assets excluding goodwill
At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the CGU to which the asset belongs. An intangible asset with an indefinite useful life is tested for impairment annually and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment is recognised immediately as an expense.

Where an impairment loss subsequently reverses, the carrying amount of the asset (CGU) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (CGU) in prior years. A reversal of an impairment loss is recognised in the Consolidated income statement immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

2 Basis of accounting continued

Property, plant and equipment

Property, plant and equipment is carried at cost less accumulated depreciation and any recognised impairment loss.

Depreciation is charged to write off the cost of assets over their estimated useful lives, using the straight-line method, on the following bases:

Leasehold land and buildings	– term of lease
Plant and equipment	– 2 to 10 years

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets, or where shorter, over the term of the relevant lease.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying value amount of the asset and is recognised in the Consolidated income statement.

Investments in associates and joint ventures

An associate is an entity over which the Group is in a position to exercise significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control over those policies.

A joint venture is an entity over which the Group is in a position to exercise joint control. Joint control exists when decisions about the activities of the entity require the unanimous consent of the parties sharing control.

The results and assets and liabilities of associates and joint ventures are incorporated in these financial statements using the equity method of accounting. Investments in associates and joint ventures are carried in the statement of financial position at cost as adjusted by post acquisition changes in the Group's share of net assets of the associate or joint venture, less any impairment in the value of individual investments. Losses of an associate or joint venture in excess of Group's interest in that entity (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture) are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

Where a Group company transacts with an associate or joint venture of the Group, profits and losses are eliminated to the extent of the Group's interest in the relevant associate or joint venture. Losses may provide evidence of an impairment of the asset transferred in which case an appropriate provision is made for impairment.

Other investments

Other investments are entities over which the Group does not have significant influence. Other investments are classified as assets held at fair value through profit or loss, with changes in fair value reported in the income statement.

Provisions

Provisions are recognised when the Group has a present obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are discounted to present value where the effect is material.

Financial instruments

Classes of financial instruments

The Group aggregates its financial instruments into classes based on their nature and characteristics. The details of financial instruments by class are disclosed in note 23 to the accounts.

Financial assets

All recognised financial assets that are within the scope of IFRS 9 are required to be measured subsequently at amortised cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

The Group classifies its financial assets into the following categories: cash and cash equivalents and trade and other receivables.

Financial assets are recognised on the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and on demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Trade and other receivables

Trade receivables and other receivables are measured on initial recognition at fair value, and are subsequently measured at amortised cost, less any impairment. Trade receivables are recognised at the earlier of settlement of the performance obligation or the Group having an enforceable right of payment related to performance obligation relates.

Impairment of financial assets

The Group always recognises lifetime expected credit losses (ECL) for trade receivables. The ECL on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial assets, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months of the reporting date.

Financial liabilities

The Group classifies its financial liabilities into the following categories: written equity options, bank borrowings, and trade and other payables.

Financial liabilities are recognised on the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

2 Basis of accounting continued

Written equity options

Any contract with a single or multiple settlement option that contains an obligation for the Group to purchase equity in a subsidiary for cash gives rise to a financial liability for the present value of the repurchase price. An amount equal to the liability is recorded in equity on initial recognition of a written equity option. The liability is subsequently remeasured through the Consolidated income statement.

Where considered significant, the Group's written equity options are discounted to their present value. The unwinding of the discount is charged through the Consolidated income statement over the period to exercise.

Bank borrowings

Interest-bearing loans and overdrafts are recorded at the proceeds received, net of direct issue costs and stated at amortised cost using the effective interest rate method. The amortised cost calculation is revised when necessary to reflect changes in the expected cash flows and the expected life of the borrowings including the effects of the exercise of any prepayment, call or similar options. Any resulting adjustment to the carrying amount of the borrowings is recognised as interest expense in the income statement. Loan and overdraft interest and associated costs that are considered to be financing in nature are presented as financing activities in the cash flow statement.

Trade and other payables

Trade payables are measured at initial recognition at fair value and are subsequently measured at amortised cost. Trade payables are derecognised in full when the Group is discharged from its obligation, it expires, is cancelled or replaced by a new liability with substantially modified terms. Trade and other payables are short-term and there is no interest charged in connection with these, hence the effective interest method is not applied.

Derivative financial instruments and hedge accounting

The Group's activities expose it to the financial risks of changes in foreign currency exchange rates and changes in interest rates. The Group uses derivative financial instruments such as foreign exchange forward contracts and interest rate swaps to hedge these exposures.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in the Consolidated income statement unless hedge accounting has been applied by designating the derivative as a hedging instrument in an eligible hedging relationship. The Group designates its derivative financial instruments as hedging instruments in cash flow hedge relationships. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

At the inception of the hedge relationship, the Group documents the relationship between the hedging instrument and the hedged item, along with the risk management objectives and strategy for undertaking various hedging transactions. At inception of the hedging relationship, and on an on-going basis, the Group performs an assessment of hedge effectiveness to confirm the subsistence of an economic relationship, credit risk does not dominate value changes that result from that economic relationship, and the designated hedge ratio is consistent with the risk management strategy.

Derivative instruments are initially recognised at fair value at the date a derivative contract is entered into and are subsequently measured to their fair value at the end of each financial year. The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are deferred in equity.

The gain or loss relating to any ineffective portion is recognised immediately in the Consolidated income statement as investment revenue or finance costs respectively. Amounts deferred in equity are recycled in the Consolidated income statement in the periods when the hedged item is recognised in the Consolidated income statement, in the same line of the Consolidated income statement as the recognised hedged item.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. Any cumulative gain or loss deferred in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was deferred in equity is recognised immediately in the income statement.

The Group has adopted the requirements of IFRS 9 in relation to hedge accounting upon transition.

The Group's use of financial derivatives is governed by the Group's financial policies. Further details on these policies can be found in the Strategic report on pages 02 to 54.

Fair values

The fair value is defined as the amount at which a financial instrument could be exchanged in an arm's length transaction between informed and willing parties and is calculated by reference to market rates discounted to current value.

The Group determines the fair value of its financial instruments using market prices for quoted instruments and widely accepted valuation techniques for other instruments.

Valuation techniques include discounted cash flows, standard valuation models based on market parameters, dealer quotes for similar instruments and use of comparable arm's length transactions.

Revenue

Revenue is measured at the fair value of consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales-related taxes, and provisions for returns and cancellations.

2 Basis of accounting continued

Revenue from exhibitions and conferences is recognised when the event is held. Contractually committed revenues and billings, to the extent that the amounts have fallen due and there is an enforceable right to payment, and cash received in advance, and directly attributable costs relating to future events, are deferred. The amounts deferred are included in the statement of financial position as deferred income and prepayments respectively until the event has completed. If an event is anticipated to make a loss then the prepaid event costs in excess of the deferred income held in the statement of financial position at the end of a financial year are written off in full. Where material, transaction prices and discounts are appropriately allocated between performance obligations based on the market price of products.

Marketing and advertising services revenues are recognised on issue of the related publication, over the period of the advertising subscription or over the period when the marketing service is provided. The performance obligations are distinct, being events held or publications issued. Where material, transaction prices and discounts are appropriately allocated between performance obligations based on the market price of products.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Income from investments is recognised when the shareholders' rights to receive payment have been established.

Due to the nature of the business, there is an immaterial value of transaction price allocated to unsatisfied performance obligations and there are no material contract assets or liabilities arising on work performed to deliver performance obligations.

Barter transactions
Revenue relating to barter transactions is recorded at fair value and the timing of recognition is in line with the above. Expenses from barter transactions are recorded at fair value and recognised as incurred. Barter transactions typically involve the trading of show space or conference places in exchange for services provided at events or media advertising.

Taxation
The tax expense represents the sum of tax currently payable and deferred tax.

The current tax charge is based on the taxable profit for the year using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised only to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that does not affect the tax profit or the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying value of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except where it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

A current tax provision is recognised when the Group has a present obligation as a result of a past event, it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation. The provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation.

Insurance proceeds
The Group has insurance policies in place in respect of event postponements and cancellations. The gross proceeds from claims under these policies are recognised in the income statement as other operating income when the receipt of the proceeds is virtually certain.

2 Basis of accounting continued

Foreign currencies

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction or their contractual rate where applicable. Monetary assets and liabilities denominated in foreign currencies at the end of each financial year are retranslated at the rates of exchange prevailing at that date. Non-monetary assets and liabilities are translated at the rate prevailing at the date the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Gains and losses arising on the settlement of monetary items, and on the retranslation of monetary items, are included in income for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in income for the period except for differences arising on the retranslation of non-monetary items in respect of which gains or losses are recognised directly in other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is recognised in other comprehensive income.

Details of the Group's accounting policies for forward contracts and options are included in the policy on derivative financial instruments.

On consolidation, the monthly income statements of overseas operations are translated at the average rates of exchange for each month, and each statement of financial position at the rates ruling at the end of each financial year. Exchange differences arising are classified as equity and transferred to the Group's translation reserve. Such translation differences are recognised as income or as expense in the period in which the operation is disposed of. The Group deems an operation to be disposed of when it has lost control of the trade and assets of that operation.

Under the exemption permitted from IAS 21 (the effects of changes in foreign exchange rates), cumulative translation differences for all foreign operations prior to 1 October 2004 have been treated as zero. Consequently, any gain or loss on disposal will exclude translation differences that arose prior to 1 October 2004.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

Employee Share Ownership Trust

The financial statements include the assets and liabilities of the Employee Share Ownership Trust ('ESOT'). Shares in the Company held by the ESOT have been valued at cost and are held in equity. The costs of administration of the ESOT are written off to profit or loss as incurred.

Where such shares are subsequently sold, any net consideration received is included in equity attributable to the Company's equity holders.

Pension and other retirement benefits

The Group operates defined contribution pension plans in multiple regions around the Group. Contributions payable are charged to the income statement as they fall due as an operating expense.

Share-based payments

Equity-settled

The Group issues equity-settled share-based payments to certain employees. These are measured at fair value (excluding the effect of non-market-based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest and adjusted for the effect of non-market-based vesting conditions.

Cash-settled

The Group operates a cash-settled share-based compensation plan for the benefit of certain employees. Cash-settled share-based payments are measured at fair value (excluding the effect of non-market-based vesting conditions) at each reporting date. The fair value is expensed on a straight-line basis over the vesting period, with a corresponding increase in liabilities.

Fair value is measured using a Black-Scholes model. The expected life used in the model has been adjusted, for the effects of non-transferability, exercise restrictions and behavioural considerations based on management's best estimate.

Leases

The Group assesses whether a contract is or contains a lease at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low-value assets. For these leases, the Group recognises the lease payments as operating leases expensed directly to the income statement.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, using the discount rate implicit with the lease. The lease liability is presented as a separate line in the Consolidated Balance Sheet. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the discount rate used at commencement) and by reducing the carrying amount to reflect the lease payments made. The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification; or
- The lease payments change due to changes in an index or rate or a change in expected payments, in which cases the lease liability is remeasured by discounting the revised lease payments using a changed discount rate at the effective date of the modification.

2 Basis of accounting continued

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and vacant property provisions. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated over the expected lease term of the underlying asset. The depreciation starts at the commencement date of the lease. The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss against the right-of-use asset.

Headline results (notes 5 and 11)
In addition to the statutory results, headline results are prepared for the income statement, including measures in relation to operating profit, profit before tax and diluted earnings per share, as the Board considers these measures to be the most appropriate way to measure the Group's performance in a way that is comparable to the prior year.

The Group presents headline results (note 5) and headline diluted earnings per share (note 11) to provide additional useful information on business performance trends to shareholders. These results are used for performance analysis and incentive compensation arrangements for employees. Headline results exclude items that are commonly excluded among peer companies: amortisation and impairment of goodwill and other intangible assets, transaction costs, restructuring costs, integration costs, profit or loss on disposal of businesses, and other items that in the opinion of the Directors would distort underlying results. The term 'headline' is not a defined term under IFRSs and may not therefore be comparable to similarly titled profit measurements reported by other companies. It is not intended to be a substitute for, or superior to, IFRS measurements of profit. Refer to note 5 for details of adjusting items recorded for the year and reconciled to statutory operating profit.

Critical accounting judgements and key sources of estimation uncertainty
In the process of applying the Group's accounting policies, a number of judgements and estimates have been made by management. Those that have the most significant effect on the amounts recognised in the financial statements or have the most risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Critical accounting judgements
Adjusting items
The classification of adjusting items requires significant management judgement after considering the nature and intentions of a transaction. The Group's definitions of adjusting items are outlined within both the Group accounting policies and the Glossary. These definitions have been applied consistently year-on-year.

Note 5 provides further details on current year adjusting items.

Valuation of separately identifiable intangible assets
To determine the value of separately identifiable intangible assets on a business combination, and deferred tax on those intangible assets, the Group is required to make judgements when utilising valuation methodologies. The valuation is based upon discounted cash flows models and includes judgements in relation to future cash flows, discount rates intended to reflect the risk-adjusted cost of capital in the territory of the acquisition, revenue forecasts and the estimates for the useful economic lives of intangible assets. There are significant judgements involved in assessing what amounts should be recognised as the estimated fair value of assets and liabilities acquired through business combinations, particularly the amounts attributed to separate intangible assets such as trademarks and customer relationships. These judgements impact the amount of goodwill recognised on acquisitions. Any provisional amounts are subsequently finalised within the 12-month measurement period, as permitted by IFRS 3 Business combinations. The Group considers the advice of third-party independent valuers to identify and calculate the valuation of intangible assets on acquisition.

Details of acquisitions in the year are set out in note 13.

Key sources of estimation uncertainty
Impairment of goodwill and intangible assets
There are a number of estimates management considers when determining value in use, most significantly the growth rates applied to future cash flows and the discount rates used to derive the present value of those cash flows. Growth rates reflect management's view of the long-term forecast rates of growth, using third-party sources such as the International Monetary Fund where appropriate. Discount rates are selected to reflect the risk-adjusted cost of capital for the respective territories. The most significant area of estimation uncertainty relates to forecast cash flows at each CGU. Forecast cash flows are based on Board-approved budgets and plans. A significant change in the assumptions used in determining the value in use of certain CGUs, could potentially result in an impairment charge being recognised in relation to these CGUs.

See note 12 for further detail.

The carrying value of goodwill and intangible assets at 30 September 2020 is £66.8m (2019: £210.0m) and £240.6m (2019: £270.6m) respectively.

Deferred consideration receivable
The valuation of deferred consideration receivable of £8.1m (2019: £5.5m), recognised upon disposal of the Group's businesses, is significantly impacted by the estimation of the discount rate used in determining the present value of the consideration. The discount rate is selected to reflect the risk-adjusted cost of capital for the territory in which the disposal has taken place, as well as the size and credit risk of the buyer.

3 Segmental information

The Group has identified reportable segments based on financial information used by the Executive Team in allocating resources and making strategic decisions. The Executive Team (consisting of the Chief Executive Officer, Chief Finance and Operations Officer, Chief People Officer, and General Counsel), are considered to be the Group's Chief Operating decision-maker. The Group evaluates performance on the basis of headline profit or loss before tax.

The Group's reportable segments are operational business units and groups of events that are managed separately, either based on geographic location or as portfolios of events. The products and services offered by each business unit are identical across the Group.

The revenue and headline profit before tax are attributable to the Group's one principal activity, the organisation of trade exhibitions, conferences and related activities and can be analysed by operating segment as follows:

Year ended 30 September 2020	Global Brands £000	Asia £000	Central Asia £000	Eastern & Southern Europe £000	Russia £000	UK £000	Total Group £000
Revenue	31,835	17,069	5,717	4,010	21,781	24,670	105,082
Segment headline profit before tax	1,281	7,267	(948)	(2,243)	(4,382)	(10,202)	(9,227)
Other operating income							22,578
Unallocated costs							(32,048)
Headline profit before tax							(18,697)
Adjusting items (note 5)							(294,220)
Profit before tax							(312,917)
Tax							10,097
Profit after tax							(302,820)

The revenue in the year of £105.1m includes £2.9m (2019: £5.6m) of marketing and advertising services revenues and £0.6m (2019: £1.5m) of barter sales. No individual customer amounts to more than 10% of Group revenues.

Other operating income includes insurance proceeds received in the year of £22.0m (2019: £nil) in relation to claims regarding the cancellation or postponement of a number of events that were scheduled to take place in the period. The gross proceeds are recognised in the income statement as other operating income when the receipt of the proceeds is virtually certain. Please refer to the Chief Finance and Operations Officer's statement for further detail.

Unallocated costs include:

- Head office costs;
- Foreign exchange gains and losses on translation of monetary assets and liabilities held in Group subsidiary companies that are denominated in currencies other than the functional currency of the subsidiaries; and
- Net finance costs.

The Group's share of profits from associates and joint ventures, capital expenditure and amortisation and depreciation can be analysed by operating segment as follows:

Year ended 30 September 2020	Global Brands £000	Asia £000	Central Asia £000	Eastern & Southern Europe £000	Russia £000	UK £000	Total Group £000
Share of results of associates and joint ventures							
Share of results before tax	–	6,028	–	–	(280)	–	5,748
Tax	–	(1,536)	–	–	–	–	(1,536)
Share of results after tax	–	4,492	–	–	(280)	–	4,212
Capital expenditure							
Segment capital expenditure	124	51	51	17	93	8	344
Unallocated capital expenditure							1,598
							1,942
Depreciation and amortisation							
Segment depreciation and amortisation	18,280	3,946	228	2,084	822	6,296	31,656
Unallocated depreciation and amortisation							4,769
							36,425

3 Segmental information continued

The impairment charges in respect of goodwill, intangible assets, investments in associates and joint ventures, and other assets can be analysed by operating segment as follows:

	2020 £000	2019 £000
Global Brands	**(123,283)**	–
Asia	**(25,712)**	–
Central Asia	**(597)**	–
Eastern & Southern Europe	**(5,157)**	–
Russia	**–**	–
UK	**(108,266)**	–
	263,015	–

The Group's assets and liabilities can be analysed by operating segment as follows:

30 September 2020	**Global Brands £000**	**Asia £000**	**Central Asia £000**	**Eastern & Southern Europe £000**	**Russia £000**	**UK £000**	**Total Group £000**
Assets							
Segment assets	**241,240**	**64,629**	**6,811**	**9,682**	**42,345**	**55,697**	**420,404**
Unallocated assets							**36,705**
							457,109
Liabilities							
Segment liabilities	**(54,305)**	**(28,293)**	**(3,189)**	**(7,428)**	**(31,444)**	**(10,959)**	**(135,618)**
Unallocated liabilities							**(144,545)**
							(280,163)
Net assets							**176,946**

All assets and liabilities are allocated to reportable segments except for; certain centrally held balances, including property, plant and equipment and computer software relating to the Group's head office function, the Group's bank loan, and taxation (current and deferred).

Year ended 30 September 2019	Global Brands £000	Asia £000	Central Asia £000	Eastern & Southern Europe £000	Russia £000	UK £000	Total Group £000
Revenue	49,708	23,157	19,816	16,721	62,643	48,678	220,723
Segment headline profit before tax	20,258	9,382	4,980	5,849	25,902	15,509	81,880
Unallocated costs							(31,472)
Headline profit before tax							50,408
Adjusting items (note 5)							(41,695)
Profit before tax							8,713
Tax							(4,585)
Profit after tax							4,128

Year ended 30 September 2019	Global Brands £000	Asia £000	Central Asia £000	Eastern & Southern Europe £000	Russia £000	UK £000	Total Group £000
Share of results of associates and joint ventures							
Share of results before tax	–	6,642	–	–	1,655	–	8,297
Tax	–	(1,571)	–	–	(329)	–	(1,900)
Share of results after tax	–	5,071	–	–	1,326	–	6,397
Capital expenditure							
Segment capital expenditure	–	298	98	235	687	–	1,318
Unallocated capital expenditure							2,458
Depreciation and amortisation							
Segment depreciation and amortisation	12,560	3,657	53	2,224	413	6,038	24,945
Unallocated depreciation and amortisation							2,087
							27,032

3 Segmental information continued

The Group's assets and liabilities can be analysed by operating segment as follows:

30 September 2019	Global Brands £000	Asia £000	Central Asia £000	Eastern & Southern Europe £000	Russia £000	UK £000	Total Group £000
Assets							
Segment assets	250,521	106,657	13,130	15,295	54,177	184,343	624,123
Unallocated assets							13,189
							637,312
Liabilities							
Segment liabilities	(27,673)	(42,583)	(6,887)	(4,702)	(31,682)	(13,415)	(126,942)
Unallocated liabilities							(188,605)
							(315,547)
Net assets							321,765

Information about the Group's revenue by origin of sale and non-current assets by geographical location are detailed below:

Geographical information

	Revenue		Non-current assets[1]	
	2020 £000	2019 £000	**2020 £000**	2019 £000
Asia	**16,940**	24,882	**49,331**	81,383
Central Asia	**3,114**	11,595	**2,085**	4,097
Eastern & Southern Europe	**3,613**	13,810	**2,844**	9,578
Russia	**17,243**	40,842	**18,208**	23,904
UK	**38,245**	70,746	**39,083**	279,902
US	**2,746**	3,005	**89,369**	10,339
South Africa	**14,471**	12,201	**33,174**	42,883
Rest of the World	**8,710**	43,642	**137,120**	81,328
	105,082	220,723	**371,214**	533,414

1 Non-current assets exclude deferred tax assets and assets classified as held for sale.

4 Operating (loss)/profit

Operating (loss)/profit is stated after charging/(crediting):

	2020 £000	2019 £000
Staff costs	**47,757**	58,357
Redundancy, severance and payments in lieu of notice	**3,940**	–
Government grants – furlough payments received	**(1,286)**	–
Depreciation of property, plant and equipment	**4,849**	1,704
Amortisation of intangible assets included within administrative expenses	**31,576**	25,328
Impairment of goodwill	**195,110**	–
Impairment of intangibles	**63,432**	–
Impairment of investments	**4,473**	–
(Profit)/loss on disposal of subsidiary holdings	**(2,263)**	3,154
Low-value and short-term leases – offices	**481**	3,558
(Gain)/loss on derivative financial instruments – equity options	**(3,851)**	1,121
Foreign exchange (gain)/loss on operating activities	**(2,806)**	1,140

4 Operating (loss)/profit continued

Auditor's remuneration

The analysis of the auditor's remuneration is as follows:

	2020 £000	2019 £000
Fees payable to the Company's auditor for the audit of the Company's annual accounts	**411**	370
Fees payable to the Company's auditor and its associates for other services:		
– The audit of the Company's subsidiaries pursuant to legislation	**250**	135
Total audit fees	**661**	505
– Other services pursuant to legislation (Interim review)	**55**	55
– Reporting accountant work – rights issue	**384**	–
– Tax compliance services	**–**	3
Total non-audit fees	**439**	58
	1,100	563

Details on the Group's policy on the use of the auditor for non-audit services, the reasons why the auditor was used rather than another supplier and how the auditor's independence and objectivity were safeguarded are set out in the Audit Committee report on pages 67 to 70. No services were provided pursuant to contingent fee arrangements.

5 Adjusting items

	2020 £000	2019 £000
Operating adjusting items		
Amortisation of acquired intangible assets (note 14)	**29,154**	24,066
Impairment of goodwill (note 12)	**195,110**	–
Impairment of intangible assets	**63,432**	–
Impairment of investments in associates and joint ventures	**4,473**	–
(Profit)/loss on disposal of subsidiary holdings	**(2,263)**	3,154
Transaction costs on completed and pending acquisitions and disposals	**3,271**	1,462
Integration costs		
– Integration costs	**531**	5,322
– Costs to realise synergies	**–**	1,469
Restructuring costs		
– TAG	**823**	2,783
– Other	**–**	1,435
Tax on income from associates and joint ventures	**1,536**	1,900
Total operating adjusting items	**296,067**	41,591
Financing adjusting items		
Revaluation of assets and liabilities on completed acquisitions and disposals		
– (Gain)/loss on revaluation of equity options	**(3,851)**	1,121
– Gain on revaluation of deferred and contingent consideration payable	**(104)**	(245)
– Loss on revaluation of deferred and contingent consideration receivable	**1,604**	87
– Imputed interest charge on discounted equity option liabilities	**–**	231
– Unwind of imputed interest charged on discounted deferred consideration receivable	**(849)**	(1,090)
Write-off of previously capitalised debt issue costs on refinancing	**1,353**	–
Total adjusting items before tax	**294,220**	41,695

The adjusting items are discussed in the Chief Finance and Operations Officer's statement.

6 Investment revenue

	2020 £000	2019 £000
Interest receivable from bank deposits	**611**	1,019
Gain on revaluation of equity options	**3,851**	–
Gain on revaluation of deferred and contingent consideration payable	**104**	245
Unwind of imputed interest charged on discounted deferred consideration receivable	**849**	1,090
	5,415	2,354

7 Finance costs

	2020 £000	2019 £000
Interest on bank loans	**6,415**	5,013
Bank charges	**1,565**	1,361
Loss on revaluation of deferred and contingent consideration receivable	**1,604**	87
Interest on lease liabilities	**683**	–
Loss on revaluation of equity options	**–**	1,121
Imputed interest charge on discounted equity option liabilities	**–**	231
Write-off of previously capitalised debt issue costs on refinancing	**1,353**	–
	11,620	7,813

8 Staff costs

	2020 Number	2019 Number
The average monthly number of employees (including Directors) was:		
Administration	**375**	376
Technical and sales	**808**	924
	1,183	1,300

Their aggregate remuneration comprised:	£000	£000
Wages and salaries	**38,692**	48,797
Social security costs	**6,341**	8,321
Other staff benefits	**1,156**	288
Defined contribution pension scheme contributions	**989**	888
Share-based payments	**579**	63
	47,757	58,357

The defined contribution pension contributions relate to the schemes in multiple regions around the Group.

Details of audited Directors' remuneration are shown in the Report on remuneration on pages 77 to 89.

Remuneration of key management personnel is disclosed in note 29.

9 Tax on profit on ordinary activities

Analysis of tax (credit)/charge for the year:

	2020 £000	2019 £000
Group taxation on current year result:		
UK corporation tax credit on result for the year	**(489)**	(12)
Adjustment to UK tax in respect of previous years	**55**	(1,351)
	(434)	(1,363)
Overseas tax – current year	**3,757**	8,047
Overseas tax – previous years	**493**	109
	4,250	8,156
Current tax	**3,816**	6,793
Deferred tax		
Origination and reversal of timing differences:		
Current year	**(13,659)**	(2,353)
Prior year	**(254)**	145
	(13,913)	(2,208)
	(10,097)	4,585

The tax impact of the adjusting items outlined within note 5 and within the Consolidated income statement relates to the following:

	2020 Gross £000	**2020 Tax impact £000**	2019 Gross £000	2019 Tax impact £000
Amortisation of acquired intangible assets	**29,154**	**5,248**	24,066	4,621
Impairment of goodwill	**195,110**	**–**	–	–
Impairment of intangible assets	**63,432**	**11,369**	–	–
Impairment of investments in associates	**4,473**	**–**	–	–
Change of rate of deferred tax on intangible assets	**–**	**(3,696)**	–	–
(Profit)/loss on disposal of subsidiary holdings	**(2,263)**	**–**	3,154	34
Transaction costs on completed and pending acquisitions and disposals	**3,271**	**–**	1,462	–
Integration costs				
– Integration costs	**531**	**–**	5,322	1,011
– Costs to realise synergies	**–**	**–**	1,469	280
Restructure costs				
– TAG	**823**	**–**	2,783	548
– Other	**–**	**–**	1,435	136
Tax on income from associates	**1,536**	**1,536**	1,900	1,900
Revaluation of liabilities on completed acquisitions	**(3,200)**	**–**	104	–
Write-off of previously capitalised debt issue costs on refinancing	**1,353**	**–**	–	–
	294,220	**14,457**	41,695	8,530

9 Tax on profit on ordinary activities continued

The tax charge for the year can be reconciled to the (loss)/profit per the income statement as follows:

	2020 £000	2019 £000
(Loss)/profit on ordinary activities before tax	**(312,917)**	8,713
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.0% (2019: 19.0%)	**(59,454)**	1,655
Effects of:		
(Profit)/loss on disposal of subsidiary holdings	**(499)**	527
Transaction costs	**585**	550
Tax effect of equity options and deferred/contingent consideration	**(608)**	20
Impairment of goodwill	**38,088**	–
Other expenses not deductible for tax purposes	**613**	245
Tax effect of amortisation of intangibles	**157**	22
De-recognition of deferred assets previously recognised	**4,133**	–
Provisions for tax uncertainty	**396**	–
Current year losses not recognised as DTA	**4,113**	961
Withholding tax and other irrecoverable tax	**666**	3,228
Deferred tax provision on repatriation of overseas profits	**(1,749)**	(597)
Tax charge in respect of previous period	**294**	(221)
Reduction in tax rate at which deferred tax is calculated	**2,947**	32
Effect of different tax rates of subsidiaries in other jurisdictions	**1,021**	(621)
Associate tax	**(800)**	(1,216)
	(10,097)	4,585

The effect of adjusting items and the effect of (profit)/loss on sale of investments relates to items that are not allowable in the jurisdiction where they have arisen.

Withholding tax and other irrecoverable tax relates to the taxes paid on profits repatriated from overseas subsidiaries in the year and the movement on the provision for taxes expected to be suffered on the future repatriation of profits which are expected to be made.

We seek to pay tax in accordance with the laws of the countries where we do business. We estimate our tax on a country-by-country basis. Our key uncertainty is whether our intra-group trading model will be accepted by a particular tax authority. At 30 September 2020, £0.5m (2019: 1.0m) is included in current liabilities in relation to these uncertainties. The reduction in the provision for uncertain tax provisions relates to the closure of earlier years due to the passage of time.

	2020 £000	2019 £000
Tax relating to components of comprehensive income:		
Cash flow gains – Current	**–**	–
Cash flow (losses) – Deferred	**–**	(153)
	–	(153)
Tax relating to amounts credited/(charged) to equity:		
Share options – Current	**–**	–
Share options – Deferred	**(17)**	5
	(17)	5
	(17)	(148)

10 Dividends

	2020 Per share p	2020 Settled in cash £000	2020 Settled in scrip £000	2019 Per share p	2019 Settled in cash £000	2019 Settled in scrip £000
Amounts recognised as distributions to equity holders in the year:						
Final dividend in respect of the prior year	**1.6**	**13,012**		1.0	7,391	–
Interim dividend in respect of the current year	**–**	**–**		0.9	6,652	–
	1.6	**13,012**		1.9	14,043	–

The Directors have not proposed a final dividend for the year ended 30 September 2020.

The amounts disclosed for dividend per share above of 1.6p for the year ended 30 September 2020 and 1.9p for the year ended 30 September 2019 would be equivalent to a 16p dividend per share and a 19p dividend per share respectively after the share consolidation of every 10 existing ordinary shares into 1 consolidated ordinary share completed in May 2020.

Under the terms of the trust deed dated 20 October 1998, the Hyve Group Employee Share Ownership Trust (ESOT), which holds 812,656 (2019: 250,048[1]) ordinary shares representing 0.3% of the Company's called up ordinary share capital, has agreed to waive all dividends due to it each year.

1 Number of shares has been restated to take account of the share consolidation of every 10 existing ordinary shares into 1 consolidated ordinary share.

11 Earnings per share

The calculation of basic, diluted, headline basic and headline diluted earnings per share is based on the following numbers of shares and earnings:

	2020 No. of shares (000)	2019 No. of shares (000) (restated[1])
Weighted average number of shares:		
For basic earnings per share	**177,009**	130,608
Effect of dilutive potential ordinary shares	**3**	41
For diluted and headline diluted earnings per share	**177,012**	130,649

Basic and diluted earnings per share

The calculations of basic and diluted earnings per share are based on the loss for the financial year attributable to equity holders of the parent of £303.7m (2019: profit of £3.1m). Basic earnings per share were (171.6)p (2019: 2.4p[1]) and diluted earnings per share were (171.6)p (2019: 2.4p[1]). No share options (2019: nil) were excluded from the weighted average number of ordinary shares used in the calculation of the diluted earnings per share because their effect would have been anti-dilutive.

Headline diluted earnings per share

Headline diluted earnings per share is intended to provide a consistent measure of Group earnings on a year-on-year basis and is (13.6)p per share (2019: 27.8p[1]). Headline basic earnings per share is (13.6)p (2019: 27.8p[1]).

	2020 £000	2019 £000
(Loss)/profit for the financial year attributable to equity holders of the parent	**(303,748)**	3,148
Amortisation of acquired intangible assets	**29,154**	24,066
Impairment of goodwill (note 12)	**195,110**	–
Impairment of intangible assets (note 14)	**63,432**	–
Impairment of investment in associates and joint ventures (note 18)	**4,473**	–
(Profit)/loss on disposal of subsidiary holdings	**(2,263)**	3,154
Transaction costs on completed and pending acquisitions and disposals	**3,271**	1,462
Integration costs		
– Integration costs	**531**	5,322
– Costs to realise synergies	**–**	1,469
Restructuring costs		
– TAG	**823**	2,783
– Other	**–**	1,435
Revaluation of liabilities on completed acquisitions	**(3,200)**	104
Write-off of previously capitalised debt issue costs on refinancing	**1,353**	–
Tax effect of other adjustments	**(12,921)**	(6,630)
Headline earnings for the financial year after tax	**(23,985)**	36,313

1 The weighted average number of shares used for basic and diluted and headline basic and diluted earnings per share for 2019 has been restated as a result of the share consolidation and rights issue which took place during the year, in order to provide a comparative measure. As a result, basic and diluted and headline basic and diluted earnings per share for 2019 have also been restated.

12 Goodwill

	Goodwill £000
Cost	
At 1 October 2018	241,688
Additions through business combinations	5,730
Foreign exchange	6,622
Goodwill previously classified as held for sale	1,756
Adjustment to prior year additions	(2,737)
At 30 September 2019	253,059
Additions through business combinations (note 13)	**57,506**
Disposal	**(1,821)**
Foreign exchange	**(8,326)**
At 30 September 2020	**300,418**
Provision for Impairment	
At 1 October 2018	(39,850)
Foreign exchange	(3,239)
At 30 September 2019	(43,089)
Disposal	567
Impairment	(195,110)
Foreign exchange	4,043
At 30 September 2020	**(233,589)**
Net book value	
At 30 September 2020	**66,829**
At 30 September 2019	209,970

Goodwill with a net book value of £1.3m, held in respect of the Azerbaijan business, was disposed of during the year following the disposal of the Group's remaining event portfolio in the region.

Goodwill acquired in a business combination is allocated, at acquisition, to the cash generating units (CGUs) that are expected to benefit from that business combination. The carrying amount of goodwill allocated to the CGUs has been attributed to the reportable segments as follows:

	2020 £000	2019 £000
Global Brands	**38,906**	82,526
Asia	**9,538**	29,014
Central Asia	**1,752**	4,011
Eastern & Southern Europe	**2,224**	5,978
Russia	**14,409**	18,486
UK	**–**	69,955
	66,829	209,970

The Group tests goodwill annually for impairment, or more frequently if there are indications that goodwill might be impaired. The recoverable amounts of the CGUs are determined from value in use calculations. The key assumptions for the value in use calculations are those regarding the Group's cash flow forecasts, long-term growth rates and discount rates applied to the forecast cash flows.

12 Goodwill continued

Cash flow forecasts

The Group prepares cash flow forecasts based upon management's most recent four-year financial plans presented to and approved by the Board and thereafter extrapolates the planned cash flows. For the year ending 30 September 2021, management has assumed significant disruption to the event schedule and profitability of events running through the year, with only 66 of the 100 events it owned as at 30 September 2020 forecast to take place. A prolonged downturn through the year has been assumed, predicated on restrictions continuing and confidence in the market to travel and attend large scale events remaining low.

For the periods 2022-2024, management has made a judgement as to the likely shape and length of recovery in the sectors in which they operate. These forecasts reflect a deeper economic impact and slower recovery of the events industry when compared with GDP forecasts for the same period in the relevant geographies. The forecasts are formed based on the individual events within each CGU. Therefore the operating profit growth forecasts reflect the expected performance from each individual event, taking into account past performance, the extent to which the events have already been impacted by COVID-19 (i.e. if an edition has already been postponed or cancelled), the extent to which the customer base is made up of international exhibitors and visitors and the growth prospects of the industry to which the event relates.

Central costs are allocated to the CGUs to the extent that they are necessarily incurred to generate the cash inflows, and can be directly attributed, or allocated on a reasonable and consistent basis.

Long-term growth rates

Growth rates beyond the detailed plans are based on IMF forecasts of GDP growth rates in the local markets, as the CGUs are expected to grow in line with their relevant underlying markets over the long term. These growth rates, of between 1% and 8% (2019: between 1% and 8%), do not exceed the long-term growth rates for the economies in which these businesses operate.

Discount rates

Management estimates discount rates that reflect the current market assessments of the time value of money and risks specific to the CGUs. There are a number of different inputs used in the build-up of the discount rates, including inflation rates, risk free rates, market risk premiums and industry betas, taken from a number of independent sources including the IMF, Bloomberg and Financial Times.

The pre-tax discount rates applied to the cash generating units (CGUs) are between 10% and 23% (2019: 8% and 26%). The large variance in discount rates applied reflects the differences in risks inherent in the regions in which the CGUs operate.

Individually significant CGUs

	Goodwill		**Other intangible assets**		**Long term growth rates**		**Pre-tax discount rates**		**Recoverable amount in excess of carrying value**	
Significant CGUs	**2020 £m**	2019 £m	**2020 £m**	2019 £m	**2020 %**	2019 %	**2020 %**	2019 %	**2020 £m**	2019 £m
Russia	**14.4**	18.5	**–**	–	**1.8**	1.8	**14.4**	14.8	**90.3**	301.4
China	**9.5**	11.6	**2.9**	5.6	**5.5**	5.5	**11.6**	11.4	**17.6**	27.7
Global Brands										
Bett	**–**	41.0	**43.0**	64.8	**1.5**	1.5	**11.2**	8.7	**–**	15.4
CWIEME	**4.9**	20.5	**40.9**	43.4	**1.2**	1.2	**10.3**	7.6	**–**	38.3
Shoptalk	**21.3**	–	**59.1**	–	**1.6**	–	**10.3**	–	**–**	–
Africa Oil & Mining	**0.8**	5.7	**32.4**	37.2	**1.7**	1.7	**13.2**	12.3	**–**	31.4
Breakbulk	**11.9**	17.9	**5.2**	7.3	**1.4**	1.4	**10.3**	10.0	**–**	29.8
UK	**–**	70.0	**53.7**	98.1	**1.5**	1.5	**11.2**	8.7	**5.2**	3.2

A new CGU for the acquired Shoptalk and Groceryshop events has been recognised. The two events are managed as a single portfolio with a single leadership team, have a number of customers who attend both events and historically the majority of employees have worked across both events. Therefore, strategic decisions made in respect of the portfolio, or in respect of a single event, impact the cash inflows of both events.

Impairment charges

Impairment charges of £195.1m have been recognised in respect of goodwill in a number of CGUs.

As a result of the COVID-19 outbreak, discount rates have increased due to the heightened risk environment, while forecast operating profits have declined significantly across the business, reflecting event postponements and cancellations, as well as the longer lasting impact of COVID-19 on performance due to the unprecedented levels of disruption and uncertainty across every sector and market. Therefore, the forecast cash flows of some CGUs are no longer able to support the carrying value of their assets.

12 Goodwill continued

The resulting impairment charges have been recognised on the assumption that the Group's event schedule for the next financial year is significantly disrupted and that there will be a steep decline event-by-event versus pre-COVID forecasts for those events still expected to run.

CGU	Pre-tax discount rates	Impairment to goodwill £000	Impairment to intangible assets £000	Total impairment to goodwill and intangible assets £000
Global Brands				
– Bett	11.2%	41,006	18,111	59,117
– CWIEME	10.3%	15,624	–	15,624
– Shoptalk	10.3%	37,696	–	37,696
– Africa Oil & Mining	13.2%	4,968	–	4,968
– Breakbulk	10.3%	5,877	–	5,877
Asia				
– India	14.1%	13,441	4,674	18,115
– China	11.6%	2,059	1,066	3,125
Central Asia				
– Azerbaijan	15.9%	597	–	597
Eastern & Southern Europe				
– Turkey	19.8%	3,887	1,270	5,157
UK	11.2%	69,955	38,311	108,266
Total		**195,110**	**63,432**	**258,542**

Sensitivity to changes in assumptions

The calculation of value in use is most sensitive to movements in the forecast cash flows, long-term growth rates and discount rates used. The Group has conducted a sensitivity analysis taking into consideration the impact on these assumptions arising from a range of reasonably possible trading and economic scenarios, including additional adverse impact from the COVID-19 outbreak. The scenarios have been performed separately, and in aggregate, for each CGU with a recoverable value in excess of its carrying value, with the sensitivities summarised as follows:

- The cancellation of all events in the year ending 30 September 2021 with no incremental cost savings.
- A decrease in the long term growth rate by 0.5%.
- An increase in the discount rate by 1%.

The sensitivity analysis shows that no impairment would result from either the cancellation of 2021 events, a decrease in the long-term growth rate, or an increase in the discount rates, or an aggregate of these sensitivities, in any CGU with headroom in excess of its carrying value at 30 September 2020 other than the UK.

The changes in key assumptions that would cause the recoverable value of the UK CGU to equal its carrying value are shown below.

Sensitivity	UK
Percentage change in discount rate	0.9%
Percentage change in long term growth rate	1.1%

The cancellation of the UK CGU's FY21 events would result in an impairment of £5.6m being recognised.

In respect of the individually significant CGUs that have been written down to their recoverable amount, the sensitivities would result in incremental impairments as shown below.

Sensitivity	Bett £m	CWIEME £m	Shoptalk £m	Africa Oil & Mining £m	Breakbulk £m
Cancellation of 2021 events	3.3	6.2	11.2	–	4.3
A decrease in the long-term growth rate by 0.5%	1.7	1.6	4.3	1.4	0.8
An increase in the discount rate by 1%	4.0	3.7	9.9	3.4	2.0
Aggregate of above sensitivities	8.7	11.2	24.5	4.8	7.0

13 Acquisitions

On 18 December 2019, the Group acquired 100% of the share capital of Shoptalk Commerce LLC (Shoptalk) and Groceryshop LLC (Groceryshop), two US-based market-leading e-commerce events focussed on change and innovation of the retail and grocery industries, for total consideration of £110.1m. The consideration of £110.1m was settled £97.8m in cash, net of cash acquired, and £11.4m by forgiveness of a liability on the placement of shares with the vendors.

During the period the Group incurred transaction costs on the acquisition of £2.2m, which are included within administrative expenses.

The amounts to be recognised in respect of the identifiable assets acquired and liabilities assumed are presented as follows:

	Fair value £000
Intangible assets – trademarks	49,792
Intangible assets – customer relationships	9,208
Intangible assets – perpetual technology license	4,070
Property, plant and equipment	75
Property, plant and equipment – right-of-use asset	1,552
Cash	911
Trade receivables	2,072
Deferred tax asset	4,192
Accrued expenses	(1,202)
Other payables	(89)
Lease liabilities	(4,935)
Deferred income	(11,986)
Provisions	(1,068)
Identifiable net assets	**52,592**
Goodwill arising on acquisition	57,506
Total consideration	**110,098**
Satisfied by	
Cash consideration	**110,098**
	110,098
Net cash outflow arising on acquisition	
Cash consideration paid or payable	**110,098**
Cash and cash equivalents acquired	**(911)**
Cash liability forgiven on placement of shares	**(11,430)**
	97,757

The goodwill of £57.5m arising from the acquisition reflects the acquisition of two market-leading events, including the expectation of new contracts and relationships and the potential for growth from spin-off events such as Shoptalk Europe. £43.1m of the goodwill recognised is expected to be deductible for tax purposes. The fair value of trade and other receivables includes trade receivables with a fair value, after providing for expected uncollectable amounts, of £30,000. No further amounts are currently expected to be uncollectable.

The values used in accounting for the identifiable assets and liabilities of these acquisitions are provisional at the balance sheet date. If necessary, adjustments will be made to these carrying values and the related goodwill, within 12 months of the acquisition date.

The acquired business has contributed £nil to Group revenue following the cancellation of both Shoptalk and Groceryshop for the year, while costs in relation to the acquired businesses increased the Group's statutory loss before tax by £6.5m. Had the acquisition occurred on 1 October 2019, the acquired businesses would have contributed £nil to Group revenue and increased the Group's statutory loss before tax by £7.1m.

14 Other intangible assets

	Customer relationships £000	Trademarks and licences £000	Visitor databases £000	Perpetual technology licenses £000	Computer software £000	Total £000
Cost						
At 1 October 2018	88,120	219,117	264	–	7,625	315,126
Additions through business combinations	3,726	22,090	–	–	–	25,816
Additions	–	–	–	–	1,716	1,716
Disposals	–	–	–	–	(6)	(6)
Foreign exchange	1,372	1,080	34	–	55	2,541
At 30 September 2019	**93,218**	**242,287**	**298**	**–**	**9,390**	**345,193**
Additions through business combinations (note 13)	**9,208**	**49,792**	**–**	**4,070**	**–**	**63,070**
Additions	**–**	**–**	**–**	**–**	**1,329**	**1,329**
Disposals	**–**	**–**	**–**	**–**	**(3,649)**	**(3,649)**
Foreign exchange	**(1,449)**	**49**	**(92)**	**107**	**(263)**	**(1,648)**
At 30 September 2020	**100,977**	**292,128**	**206**	**4,177**	**6,807**	**404,295**
Amortisation						
At 1 October 2018	30,610	13,228	236	–	3,787	47,861
Charge for the year	10,201	13,835	30	–	1,262	25,328
Foreign exchange	822	533	32	–	9	1,396
At 30 September 2019	**41,633**	**27,596**	**298**	**–**	**5,058**	**74,585**
Charge for the year	**10,864**	**17,950**	**–**	**340**	**2,422**	**31,576**
Impairments	**9,197**	**54,235**	**–**	**–**	**–**	**63,432**
Disposals	**–**	**–**	**–**	**–**	**(3,649)**	**(3,649)**
Foreign exchange	**(1,202)**	**(717)**	**(92)**	**8**	**(218)**	**(2,221)**
At 30 September 2020	**60,492**	**99,064**	**206**	**348**	**3,613**	**163,723**
Net book value						
At 30 September 2020	**40,485**	**193,064**	**–**	**3,829**	**3,194**	**240,572**
At 30 September 2019	51,585	214,691	–	–	4,332	270,608

The amortisation period for customer relationships is between 3 and 12 years, for trademarks is between 3 and 20 years and for visitor databases between 5 and 8 years. Computer software is amortised over 5 years.

The additions to customer relationships, trademarks and licences and perpetual technology licences through business combinations of £63.1m relate to the purchase of Shoptalk (see note 13). The intangible assets acquired during the year are amortised in accordance with the Group's amortisation policy for intangible assets as detailed in note 2.

Individually material intangible assets

CGU	Description	Initial fair value £000	Carrying amount £000	Remaining amortisation
Bett	Trademarks	63,863	40,917	17.8 years
CWIEME	Trademarks	41,022	36,492	17.8 years
UK	Trademarks	89,833	45,583	17.8 years
Mining Indaba	Trademarks	22,089	19,490	15.0 years
Shoptalk	Trademarks	48,062	44,057	9.2 years

15 Property, plant and equipment

	Leasehold land and buildings £000	Plant and equipment £000	Right of use asset £000	Total £000
Cost				
At 1 October 2018	5,258	6,790	–	12,048
Additions	22	2,037	–	2,059
Disposals	–	(200)	–	(200)
Foreign exchange	23	119	–	142
At 30 September 2019	**5,303**	**8,746**	**–**	**14,049**
Transition to IFRS 16	**–**	**–**	**15,686**	**15,686**
At 1 October 2019	**5,303**	**8,746**	**15,686**	**29,735**
Additions through business combinations (note 13)	**–**	**75**	**1,552**	**1,627**
Additions	**–**	**618**	**304**	**922**
Disposals	**–**	**(2,487)**	**(156)**	**(2,643)**
Foreign exchange	**–**	**(958)**	**(277)**	**(1,235)**
At 30 September 2020	**5,303**	**5,994**	**17,109**	**28,406**
Depreciation				
At 1 October 2018	2,927	4,189	–	7,116
Charge for the year	222	1,482	–	1,704
Disposals	–	(51)	–	(51)
Foreign exchange	53	60	–	113
At 30 September 2019	**3,202**	**5,680**	**–**	**8,882**
Charge for the year	**184**	**1,529**	**3,136**	**4,849**
Disposals	**–**	**(2,494)**	**(96)**	**(2,590)**
Foreign exchange	**–**	**(613)**	**(86)**	**(699)**
At 30 September 2020	**3,386**	**4,102**	**2,954**	**10,442**
Net book value				
At 30 September 2020	**1,917**	**1,892**	**14,155**	**17,964**
At 30 September 2019	2,101	3,066	–	5,167

16 Subsidiaries

A list of all subsidiaries, including the name, country of incorporation and proportion of ownership interest is presented in note 5 to the Company's separate financial statements.

17 Disposal of subsidiaries

Azerbaijan and Uzbekistan

In August 2020, the Group disposed of its entire event portfolio in Azerbaijan and Uzbekistan for total consideration of £9.5m, payable over a number of years. When discounted, the present value of the consideration receivable was £4.3m at disposal.

In addition to the deferred consideration of £9.5m, there is an additional amount of variable consideration based on the disposed-of businesses' revenues in future years, contingent on these revenues being above a certain level. At disposal this contingent consideration was valued at £nil.

The net assets of the entities disposed of at the date of disposal were as follows:

	£000
Goodwill	1,254
Cash and cash equivalents	1,468
Other net liabilities	(872)
Net assets	**1,850**
Fair value of consideration received	4,286
Disposal costs	(359)
Proceeds net of related selling expenses	3,927
Cumulative exchange differences	**186**
Gain on disposal	**2,263**
Satisfied by:	
Cash and cash equivalents	–
Deferred consideration	4,286
	4,286
Net cash outflow arising on disposal:	
Consideration received in cash and cash equivalents	–
Less: cash and cash equivalents disposed of	(1,468)
	(1,468)

18 Interests in associates and joint ventures

Associates and joint ventures

	Country of incorporation and operation	Registered address	Principal activity	Description of holding	Group interest %
Joint ventures					
Sinostar ITE	Incorporated in Hong Kong with operations in China	Rm 2101-2, 21/F, 42-46 Gloucester Rd., Jubilee Centre, Wanchai, Hong Kong	Exhibition organiser	Ordinary	50%
Debindo Unggul Buana Makmur	Indonesia	G9 Lantai 1 Jl. KH. Abdullah Syafii No. 9 Bukit Duri, Tebet Jakarta Selatan RT/RW. 013/05 Kel. BUKIT DURI Kec. TEBET KOTA ADMINISTRASI JAKARTA SELATAN	Exhibition organiser	Ordinary	50%
Comtrans (formerly ITE MF)	Russia	119590, Moscow, ul. Minskaya, 2ZH BC, Victory Park Plaza, Office 307	Exhibition organiser	Ordinary	50%

	Total £000
At 1 October 2019	**43,374**
Share of results of associates and joint ventures	**4,212**
Dividends received	**(4,528)**
Foreign exchange	**(1,141)**
Impairment	**(4,473)**
At 30 September 2020	**37,444**

The Group received dividends from Sinostar of approximately £4.0m (2019: £4.7m), and from Comtrans (formerly ITE MF) of approximately £0.5m (2019: £1.2m). In 2020, no dividends were received from Debindo (2019: £0.2m).

18 Interests in associates and joint ventures continued

The carrying value of interests in associates and joint ventures has been assessed for impairment at the year-end. The recoverable amounts of each investment were determined from value in use calculations, using assumptions consistent with those applied in the goodwill and intangible assets impairment review detailed in note 12.

An impairment of £4.5m has been identified in respect of Debindo. As a result of the COVID-19 outbreak the forecast share of results from the business has declined significantly as there is expected to be a longer lasting impact of COVID-19 on performance, following on from the cancellation of the joint venture's events in the year as a result of the pandemic. The discount rate used in the value in use calculation has increased to 13.8% (2019: 13.2%) due to the increased risk environment. As a result of the impairment recognised the Group's investment in Debindo now has a carrying value of £nil (2019: £4.7m). No other impairments were identified in respect of the associates and joint ventures.

Summarised financial information in respect of the Group's material associates and joint ventures is set out below. The sole material joint venture is Sinostar ITE. The summarised financial information below represents amounts in the associates and joint ventures financial statements prepared in accordance with IFRS.

Results of joint ventures at 100% share	2020 £000	2019 £000
Cash and cash equivalents	**8,014**	18,133
Current assets	**1,890**	1,679
Non-current assets	**263**	37
Total assets	**10,167**	19,849
Current liabilities	**(7,981)**	(20,903)
Non-current liabilities	**(42,942)**	(44,432)
Total liabilities	**(50,923)**	(65,335)
Revenue	**18,460**	17,373
Interest income	**176**	206
Depreciation and amortisation	**15**	16
Profit from continuing operations	**12,676**	12,522
Tax expense	**(3,072)**	(2,939)
Profit from continuing operations after tax	**9,604**	9,583
Total comprehensive income	**9,604**	9,583

A reconciliation of the above summarised financial information to the carrying amount of the interest in the joint venture in the Consolidated financial statements is shown below:

	2020 £000	2019 £000
Net liabilities	**(40,756)**	(45,486)
Proportion of the Group's ownership in the joint venture	**(20,378)**	(22,743)
Loan due to shareholders	**21,471**	22,216
Goodwill	**33,515**	34,330
Carrying amount of the Group's interest in the joint venture	**34,608**	33,803

The loan due to shareholders forms part of the net investment in the joint venture.

The Group's non-material joint ventures have an aggregate profit after tax from continuing operations and total comprehensive income of £1.2m (2019: £3.2m), at a 100% share.

19 Current assets and non-current assets

Current assets

	2020 £000	2019 £000
Trade and other receivables		
Trade receivables	**14,338**	36,009
Other receivables	**3,138**	3,691
Deferred consideration	**1,278**	1,671
Venue advances and prepayments	**1,059**	160
Prepayments and accrued income	**8,807**	17,493
Taxation and social security	**5,111**	–
	33,731	59,024
Taxation prepayments	**1,374**	3,300

Taxation prepayments relate to overseas subsidiaries and are available for offset against future tax liabilities.

The movements in deferred consideration receivable during the year are shown in the table below:

	£000
At 1 October 2019	**5,466**
Arising on disposal (note 17)	**4,286**
Settlement	**(818)**
Impact of unwind of discounting	**849**
Revaluation	**(1,640)**
At 30 September 2020	**8,143**
Included in current assets	**1,278**
Included in non-current assets	**6,865**
	8,143

Cash and cash equivalents	2020 £000	2019 £000
Cash at bank and in hand	**50,330**	33,027

The cash at bank and in hand comprises cash held by the Group and short-term deposits with an original maturity of three months or less. The carrying value of these assets approximates their fair value. The cash balance is represented by £28.7m of sterling, £2.3m of euros, £4.4m of US dollars, £0.9m of Russian rubles, £4.8m of Indian rupees and £9.2m of other currencies. Surplus funds are placed on short-term deposit with floating interest rates.

	2020 £000	2019 £000
Investments	**1,540**	500

Investments comprise a non-controlling interest in Learnit World Limited (Learnit).

Total venue prepayments

The venue prepayments are held at cost. The venue prepayments are analysed as follows:

	2020 £000	2019 £000
Venue prepayments		
Denominated in US dollars	**374**	160
Denominated in other currencies	**685**	–
Total venue prepayments	**1,059**	160

20 Bank borrowings

In December 2019 the Group completed a refinancing of its existing debt facilities. Total commitments increased from £142.5m (£47.5m term loan, £95.0m revolving credit facility) to £250.0m (£100.0m Term Loan, £150.0m revolving credit facility). The facilities terminate in December 2023 with the option, subject to certain conditions, to extend by a further year. As at 30 September 2020, there were scheduled annual repayments of the term loan starting November 2020 for £17.5m, with further repayments every subsequent November for £17.5m, £20.0m, £22.5m, and a final repayment for £22.5m on the termination date.

On 7 May 2020, the Group agreed with its lenders a set of waivers as part of its response to the outbreak of COVID-19. This includes, among other things, replacing the financial covenants up to and including March 2022 with a basic liquidity test, and deferring loan amortisation payments of £35.0m to maturity in December 2023, subject to any insurance proceeds up to £35.0m received by the Group being used to make the amortisation payments as originally scheduled. In return the Group has agreed to a new maximum interest margin of 3.40%, subject to the Group's leverage ratio, and additional reporting requirements.

Interest is charged on any utilised amount on either debt facility at a rate of LIBOR plus a margin ranging from 1.90% to 3.40% dependent on the Group's leverage ratio under the agreement. The debt facilities are secured by asset pledges and debentures given by a number of Group companies.

The total drawdowns under the facility of £121.7m at 30 September 2020 (2019: £146.2m) were denominated in sterling (2019: £139.1m sterling, £7.1m euro). At 30 September 2020 the Group had £128.3m (2019: £13.8m) of undrawn committed facilities.

All borrowings are arranged at floating interest rates, thus exposing the Group to interest rate risk. The Group uses interest rate swaps to mitigate this risk, hedging £100.0m of the debt (2019: £50.0m), reducing the exposure to fluctuations in interest rates. All borrowings are secured by a guarantee between a number of Group companies.

Fees of £1.4m capitalised in relation to the previous facility have been written off in the year.

As at 30 September 2020 there are capitalised fees of £3.7m (2019: £1.5m) in relation to the Group's current debt facility.

21 Current liabilities and non-current liabilities

Current liabilities

	2020 £000	2019 £000
Trade payables	**4,731**	4,823
Taxation and social security	**1,167**	868
Other payables	**28,988**	7,605
Accruals	**19,184**	19,128
Deferred consideration	**881**	966
Lease liabilities	**3,503**	–
	58,454	33,390
Deferred income		
– Current	**61,276**	79,701
– Non-current	**–**	291

Trade payables and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. The Directors consider that the carrying value of trade payables approximates their fair value.

Other payables includes refund liabilities in respect of cancelled events of £23.6m (2019: £nil).

21 Current liabilities and non-current liabilities continued

The movements in deferred consideration payable during the year are shown in the table below:

	Total £000
At 1 October 2019	**966**
Foreign exchange	**(85)**
At 30 September 2020	**881**

22 Provisions

	National Insurance on share options £000	Leases £000	Other £000	Total £000
At 1 October 2019	**61**	**1,750**	**–**	**1,811**
Transition to IFRS 16	**–**	**(1,056)**	**–**	**(1,056)**
Revised balance at 1 October 2019	**61**	**694**	**–**	**755**
Charged/(credited) to profit or loss	**(53)**	**–**	**39**	**(14)**
Utilised in the year	**–**	**(96)**	**–**	**(96)**
Acquired through business combinations	**–**	**1,067**	**–**	**1,067**
Foreign exchange	**–**	**5**	**–**	**5**
At 30 September 2020	**8**	**1,670**	**39**	**1,717**
Included in current liabilities				**170**
Included in non-current liabilities				**1,547**
				1,717

National Insurance on share options is calculated by reference to the employer's National Insurance cost on the potential gain based on the difference between the exercise price and share price for those share options where the share price exceeds the exercise price at 30 September 2020.

The provision previously recognised in respect of unfavourable lease terms relative to market terms being spread over the remaining lease term period has been derecognised following the Group's transition to IFRS 16. The remaining lease provision relates to dilapidations provisions in respect of office leases. The amounts included in non-current liabilities in respect of dilapidations provisions will be fully utilised by the end of the lease term in 2027.

23 Financial instruments

Financial assets and liabilities

Details of the accounting policies and methods adopted, including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised in respect of each class of financial asset and financial liability are disclosed in the accounting policies note on pages 109 and 110.

Categories and maturities of financial assets and liabilities

Financial assets and liabilities are classified according to the following categories in the table below.

30 September 2020 £000	Carrying amount & fair value	Contractual cash flows	Less than 1 year	1 – 2 years	2 – 5 years	Greater than 5 years
Non-derivative financial assets						
Cash and cash equivalents	50,330	50,330	50,330	–	–	–
Trade and other receivables:						
Trade receivables	14,338	18,561	18,561	–	–	–
Deferred consideration	8,143	17,350	1,268	1,125	8,182	6,775
Other receivables	3,138	3,138	3,138	–	–	–
	75,949	89,379	73,297	1,125	8,182	6,775
Non-derivative financial liabilities						
Bank loan and overdrafts	(117,985)	(117,985)	(17,500)	(17,500)	(82,985)	–
Amortised cost:						
Trade payables	(4,731)	(4,731)	(4,731)	–	–	–
Other payables	(28,988)	(28,988)	(28,988)	–	–	–
Accruals	(19,184)	(19,184)	(19,184)	–	–	–
Deferred consideration	(881)	(881)	(881)	–	–	–
Lease liabilities	(18,835)	(21,367)	(3,555)	(2,921)	(11,039)	(3,852)
Derivative financial liabilities						
Equity option liabilities	(9,393)	(9,426)	(9,426)	–	–	–
Interest rate swaps	(873)	(873)	(748)	(125)	–	–
	(200,870)	(203,435)	(85,013)	(20,546)	(94,024)	(3,852)

The Group seeks to minimise the effects of interest rate risk by using derivative financial instruments to hedge the risk exposure. The use of financial derivatives is governed by the Group's policies approved by the Board. Compliance with policies and exposure limits is reviewed by the Board on a continuous basis. The Group does not enter into financial instruments, including derivative financial instruments, for speculative purposes.

The ABEC, Fasteners and Scoop equity option liabilities have not been discounted as the effect is not material. The option held in respect of Learnit is valued at £nil.

The Directors consider that the carrying amounts of financial assets and liabilities recorded at amortised cost in the financial statements approximate to their fair value due to the short maturity of the instruments.

23 Financial instruments continued

30 September 2019 £000	Carrying amount & fair value	Contractual cash flows	Less than 1 year	1 – 2 years	2 – 5 years	Greater than 5 years
Non-derivative financial assets						
Cash and cash equivalents	33,027	33,027	33,027	–	–	–
Trade and other receivables:						
Trade receivables	36,009	41,062	41,062	–	–	–
Deferred consideration	5,466	9,832	1,806	915	5,213	1,897
Other receivables	3,691	3,691	3,691	–	–	–
	78,193	87,612	79,586	915	5,213	1,897
Non-derivative financial liabilities						
Bank loan and overdrafts	(144,705)	(144,705)	(17,500)	(17,500)	(109,705)	–
Amortised cost:						
Trade payables	(4,823)	(4,823)	(4,823)	–	–	–
Other payables	(7,605)	(7,605)	(7,605)	–	–	–
Accruals	(19,128)	(19,128)	(19,128)	–	–	–
Deferred consideration	(966)	(966)	(966)	–	–	–
Derivative financial liabilities						
Equity option liabilities	(12,955)	(14,937)	(14,937)	–	–	–
Interest rate swaps	(110)	(110)	(110)	–	–	–
	(190,292)	(192,274)	(65,069)	(17,500)	(109,705)	–

Fair value hierarchy

The following table categorises the Group's financial instruments which are held at fair value into one of three levels to reflect the degree to which observable inputs are used in determining their fair values:

- Level 1: Fair values measured using quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Fair value measured using inputs, other than quoted prices included within Level 1 that are observable for the asset or liability either directly or indirectly.
- Level 3: Fair values measured using inputs for the asset or liability that are not based on observable market data.

30 September 2020	**Fair value £000**	**Level 1 £000**	**Level 2 £000**	**Level 3 £000**
Liabilities measured at fair value				
Interest rate swaps	**(873)**	**–**	**(873)**	**–**
Equity options	**(9,393)**	**–**	**–**	**(9,393)**
Total	**10,266**	**–**	**(873)**	**(9,393)**

30 September 2019	Fair value £000	Level 1 £000	Level 2 £000	Level 3 £000
Liabilities measured at fair value				
Interest rate swaps	(110)	–	(110)	–
Equity options	(12,955)	–	–	(12,955)
Total	(13,065)	–	(110)	(12,955)

23 Financial instruments continued

Level 1 financial instruments are valued based on quoted bid prices in an active market. Level 2 financial instruments are measured by discounted cash flow. For interest rate swaps, future cash flows are estimated based on forward interest rates (from observable yield curves at the end of the reporting period) and contract interest rates, discounted at a rate that reflects the credit risk of the various counterparties.

The Level 3 equity options relate to contracts that contain an obligation for the Group to purchase equity in a subsidiary at the option of the minority interest during certain timeframes each year. These are valued based on a fixed multiple of the most recently reported EBITDA for each underlying business. The EBITDA multiples are fixed (ranging from 7.5x to 12.5x across the options) and therefore the key unobservable inputs relate to the timeframe for the exercise of the option and the forecast future EBITDA for each entity at the point of exercise.

Level 3 reconciliation of equity options

	£000
At 1 October 2019	**12,955**
Charge to Consolidated income statement (within investment revenue and finance costs)	**(3,851)**
Foreign exchange	**289**
At 30 September 2020	**9,393**

All Level 3 amounts credited to the Consolidated income statement in the year are attributable to the change in unrealised gains or losses relating to those liabilities held at the end of the reporting period.

The Level 3 inputs are highly sensitive to the EBITDA forecasts. Given that the EBITDA multiples range from 7.5x to 12.5x, a movement in the forecast EBITDA results for the relevant period could have a significant impact on the equity option valuation.

Financial risk management

In the course of its business, the Group is exposed to a number of financial risks: market risk (including foreign currency and interest rate), credit risk, liquidity risk and capital risk. This note presents the Group's exposure to each of the above risks. The Group's objectives, policies and processes for measuring and managing risks can be found in the Strategic report on pages 02 to 54.

The Board has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board has established policies to identify and analyse risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits.

Market risk management

Market risk is the risk that changes in foreign exchange rates and interest rates will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Group enters into derivative financial instruments to manage its exposure to interest rate risk. Market risk exposures are measured using sensitivity analysis.

Foreign currency risk management

The Group undertakes certain transactions denominated in foreign currencies and therefore exposures to exchange rate fluctuations arise. Exchange rate exposures are managed through natural hedging arrangements where possible.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

23 Financial instruments continued

Financial assets

	2020 £000	2019 £000
EUR	**6,819**	15,379
GBP	**23,032**	15,352
USD	**15,431**	11,421
RUB	**7,091**	8,133
INR	**7,825**	14,871
Other	**15,751**	13,037
	75,949	78,193

Financial liabilities

	2020 £000	2019 £000
EUR	**(3,151)**	8,422
GBP	**151,034**	156,143
USD	**12,936**	910
RUB	**13,641**	4,093
INR	**15,974**	15,789
Other	**10,436**	4,935
	200,870	190,292

Foreign currency sensitivity analysis

The sensitivity analysis below details the impact of a 10% strengthening in the Group's significant currencies against sterling, applied to the net monetary assets or liabilities of the Group. 10% is the sensitivity rate that represents management's assessment of the reasonably possible change in foreign exchange rates.

2020 (£000)	USD	EUR	RUB	INR	Other
Monetary assets	**15,431**	**6,819**	**7,091**	**7,825**	**38,783**
Monetary liabilities	**(12,936)**	**3,151**	**(13,641)**	**(15,974)**	**(161,470)**
Net monetary assets/(liabilities)	**2,495**	**9,970**	**(6,550)**	**(8,149)**	**(122,687)**
Currency impact					
Profit before tax gain/(loss)	**285**	**535**	**396**	**(1,367)**	**(593)**
Equity gain	**458**	**462**	**(1,034)**	**590**	**669**

2019 (£000)	USD	EUR	RUB	INR	Other
Monetary assets	11,421	15,379	8,133	14,871	28,389
Monetary liabilities	(910)	(8,422)	(4,093)	(15,789)	(161,078)
Net monetary (liabilities)/assets	10,511	6,957	4,040	(918)	(132,689)
Currency impact					
Profit before tax (loss)/gain	930	746	546	(1,337)	500
Equity gain/(loss)	122	(51)	(142)	1,245	671

The following significant exchange rates versus sterling applied during the year and in the prior year:

	Average		Reporting date	
	2020	2019	2020	2019
EUR	**1.10**	1.13	**1.10**	1.12
USD	**1.30**	1.28	**1.29**	1.23
RUB	**98.36**	83.53	**101.69**	79.38
INR	**95.18**	90.00	**94.74**	86.41

23 Financial instruments continued

Interest rate risk management

As the Group has no significant interest-bearing assets, other than cash, the Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group is exposed to interest rate risk through its borrowings at floating interest rates. This risk is managed by the Group by maintaining an appropriate level of floating interest rate borrowings and through the use of interest rate swap contracts. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring the most cost-effective hedging strategies are applied.

The Group's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk section of this note.

Interest structure of financial liabilities

	2020 £000	2019 £000
Financial liabilities at variable rates:		
Bank loan and overdrafts	**117,985**	144,705

The following average interest rates applied on the Group's bank loan during the year and in the prior year:

	2020 %	2019 %
GBP	**3.4**	3.4
EUR	**2.4**	2.7
USD	**0.0**	0.8

Average interest rate applicable to cash balances were 1.59% in 2020 and 2.89% in 2019.

Interest rate sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for financial assets and financial liabilities at the balance sheet date. With all other variables held constant, the table below demonstrates the sensitivity to a 1% change in interest rates applied to the major currencies of net variable rate assets/liabilities. 1% is the sensitivity rate that represents management's assessment of the reasonably possible change in interest rates.

	USD denominated		EUR denominated		GBP denominated		RUB denominated		INR denominated		Other	
£000	**2020**	2019	**2020**	2019	**2020**	2019	**2020**	2019	**2020**	2019	**2020**	2019
Cash and cash equivalents	**4,431**	4,517	**2,294**	2,851	**28,717**	5,164	**895**	1,175	**4,831**	9,401	**9,163**	9,918
Bank loan and overdrafts	**–**	–	**–**	(7,125)	**(117,985)**	(137,574)	**–**	–	**–**	–	**–**	–
Net variable rate assets/ (liabilities)	**4,431**	4,517	**2,294**	(4,274)	**(89,268)**	(132,410)	**895**	1,175	**4,831**	9,401	**9,163**	9,918

	USD denominated		EUR denominated		GBP denominated		RUB denominated		INR denominated		Other denominated	
£000	**2020**	2019	**2020**	2019	**2020**	2019	**2020**	2019	**2020**	2019	**2020**	2019
Profit before tax – gain/(loss)												
+ 1% change in interest rates	**44**	45	**23**	(43)	**(893)**	(1,324)	**9**	12	**48**	94	**92**	99
– 1% change in interest rates	**(44)**	(45)	**(23)**	43	**893**	1,324	**(9)**	(12)	**(48)**	(94)	**(92)**	(99)

Interest rate swap contracts

With effect from 28 November 2017, the Group entered into two interest rate swap agreements to exchange the floating rate of interest paid on its bank borrowings for fixed rates on the first £50.0m of the Group's GBP debt at that time, calculated on agreed notional principal amounts of £30.0m and £20.0m. Under the agreements, three month GBP LIBOR is exchanged for fixed rates of 0.941% and 0.942% both with a maturity date of 30 November 2020. At the balance sheet date, the notional principal amounts of these interest rate swaps have reduced to £18.0m and £12.0m respectively.

Following the Group's refinancing in December 2019 and with effect from 28 February 2020, the Group entered into two new interest rate swap agreements to exchange the floating rate of interest paid on its bank borrowings for fixed rates on further notional principal amounts of £38.0m and £32.0m, increasing the total notional principal amount to £100.0m of the Group's GBP debt. Under these new agreements, three-month GBP LIBOR is exchanged for fixed rates of 0.59% and 0.60% both with a maturity date of 30 November 2022. The blended fixed rate of all interest rate swaps is 0.70% up to and including 30 November 2020, which then falls to 0.60% when the earlier two interest rate swaps mature.

The notional principal amount hedged will decrease in line with the Group's scheduled amortisation payments up to and including 30 November 2022.

The interest rate swaps are designated as cash flow hedges to reduce the Group's cash flow exposure resulting from variable interest rates on borrowings. Settlement of the interest rate swaps are scheduled to fall in line with the loan interest payments every quarter.

These arrangements are designed to address potential significant interest rate exposures over the next 26 months from the balance sheet date and are expected to affect the Consolidated income statement over that time period.

23 Financial instruments continued

Credit risk management

Credit risk arises because a counterparty may fail to perform its contractual obligations. The Group's principal financial assets are cash and cash equivalents, trade and other receivables and venue advances. The Group considers its maximum exposure to credit risk to be as follows:

	2020 £000	2019 £000
Cash and cash equivalents	**50,330**	33,027
Trade receivables (net of bad debt provision)	**14,338**	36,009
Deferred consideration (undiscounted)	**17,350**	9,832
Other receivables	**3,138**	3,692
	85,156	82,560

The Group's credit risk is primarily attributable to its trade and other receivables. The Group has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Group's objective is to ensure all customers have paid before any service is provided to them. The concentration of credit risk is limited due to the customer base being large and unrelated.

The ageing profile of the Group's trade receivables and the details of the Group's allowances for doubtful receivables can be seen below.

The credit risk on liquid funds arises due to where the liquid funds are held. The territories in which Hyve operates do not always have banks with high credit ratings assigned by international credit rating agencies such as Moody's and Fitch. The Group aims to minimise the exposure to credit risk by minimising the level of cash held in such banks. The Group's exposure and credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread among approved financial institutions.

Credit rating of financial assets (excluding loans and receivables)

		2020 £000	2019 £000
Investments grade A and above	83%	**41,538**	18,656
Investments grade B and above	17%	**8,792**	14,368
Investments grade C or below or not rated	0%	**–**	3
	100%	**50,330**	33,027

The source of the credit ratings is Moody's and Fitch.

Ageing profile of trade receivables based on event date

	2020 £000	2019 £000
Not past due	**14,307**	32,823
Past due 1–30 days	**31**	1,770
Past due 31–60 days	**–**	142
Past due 61–90 days	**–**	508
Past due 91–120 days	**–**	216
Past due more than 120 days	**–**	550
	14,338	36,009

Management review debtors based on when an event has been held. The Group invoices on receipt of signed contracts, with payments typically due in stages in the lead up to events. Any overdue amounts, after the stage payment due date, are reviewed and chased.

Trade receivables not past due represent contracts with customers for future events. It therefore includes receivables for events taking place in 2021. Customers are typically due to settle the full contractual amount at least 30 days before an event.

23 Financial instruments continued

The trade receivables amounts presented in the Consolidated statement of financial position are net of allowances for doubtful receivables, estimated by the Group's management based on prior experience, specific credit issues and their assessment of the current economic environment. Trade receivables consist of a large number of customers spread across diverse industries and geographical areas and the Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the Group's customer base, including default risk of the industry and country, in which the customers operate, has less of an influence on credit risk.

The Group always recognises lifetime expected credit losses (ECL) for trade receivables. The ECL on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

The details of the movement in the allowance for doubtful receivables are shown below.

Allowance for doubtful receivables

	2020 £000	2019 £000
At 1 October	**5,053**	4,414
Arising on acquisition	**27**	328
Allowances made in the period and amounts recovered during the year	**2,891**	1,724
Receivables written off as unrecoverable	**(3,748)**	(1,413)
	4,223	5,053

The lifetime ECL recognised in the period of £2.7m materially relate to receivables due from customers in respect of events that the Group organised prior to the COVID-19 pandemic. The Group no longer expects to recover these debts due to the current economic climate following the pandemic and the passage of time since these events took place.

Ageing of impaired receivables

	2020 £000	2019 £000
Past due 0–3 months	**39**	785
Past due 3–6 months	**–**	504
Past due more than 6 months	**4,184**	3,764
	4,223	5,053

Liquidity risk management

Liquidity risk is the risk that the Group will not be able to meet its obligations as they fall due. Such risk may result from inadequate market depth or disruption or refinancing problems. Ultimate responsibility for liquidity risk management rests with the Board of Directors. They have built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements.

The Group manages liquidity risk by ensuring continuity of funding for operational needs through cash deposits and debt facilities as appropriate. The Group does not use any supplier financing arrangements.

Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Group consists of cash and cash equivalents and bank loan which are disclosed in note 19 and note 20 and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings as disclosed in note 26 and in the Consolidated statement of changes in equity.

24 Deferred tax

	Accelerated tax depreciation £000	Intangibles £000	Tax losses £000	Provisions and accruals £000	Hedges £000	Share based payments £000	Repatriation of profit £000	Total £000
At 1 October 2018	1,700	(43,606)	7,228	829	66	20	(2,397)	(36,160)
Transfers	110	2,386	25	93	–	64	–	2,678
Credit/(charge) to profit or loss	205	3,676	(1,501)	(902)	112	22	597	2,209
Charge to OCI	–	–	–	–	(158)	5	–	(153)
Acquisition of subsidiary	–	(633)	–	–	–	–	–	(633)
Foreign exchange	–	(216)	88	79	–	–	–	(49)
At 30 September 2019	**2,015**	**(38,393)**	**5,840**	**99**	**20**	**111**	**(1,800)**	**(32,108)**
Transfers	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Credit/(charge) to profit or loss	**1,022**	**11,935**	**3,003**	**(3,781)**	**13**	**(27)**	**1,748**	**13,913**
Charge to equity	**–**	**–**	**–**	**222**	**117**	**(17)**	**–**	**322**
Acquisition of subsidiary	**–**	**736**	**–**	**3,456**	**–**	**–**	**–**	**4,192**
Foreign exchange	**–**	**459**	**(51)**	**(39)**	**(1)**	**–**	**–**	**368**
At 30 September 2020	**3,037**	**25,263**	**8,792**	**(43)**	**149**	**67**	**(52)**	**(13,313)**

Certain deferred tax assets and liabilities have been offset in the above table. The following is the analysis of deferred tax balances for financial reporting purposes:

	2020 £000	2019 £000
Deferred tax liabilities	**(13,773)**	(40,655)
Deferred tax assets	**460**	8,547
	(13,313)	(32,108)

Deferred tax assets have been recognised in respect of all tax losses and other temporary differences giving rise to deferred tax assets where the Directors believe it is probable that these assets will be recovered.

As at 30 September 2020, the Group has unused tax losses of £90.7m (2019: £62.3m) available for offset against future profits. A deferred tax asset has been recognised in respect of £43.6m (2019: £32.7m) of such losses. No deferred tax asset has been recognised in respect of the remaining £47.1m (2019: £29.6m) as it is not considered probable that there will be future taxable profits available. The unrecognised losses may be carried forward indefinitely, with the exception of losses of £6.3m (2019: £1.2m) arising in certain jurisdictions which expire between 5 and 10 years.

No deferred tax asset has been recognised in respect of deductible temporary differences of £7.8m (2019: £nil) as it is not considered probable that there will be future taxable profits available given the impact of the current global pandemic. The unrecognised assets may be carried forward indefinitely.

At the balance sheet date, the aggregate amount of temporary differences associated with undistributed earnings of subsidiaries for which deferred tax liabilities have not been recognised was £7.0m (2019: £9.0m). No liability has been recognised in respect of these differences because the Group is in a position to control the timing of the reversal of the temporary differences and it is probable that such differences will not reverse in the foreseeable future.

Deferred tax assets are recognised (for the carry forward of unused tax losses, accelerated capital allowances and other timing differences) to the extent that, based on a review of expected profits, it is probable that future taxable profit will be available against which the unused losses and tax credits can be utilised. The Group has sufficient forecast taxable profits available against which the unused tax losses or unused tax credits can be utilised.

A change to the main UK corporation tax rate, announced in the Budget on 11 March 2020, was substantively enacted for IFRS and UK GAAP purposes on 17 March 2020. The rate applicable from 1 April 2020 now remains at 19%, rather than the previously enacted reduction to 17%.

25 Share capital

	2020 £000	2019 £000
Allotted and fully-paid		
265,128,107 ordinary shares of 10p each (2019: 741,618,456 of 1p each)	**26,513**	7,416

	2020 Number of shares	2019 Number of shares (restated[1])
At 1 October	**74,161,846**	74,161,846
Share placement	**7,416,180**	–
Rights issue	**183,550,081**	–
At 30 September	**265,128,107**	74,161,846

1 Number of shares has been restated to take account of the share consolidation of every 10 existing ordinary shares into 1 consolidated ordinary share.

On 28 May 2020, the Group completed a share consolidation of every 10 existing ordinary shares into 1 consolidated ordinary share. All shares amounts noted below are disclosed on a post-consolidation basis.

On 18 December 2019, the Group announced a fully underwritten non pre-emptive placing of up to 5,958,454 new ordinary shares raising gross proceeds of £52.4m (£50.0m net proceeds after expenses of £2.4m which were deducted from share premium) to part-fund the acquisitions of Shoptalk and Groceryshop. Alongside this a subscription of 1,457,726 new ordinary shares was completed by the founders and certain other management shareholders of Shoptalk and Groceryshop following the acquisition.

On 12 June 2020, the Group issued 183,550,081 ordinary shares of 10p each through a nine for four rights issue at 69p per share and raised gross proceeds of £126.6m (£118.0m net proceeds after expenses of £8.6m which were deducted from share premium). The excess of cash received over the nominal value of the shares issued of £99.6m was recorded as share premium. The net proceeds were used to provide liquidity to the Group in the face of the COVID-19 outbreak.

The Company has one class of ordinary shares which carry no right to fixed income. At the Extraordinary General Meeting held on 17 November 1998, shareholders approved the establishment of the Hyve Group Employee Share Ownership Trust (ESOT). The terms of the ESOT allow the trustees to transfer shares to employees who exercise options under the Company's share option schemes, to grant options to employees and to accumulate shares by buying in the market or subscribing for shares at market value. The ESOT is capable of holding a maximum of 5% of the Company's issued ordinary share capital. The ESOT reserve arises in connection with the ESOT. The amount of the reserve represents the deduction in arriving at shareholders' funds for the consideration paid for the Company's shares purchased by the ESOT which had not vested unconditionally at the end of each financial year.

The ESOT held 812,656 shares in Hyve Group plc at 30 September 2020 (2019: 250,048 shares). During the year 117,211 nominal share options under the Employees Performance Share Plan and 14,442 nominal share options under the Deferred Bonus Share Plan were granted against ESOT held shares. 562,608 shares were purchased for the ESOT through the aforementioned rights issue. The market value of the ordinary shares held by the ESOT at 30 September 2020 was £0.5m (2019: £2.1m).

The Company has agreed to make available to the ESOT an interest-free loan of up to £12.5m for the purpose of buying shares. At 30 September 2020, the amount of the loan drawn down was £12.0m. The Hyve Group plc Company profit and loss account and balance sheet include the results of the ESOT for the year ended 30 September 2020. The trustees have waived their current and future rights to all dividend entitlement on the shares held by the ESOT. No options were exercised from ESOT during the year (2019: 5,650). The total consideration for the options exercised from ESOT was £nil (2019: £57). 2,459,094 of outstanding options are to be settled by ESOT, so all shares held by the ESOT are under option as at 30 September 2020. Details of the options in issue and their exercise dates can be seen at note 28 to the accounts.

26 Non-controlling interests

	2020 £000	2019 £000
At 1 October	**22,803**	23,847
Dividends payable to non-controlling interests	**(1,809)**	(1,978)
Disposal of non-controlling interest	**–**	(46)
Profit on ordinary activities after taxation	**928**	980
At 30 September	**21,922**	22,803

Summarised financial information in respect of the Group's one subsidiary that has material non-controlling interests, ABEC, is set out below. The summarised financial information below represents amounts before intra-group eliminations.

	2020 £000	2019 £000
Cash and cash equivalents	**1,142**	5,612
Trade and other receivables	**4,188**	5,592
Non-current assets	**85**	383
Total assets	**5,415**	11,587
Trade and other payables	**(2,704)**	(7,553)
Total liabilities	**(2,704)**	(7,553)
Net assets	**2,711**	4,074
Equity attributable to owners of the Company	**1,627**	2,444
Non-controlling interests	**1,084**	1,630
	2,711	4,074
Revenue	**7,179**	11,842
Cost of sales	**(4,371)**	(8,292)
Gross profit	**2,808**	3,550
Other income	**110**	82
Administrative expenses	**(1,034)**	(1,370)
Operating profit	**1,884**	2,261
Investment revenue	**349**	229
Profit before tax	**2,233**	2,490
Tax expense	**(939)**	(1,381)
Profit for the year	**1,294**	1,109
Profit attributable to owners of the Company	**777**	665
Profit attributable to the non-controlling interests	**517**	444
	1,294	1,295

27 IFRS 16 Leases

The impact of IFRS 16 for the year ended 30 September 2020 increases headline and statutory operating profit by £0.4m, reflecting the removal of IAS 17 operating lease expenses of £3.5m and replacing this with depreciation of IFRS 16 right-of-use assets of £3.1m.

Headline and statutory profit before tax decreases by £0.3m, reflecting the change in operating profit and the interest charged on IFRS 16 lease liabilities of £0.7m.

The Group's right-of-use assets are disclosed in note 15.

The Group's lease liabilities at 30 September 2020 are as follows:

Lease liabilities

	Total £000
On transition	17,038
Principal lease payments	(3,940)
Interest on lease liabilities	687
Acquired through business combinations	4,935
Additions	304
Disposals	(52)
Foreign exchange	(137)
30 September 2020	18,835
Current lease liabilities	3,503
Non-current lease liabilities	15,332
	18,835

The Group's average lease term under IFRS 16 is 5.6 years. The average IBR used for year ended 30 September 2020 to discount lease liabilities was 3.5%.

Maturity of lease liabilities

Carrying amount & fair value	Contractual cash flows	Less than 1 year	1–2 years	2–5 years	Greater than 5 years
(18,835)	(21,367)	(3,555)	(2,921)	(11,039)	(3,852)

Low-value and short-term lease expense for the year ended 30 September 2020 is as follows:

	2020 £000
Office leases	481
Venue leases	30,426
Total	30,907

The Group has committed to leases that have not yet commenced which will result in right-of-use assets and lease liabilities of £1.1m being recognised on commencement.

28 Share-based payments

The Company operates two share option schemes.

Share option plans

The Company operates a share option plan for certain employees of the Group. Options are exercisable at a price equal to the average quoted market price of the Company's share on the date of grant. The vesting period is typically 3 years and the options are exercisable up to 10 years from granting. The options are forfeited if the employee leaves the Group before the options vest.

Performance share plans

The Company operates a Performance Share Plan (PSP) for executives and certain employees. Awards under the PSP are at an exercise value of 1p. Awards can be made to an employee over shares up to a maximum of 100% of base salary, or 150% for the Chief Executive and 120% for the Chief Financial Officer, each year based on market value. The vesting period is 3 years and awards are exercisable up to 10 years from the date of grant. For conditional awards the vesting is automatic on the satisfaction of performance targets. The options are forfeited if the employee leaves the Group before the options vest. The awards are also subject to a performance target. Further details of the performance targets can be found in the Report on remuneration on page 79.

Details of the share options outstanding as at 30 September 2020 are as follows:

	Number of share options 2020	Weighted average exercise price (p) 2020	Number of share options (restated[1]) 2019	Weighted average exercise price (p) 2019
Share option plans				
Outstanding at beginning of period	**558,884**	**118.4**	698,453	117.5
Adjustment to reflect bonus element of rights issue	**196,706**	**–**	–	–
Lapsed during the period	**(302,463)**	**114.3**	(139,569)	113.6
Exercised during the period	**–**		–	–
	453,127	**123.3**	558,884	118.4
Performance share plans				
Outstanding at beginning of period	**1,422,554**	**1.0**	654,439	1.0
Adjustment to reflect bonus element of rights issue	**836,705**	**1.0**	–	1.0
Granted during the period	**117,211**	**1.0**	779,214	1.0
Lapsed during the period	**(447,013)**	**1.0**	(10,534)	1.0
Exercised during the period	**–**	**1.0**	(565)	1.0
	1,929,457	**1.0**	1,422,554	1.0

1 Number of share options has been restated to take account of the share consolidation of every 10 existing ordinary shares into 1 consolidated ordinary share.

The total number of exercisable options in the share option plans is nil (2019: 4,036) and in the performance share plans is 3,478 (2019: 28,721).

The weighted average share price at the date of exercise for share options exercised during the period was nil. The options outstanding at 30 September 2020 had a weighted average exercise price of 23.5p, and a weighted average remaining contractual life of 381 days.

In the year ending 30 September 2020, PSP options were granted on 1 January 2020. The aggregate of the estimated fair value of these options is £280,950.

The inputs into the Black-Scholes model for the instruments issued during the year are as follows:

	PSP 2020	PSP 2019
Weighted average share price	**1p**	1p
Weighted average exercise price	**–**	1p
Expected volatility	**33%**	41%
Expected life	**3 years**	3 years
Risk free rate	**0.4%**	0.6%
Dividend yield	**2.8%**	2.7%

Expected volatility was determined by calculating the historical volatility of the Group's share price over the previous year.

Monte Carlo simulations were used to model possible shares prices of Hyve and the relevant comparator companies to determine the expected vesting percentages of the conditionally granted performance shares under the 'total shareholder return' performance condition.

The Group recognised a total expense of £0.6m (2019: £0.1m) related to equity-settled share-based payment arrangements.

28 Share-based payments continued

Cash-settled share-based payments

The Group issues to certain employees share appreciation rights (SARs) that require the Group to pay the intrinsic value of the SAR to the employee at the date of exercise. The Group recorded liabilities of £64,000 (2019: £41,000) and net income of £23,000 (2019: net income £50,000). The total intrinsic value at 30 September 2020 was £nil (2019: £nil).

29 Related party transactions

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note. Transactions between the Group and its joint ventures, where relevant, are disclosed below.

Trading transactions

During the year ended 30 September 2020, the Group charged management fees of £321,000 (2019: £220,000) to Sinostar ITE, the Group's joint venture operation in Hong Kong and China.

Remuneration of key management personnel

The remuneration of Directors and the Executive Team, who are the key management personnel of the Group, is set out below in aggregate for each of the categories specified in IAS 24 Related party disclosures. Further information about the remuneration of individual Directors is provided in the audited part of the Report on remuneration on pages 77 to 89.

	2020 £000	2019 £000
Short-term employee benefits	**1,780**	2,460
Share-based payments	**–**	–
Other long-term benefits	**143**	129
	1,923	2,589

30 Net debt

	At 1 October 2019 £000	**Net increase in cash and cash equivalents £000**	**Drawdown of borrowings £000**	**Repayment of borrowings £000**	**Foreign exchange £000**	**Write-off of previously capitalised debt issue costs on refinancing £000**	**At 30 September 2020 £000**
Cash	**33,027**	**17,036**	**–**	**–**	**267**	**–**	**50,330**
Debt due within one year	**(17,500)**	**–**	**–**	**–**	**–**	**–**	**(17,500)**
Debt due after one year	**(127,205)**	**–**	**(145,321)**	**173,432**	**(38)**	**(1,353)**	**(100,485)**
	(111,678)	**17,036**	**(145,321)**	**173,432**	**229**	**(1.353)**	**(67,655)**
Lease liabilities (note 27)							**(18,835)**
Net debt							**(86,490)**

Adjusted net debt is £67.7m (2019: £111.7m) after excluding lease liabilities of £18.8m (2019: £nil).

31 Post-balance sheet events

Since 30 September 2020 the Group has received a further £13.1m and had confirmation of a further £11.5m of insurance proceeds in respect of event cancellation and postponement claims, taking total confirmed insurance proceeds to date to £46.7m.

On 15 November 2020, the minority shareholders of ABEC exercised their put option in respect of 20% of the total shares of ABEC. The validity of the option exercise is under review, as is the amount of the claim.

On 30 November 2020 the Group repaid £17.5m on its term loan and drew an additional £70.0m on its revolving credit facility, increasing total drawn bank loans to £171m, leaving undrawn facilities of £62m, and cash and cash equivalents increasing to £101m compared with £50m at 30 September 2020.

Company statement of financial position

30 September 2020

	Notes	2020 £000	2019 £000
Fixed assets			
Investments	5	**117,770**	7,613
Intangible assets	5	**33**	40
		117,803	7,653
Current assets			
Debtors due within one year	6	**439,834**	468,360
Cash at bank and in hand		**26,491**	1,354
		466,325	469,714
Creditors: amounts falling due within one year	8	**(26,563)**	(45,513)
Net current assets		**439,762**	424,201
Creditors: amounts falling due after one year	8	**(60,485)**	(54,072)
Net assets		**497,080**	377,782
Capital and reserves			
Called-up share capital	9	**26,513**	7,416
Share premium account		**160,271**	279,756
Merger reserve		**2,746**	2,746
Capital redemption reserve		**457**	457
ESOT reserve		**(3,175)**	(2,787)
Profit and loss account		**310,268**	90,194
Shareholders' funds		**497,080**	377,782

The Company reported a loss for the financial year ended 30 September 2020 of £47.3m (2019: £7.3m for year ended 30 September 2019).

The accounts of the Company, registered number 01927339, were approved by the Board of Directors and signed on their behalf, on 1 December 2020, by:

John Gulliver
Chief Finance and Operations Officer

Company statement of changes in equity

For the year ended 30 September 2020

	Called up share capital (note 9) £000	Share premium account £000	Merger reserve £000	Capital redemption reserve £000	ESOT reserve £000	Profit and loss account £000	Total £000
1 October 2018	7,416	279,756	2,746	457	(2,794)	111,476	399,057
Net loss for the year	–	–	–	–	–	(7,293)	(7,293)
Total comprehensive loss for the year	–	–	–	–	–	(7,293)	(7,293)
Exercise of share options	–	–	–	–	7	(8)	(1)
Dividends	–	–	–	–	–	(14,043)	(14,043)
Capital contribution	–	–	–	–	–	(385)	(385)
Share-based payments	–	–	–	–	–	447	447
30 September 2019	**7,416**	**279,756**	**2,746**	**457**	**(2,787)**	**90,194**	**377,782**
Net loss for the year	**–**	**–**	**–**	**–**	**–**	**(47,281)**	**(47,281)**
Total comprehensive loss for the year	**–**	**–**	**–**	**–**	**–**	**(47,281)**	**(47,281)**
Exercise of share options	**–**	**–**	**–**	**–**	**(388)**	**–**	**(388)**
Dividends	**–**	**–**	**–**	**–**	**–**	**(13,012)**	**(13,012)**
Capital contribution	**–**	**–**	**–**	**–**	**–**	**60**	**60**
Share-based payments	**–**	**–**	**–**	**–**	**–**	**494**	**494**
Issue of shares – placement	**596**	**49,413**	**–**	**–**	**–**	**–**	**50,009**
Issue of shares – subscription	**146**	**11,283**	**–**	**–**	**–**	**–**	**11,429**
Issue of shares – rights issue	**18,355**	**99,632**	**–**	**–**	**–**	**–**	**117,987**
Capital reduction	**–**	**(279,813)**	**–**	**–**	**–**	**279,813**	**–**
30 September 2020	**26,513**	**160,271**	**2,746**	**457**	**(3,175)**	**310,268**	**497,080**

1 Basis of preparation and accounting policies

These separate financial statements of the Company have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting 102 – The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), and with the Companies Act 2006. The financial statements have been prepared on the historical cost basis.

Hyve Group plc is the parent company of the Hyve Group (the Group) and its principal activity is to act as the ultimate holding company of the Group. The address of the registered office is given on page 160.

As permitted by FRS 102, the Company has taken advantage of the disclosure exemptions available under that standard in relation to share-based payments and related party transactions. The Directors' report, Corporate governance statement and Directors' remuneration report disclosures are on pages 64, 62 and 77, respectively, of this report.

The Company has taken advantage of section 408 of the Companies Act 2006 and has not included its own profit and loss account in these financial statements. The Company has also adopted the following disclosure exemptions:

- The requirement to present a statement of cash flows and related notes; and
- Financial instrument disclosures, including:
  - Categories of financial instruments;
  - Items of income, expenses, gains or losses relating to financial instruments; and
  - Exposure to and management of financial risks.

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year. The Directors have made no critical judgements in applying these accounting policies during the year, and there are no significant areas of estimation uncertainty.

Going concern
The Directors have a reasonable expectation that the Company has adequate resources to continue in existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

Investments
Fixed asset investments including subsidiaries are shown at cost less provision for any impairment.

Intangible assets
Trademarks are measured initially at purchase cost and have a definite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost over their estimated useful life. The estimated useful lives are up to 20 years.

Provisions
Provisions are recognised when the Company has a present legal obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Financial instruments
Financial assets and financial liabilities are recognised on the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

Trade debtors and creditors
Trade debtors and creditors are stated at their nominal value. Trade debtors are reduced by appropriate allowances for estimated irrecoverable amounts.

Bank borrowings
Bank overdrafts are recorded at the proceeds received, net of direct issue costs. Finance charges are accounted for on an accrual basis to profit or loss.

Equity instruments
Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Taxation
Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is not recognised when fixed assets are revalued unless by the balance sheet date there is a binding agreement to sell the revalued assets and the gain or loss expected to arise on sale has been recognised in the financial statements. Neither is deferred tax recognised when fixed assets are sold and it is more likely than not that the taxable gain will be rolled over, being charged to tax only if and when the replacement assets are sold.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Foreign currencies
Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated at the rates of exchange prevailing at that date. Non-monetary assets and liabilities are translated at the rate prevailing at the date the fair value was determined. Gains and losses arising on retranslation of monetary assets are included in profit or loss for the period.

1 Basis of preparation and accounting policies continued

Employee Share Ownership Trust

The financial statements include the assets and liabilities of the Employee Share Ownership Trust ('ESOT'). Shares in the Company held by the ESOT have been valued at cost and are held in equity. The costs of administration of the ESOT are written off to profit or loss as incurred.

Where such shares are subsequently sold, any net consideration received is included in equity attributable to the Company's equity holders.

Share-based payments

The Company issues equity-settled share-based payments to certain employees. These are measured at fair value (excluding the effect of non-market-based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity-settled share based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of shares that will eventually vest and adjusted for the effect of non-market-based vesting conditions.

Fair value is measured using a Black-Scholes model. The expected life used in the model has been adjusted, for the effects of non-transferability, exercise restrictions and behavioural considerations based on management's best estimate.

Details of the Company's equity-settled share-based payments are included in note 29 to the Group accounts.

Critical accounting judgements and key sources of estimation uncertainty

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

Critical judgements in applying the entity's accounting policies

The Company does not make any critical judgements in applying the entity's accounting policies.

Key sources of estimation uncertainty

The Company makes an estimate of the recoverable value of its investments and debtors balances including intercompany balances as disclosed within these financial statements (refer to notes 5 and 6). The Company reviews its investments for impairment whenever events or changes in circumstances indicate that the carrying amount may not be supported by its underlying assets. The recoverability assessment requires the Directors to make estimates regarding the probability of the future earnings potential of the counterparty. An impairment charge of £75.0m was recognised in the year in relation to the Company's debtor balances. At 30 September 2020 the Directors are satisfied that the remaining investment and debtors balances amounts as disclosed are recoverable.

2 Profit/(loss) for the year

As permitted by section 408 of the Companies Act 2006, no separate profit and loss account or statement of comprehensive income is presented in respect of the parent Company. The profit or loss attributable to the Company is disclosed in the footnote to the Company's balance sheet.

The auditor's remuneration for audit and other services is disclosed in note 4 to the Consolidated financial statements.

3 Staff costs

a) Number of employees

The average number of persons (including Directors) employed by the Company during the year was as follows:

	2020 Number.	2019 Number
Directors	**6**	6

b) Employee costs

Their aggregate remuneration comprised:

	2020 £000	2019 £000
Wages and salaries	**1,081**	1,389
Social security costs	**149**	240
Share based payments	**–**	–
	1,230	1,629
Highest paid Director	**512**	823

4 Dividends

	2020			2019		
	Per share p	Settled in cash £000	Settled in scrip £000	Per share p	Settled in cash £000	Settled in scrip £000
Amounts recognised as distributions to equity holders in the year:						
Final dividend in respect of the prior year	1.6	13,012	–	1.0	7,391	–
Interim dividend in respect of the current year	–	–	–	0.9	6,652	–
	1.6	13,012	–	1.9	14,043	–

The Directors have not proposed a final dividend for the year ending 30 September 2020.

Under the terms of the trust deed dated 20 October 1998, the Hyve Group ESOT, which holds 812,656 (2019: 2,500,483) ordinary shares representing 0.3% of the Company's called up ordinary share capital, has agreed to waive all dividends due to it each year.

5 Fixed assets

Investments in subsidiaries

The Company has investments in the following subsidiary undertakings. The principal activity of all the companies listed is the organisation of exhibitions and conferences.

	Address	Effective Holding	%
ABEC Exhibitions & Conferences Pvt. Ltd	530, Laxmi Plaza, Laxmi Industrial Estate, New Link Road, Andheri (West), Mumbai – 400053, India	Ordinary shares	60
Airgate Holdings Ltd	42 Dositheou, Strovolos, Nicosia, 2028, Cyprus	Ordinary shares	100
Beautex Co LLC	Verkhniy Val 4A, Kyiv 04071, Ukraine	Ordinary shares	100
Breakbulk Ireland Ltd	5 Lapps Quay, Cork, Ireland T12 RW7D	Ordinary shares	100
Breakbulk US Holdco Inc	One Gateway Centre, Suite 2600, Newark, New Jersey NJ07102, USA	Ordinary shares	100
Breakbulk US Opco Inc	One Gateway Centre, Suite 2600, Newark, New Jersey NJ07102, USA	Ordinary shares	100
Cementone Properties Ltd+	2 Kingdom Street, London, England, W2 6JG	Ordinary shares	100
Fin-mark S.r.l.	Via del Castello 4, 40124 Bologna, Italy	Ordinary shares	100
Groceryshop, LLC	605 Third Avenue, 26th Floor, New York, NY10158, USA	Ordinary shares	100
Hyve (Europe) Exhibitions Ltd	2 Kingdom Street, London, England, W2 6JG	Ordinary shares	100
Hyve (US) Exhibitions Ltd	2 Kingdom Street, London, England, W2 6JG	Ordinary shares	100
Hyve Asia Exhibitions Ltd	Suite 1004, 10th Floor, Bank of America Tower, 12 Harcourt Road, Central, Hong Kong	Ordinary shares	100
Hyve Beauty Fuarcilik A S	19 Mayıs Caddesi Golden Plaza Kat:7 Şişli, İstanbul, Turkey	Ordinary shares	100
Hyve Build Fuarcilik A S	19 Mayıs Caddesi Golden Plaza Kat:7 Şişli, İstanbul, Turkey	Ordinary shares	100
Hyve China International Exhibitions and Conferences Services (Beijing) Co., Ltd	301-L302-2, 3/F, Wonderful World Commercial Plaza, 38 East 3rd Ring North Road, Chaoyang District, Beijing, China	Ordinary shares	100
Hyve Enterprises Ltd	2 Kingdom Street, London, England, W2 6JG	Ordinary shares	100
Hyve Eurasian Exhibitions Ltd	2 Kingdom Street, London, England, W2 6JG	Ordinary shares	100
Hyve Eventos Ltda	R. Des. Eliseu Guilherme, 53/59 – CJ 81 Paraíso, São Paulo – SP, Brazil 04004-030	Ordinary shares	100
HYVE Events (Shanghai) Company Ltd	Unit 2822, F/28, No. 1045 Middle Huaihai Road, Xuhui District, Shanghai, China	Ordinary shares	100
Hyve Events S.A. Ltd	2 Kingdom Street, London, England, W2 6JG	Ordinary shares	100
Hyve Events Services Ltd	2 Kingdom Street, London, England, W2 6JG	Ordinary shares	100
Hyve Events South Africa (Pty) Ltd	StoneMill Office Park, 1B Cornerstone House, 1st Floor, 300 Acacia Road, Darrenwood, 2194, South Africa	Ordinary shares	100
Hyve Events South Africa Holdco Ltd	2 Kingdom Street, London, England, W2 6JG	Ordinary shares	100
Hyve Expo International LLC	Verhniaia Krasnoselskaya st.,3/2, Moscow, Russia	Ordinary shares	100
Hyve Footwear Ltd	2 Kingdom Street, London, England, W2 6JG	Ordinary shares	100
Hyve Fuarcilik A.S	19 Mayıs Caddesi Golden Plaza Kat:7 Şişli, İstanbul, Turkey	Ordinary shares	100

5 Fixed assets continued

	Address	Effective Holding	%
Hyve Holdings Ltd+	2 Kingdom Street, London, England, W2 6JG	Ordinary shares	100
Hyve India Private Ltd	B-309, 3rd Floor, Statesman House, 29 Barakhamaba Road, New Delhi-110001, India	Ordinary shares	100
Hyve International Events Ltd	2 Kingdom Street, London, England, W2 6JG	Ordinary shares	100
Hyve Moda Footwear Ltd	2 Kingdom Street, London, England, W2 6JG	Ordinary shares	100
Hyve Moda Ltd	2 Kingdom Street, London, England, W2 6JG	Ordinary shares	100
Hyve Overseas Ltd	2 Kingdom Street, London, England, W2 6JG	Ordinary shares	100
Hyve Shanghai Exhibitions Co., Ltd	Room 1703, Soho Building, No. 575 Wusong Rd, Hongkou District, Shanghai, China	Ordinary shares	100
Hyve UK Events Ltd	2 Kingdom Street, London, England, W2 6JG	Ordinary shares	100
Hyve US Limited	2 Kingdom Street, London, England, W2 6JG	Ordinary shares	100
Hyve Worldwide B.V.	Business Center Demka, Demkaweg 11, 3555 HW Utrecht, The Netherlands	Ordinary shares	100
IEG International Ltd+	2 Kingdom Street, London, England, W2 6JG	Ordinary shares	100
Intermedia Exhibitions and Conferences Ltd	2 Kingdom Street, London, England, W2 6JG	Ordinary shares	100
International Trade and Exhibitions Ltd	2 Kingdom Street, London, England, W2 6JG	Ordinary shares	100
ITE Asia Pacific SDN BHD	A-11-02A, Empire Tower Office, Empire Subang, Jalan SS16/1, 47500 Subang Jaya, Malaysia	Ordinary shares	100
ITE Asia Pte Ltd	8 Shenton Way #21-07, AXA Tower Singapore 068811	Ordinary shares	100
ITE Ebseek Exhibitions Co Ltd	13/F Connaught Harbourfront House, Nos 35-36, Connaught West, Hong Kong	Ordinary shares	70
ITE Eurasian Exhibitions FZ LLC	Al Shatha Tower 26th Floor – Office 2613 Sheikh Zayed Road – Dubai UAE	Ordinary shares	100
ITE Exhibitions & Conferences Ltd	2 Kingdom Street, London, England, W2 6JG	Ordinary shares	100
ITE Expo UK Ltd	2 Kingdom Street, London, England, W2 6JG	Ordinary shares	100
ITE Fuarcilik Organizasyon ve Tanitim Hizmetleri Anonim St	19 Mayıs Cad. Golden Plaza No:3 Kat:7 Şişli-İstanbul Turkey	Ordinary shares	100
ITE Global LLC	Verhniaia Krasnoselskaya st.,3/2, Moscow, Russia	Ordinary shares	100
ITE International Holdings BV	Business Center Demka, Demkaweg 11, 3555 HW Utrecht, The Netherlands	Ordinary shares	100
ITE International Trade and Exhibitions EURL	24, route du CAP, 16412 Bordj El Kiffan, Algeria	Ordinary shares	100
ITE Overseas Holdings BV	Business Center Demka, Demkaweg 11, 3555 HW Utrecht, The Netherlands	Ordinary shares	100
ITE Russia LLC UK Ltd	2 Kingdom Street, London, England, W2 6JG	Ordinary shares	100
ITECA LLP	42 Timiryazev str., Almaty, Kazakhstan	Ordinary shares	100
ITEMF Expo LLC	Verkhnyaya Krasnoselskaya Str. 3, Bldg. 2, Floor a2, Suite I, Room 1, Moscow, 107140, Russia	Ordinary shares	100
Jacket Required Ltd	2 Kingdom Street, London, England, W2 6JG	Ordinary shares	100
MWB Magazines Ltd	2 Kingdom Street, London, England, W2 6JG	Ordinary shares	100
New Expostar (Shenzhen) Co Ltd	Unit C, 42/F, Block A, World Finance Centre, 4003 Shennan Dong Road, Shenzhen, China		
Premier Expo	Verkhniy Val 4A, Kyiv 04071, Ukraine	Ordinary shares	100
PT ITE Exhibitions Indonesia Ltd	Jl. Maritim Raya No. 4A Cilandak Barat, Jakarta Selatan, Dki Jakarta, Indonesia	Ordinary shares	51
RAS Holdings Ltd	2 Kingdom Street, London, England, W2 6JG	Ordinary shares	100
RAS Publishing Ltd	2 Kingdom Street, London, England, W2 6JG	Ordinary shares	100
Regent US Holdco Inc	1209 Orange Street, Wilmington, New Castle County, Delaware 19801, USA	Ordinary shares	100
Scoop International Fashion Ltd	2 Kingdom Street, London, England, W2 6JG	Ordinary shares	95
Shanghai AIGE Exhibition Service Ltd	Room 1001, Building B, Twin Towers, No. 618 Xinzhuan Road, Songjiang District, Shanghai, China	Ordinary shares	70

5 Fixed assets continued

	Address	Effective Holding	%
Shanghai ITE Ebseek Exhibition Co Ltd	Room 4057, 4/F, No. 173 Meisheng Road, Pilot Free Trade Zone, Shanghai, China	Ordinary shares	70
Shoptalk Commerce, LLC	605 Third Avenue, 26th Floor, New York, NY10158, USA	Ordinary shares	100
Shoptalk Europe Ltd	2 Kingdom Street, London, England, W2 6JG	Ordinary shares	100
Summit Trade Events Ltd	2 Kingdom Street, London, England, W2 6JG	Ordinary shares	100
WWB Magazines Ltd	2 Kingdom Street, London, England, W2 6JG	Ordinary shares	100

+ Held directly by Hyve Group plc.

The Company has guaranteed the liabilities of the following subsidiary undertakings in order that they qualify for the exemption from audit granted by section 479A of the Companies Act. The Directors of the Company expect that the possibility of this guarantee being called upon is remote.

Subsidiary undertakings	Registered numbers
Intermedia Exhibitions & Conferences Limited	03640982
Hyve Eurasian Exhibitions Limited	07307385
IEG International Limited	03448919
Hyve Enterprises Limited	03372928
Hyve Overseas Limited	02926434
Hyve Events Services Limited	03942985
Hyve Holdings Limited	06975153
Hyve (US) Exhibitions Limited	07841956
Hyve (Europe) Exhibitions Limited	07843009
ITE Russia LLC UK Ltd	06975105
RAS Holdings Ltd	04211246
Summit Trade Events Ltd	06446907
Hyve US Limited	08707579
Hyve Events South Africa Limited	09374049
International Trade and Exhibitions Limited	10128746
Hyve Moda Limited	04211308
RAS Publishing Limited	02725777
Hyve Moda Footwear Limited	02924254
Jacket Required Limited	07563504
Scoop International Fashion Limited	07441467
Shoptalk Europe Limited	10440875

Subsidiary undertakings

	Shares £000	Capital contribution £000	Total £000
Cost			
1 October 2019	1,429	30,187	31,616
Capital contribution	–	60	60
Additions	110,097	–	110,097
30 September 2019	**111,526**	**30,247**	**141,773**
Provision for impairment			
1 October 2019 and 30 September 2020	**429**	**23,574**	**24,003**
Net book value			
30 September 2020	**111,097**	**6,673**	**117,770**
30 September 2019	1,000	6,613	7,613

5 Fixed assets continued

Intangible assets

	Trademarks £000
Cost	
1 October 2019	103
Additions in the year	–
30 September 2020	**103**
Amortisation	
1 October 2019	63
Charge in the year	7
30 September 2019	**70**
Net book value	
30 September 2020	**33**
30 September 2019	40

6 Debtors due within one year

	2020 £000	2019 £000
Amounts owed by Group undertakings	**439,736**	467,567
Prepayments and accrued income	**–**	6
Corporation tax – Group relief	**–**	328
Other debtors	**64**	3
Deferred tax (note 7)	**34**	456
	439,834	468,360

The amounts owed by Group undertakings are payable on demand and bear no interest.

An impairment charge of £75.0m (2019: £nil) was recognised in the year in respect of amounts owed by Group undertakings.

7 Deferred tax

At the balance sheet date the Company has unused tax losses of £5.7m (2019: £3.4m) available for offset against future profits on which a deferred tax asset has not been recognised due to the unpredictability of future profit streams.

8 Trade and other creditors

	2020 £000	2019 £000
Bank loan	**17,500**	17,500
Corporation tax	**2,503**	–
Amounts owed to Group undertakings	**6,181**	27,618
Accruals	**217**	211
Other creditors	**162**	184
	26,563	45,513
Amounts due after one year		
Bank loan	**60,485**	54,072

The amounts owed to Group undertakings are payable on demand and bear no interest.

9 Called up share capital and reserves

	2020 £000	2019 £000
Allotted and fully paid		
265,128,107 ordinary shares of 10p each (2019: 741,618,456 of 1p each)	**26,513**	7,416

	2020 Number of shares	2019 Number of shares (restated[1])
At 1 October	**74,161,846**	74,161,846
Share placement	**7,416,180**	–
Rights issue	**183,550,081**	–
At 30 September	**265,128,107**	74,161,846

1 Number of shares has been restated to take account of the share consolidation of every 10 existing ordinary shares into 1 consolidated ordinary share.

On 28 May 2020, the Group completed a share consolidation of every 10 existing ordinary shares into 1 consolidated ordinary share. All shares amounts noted below are disclosed on a post-consolidation basis.

On 18 December 2019, the Group announced a fully underwritten non pre-emptive placing of up to 5,958,454 new ordinary shares raising gross proceeds of £52.4m (£50.0m net proceeds after expenses of £2.4m) to part-fund the acquisitions of Shoptalk and Groceryshop. Alongside this a subscription of 1,457,726 new ordinary shares was completed by the founders and certain other management shareholders of Shoptalk and Groceryshop following the acquisition.

On 12 June 2020, the Group issued 183,550,081 ordinary shares of 10p each through a nine for four rights issue at 69p per share and raised gross proceeds of £126.6m (£118.0m net proceeds after expenses of £8.6m which were deducted from share premium). The excess of cash received over the nominal value of the shares issued of £108.3m was recorded as share premium. The net proceeds were used to provide liquidity to the Group in the face of the COVID-19 outbreak.

The Company has one class of ordinary shares which carry no right to fixed income. At the Extraordinary General Meeting held on 17 November 1998, shareholders approved the establishment of the Hyve Group Employee Share Ownership Trust (ESOT). The terms of the ESOT allow the trustees to transfer shares to employees who exercise options under the Company's share option schemes, to grant options to employees and to accumulate shares by buying in the market or subscribing for shares at market value. The ESOT is capable of holding a maximum of 5% of the Company's issued ordinary share capital. The ESOT reserve arises in connection with the Employee Share Ownership Trust. The amount of the reserve represents the deduction in arriving at shareholders' funds for the consideration paid for the Company's shares purchased by the Trust which had not vested unconditionally in employees at the end of each financial year.

The ESOT held 812,656 shares in Hyve Group plc at 30 September 2020 (2019: 250,048 shares). During the year 117,211 nominal share options under the employees' Performance Share Plan and 14,442 nominal share options under the Deferred Bonus Share Plan were granted against ESOT-held shares. 562,608 shares were purchased for the ESOT through the aforementioned rights issue. The market value of the ordinary shares held by the ESOT at 30 September 2019 was £0.5m (2019: £2.1m).

The Company has agreed to make available to the ESOT an interest-free loan of up to £12.5m for the purpose of buying shares. At 30 September 2020, the amount of the loan drawn down was £12.0m. The Hyve Group plc Company profit and loss account and balance sheet include the results of the ESOT for the year ended 30 September 2020.

The trustees have waived their current and future rights to all dividend entitlement on the shares held by the ESOT. No options were exercised from ESOT during the year (2019: 5,650). The total consideration for the options exercised from ESOT was £nil (2019: £57). 2,459,094 of outstanding options are to be settled by ESOT, so all shares held by the ESOT are under option as at 30 September 2020. Details of the options in issue and their exercise dates can be seen at note 28 to the accounts.

Glossary

Alternative performance measures (APMs)

In accordance with the *ESMA Guidelines on Alternative Performance Measures* issued by the European Securities and Markets Authority (ESMA), additional information is provided on the APMs used by the Group below.

In the reporting of financial information, the Group uses certain measures that are not required under IFRS. These additional measures provide additional information on the performance of the business and trends to stakeholders. These measures are consistent with those used internally and are considered important to understanding the financial performance and position of the Group. APMs are considered to be an important measure to monitor how the Group is performing because this provides a meaningful comparison of how the business is managed and measured on a day-to-day basis and achieves consistency and comparability between reporting periods.

These APMs may not be directly comparable with similarly titled profit measures reported by other companies and they are not intended to be a substitute for, or superior to, IFRS measures.

<table>
<tr><th>APM</th><th>Closest equivalent statutory measure</th><th>Reconciling items to statutory measure</th><th>Definition and purpose</th></tr>
<tr><td>Headline profit before tax</td><td>Profit/(loss) before tax</td><td>Adjusting items as disclosed in note 5</td><td>Headline profit before tax is profit/(loss) before tax and adjusting items, as presented in note 5. In addition to providing a more comparable set of results year-on-year, this is also in line with similar adjusted measures used by our peer companies and therefore facilitates comparison across the industry.

Refer to the Chief Financial Officer’s statement for a reconciliation to the statutory measure, and explanations of the amounts adjusted for.</td></tr>
<tr><td>Headline operating profit</td><td>Operating profit</td><td>Operating adjusting items as disclosed in note 5</td><td>Headline operating profit is operating profit before operating adjusting items, as presented in note 5.
<table>
<tr><th></th><th>20
£000</th><th>2019
£000</th></tr>
<tr><td>Operating (loss)/profit</td><td>(306,712)</td><td>14,172</td></tr>
<tr><td>Operating adjusting items (note 5)</td><td>296,067</td><td>41,591</td></tr>
<tr><td>Headline operating (loss)/profit</td><td>(10,645)</td><td>55,763</td></tr>
</table></td></tr>
<tr><td>Headline operating profit margin</td><td>Operating profit margin</td><td>Operating adjusting items as disclosed in note 5</td><td>Headline operating profit margin is headline operating profit as a percentage of revenue.</td></tr>
<tr><td>Headline EBITDA</td><td>Operating profit</td><td>Operating adjusting items as disclosed in note 5, depreciation of property, plant and equipment and amortisation of computer software.</td><td>Headline EBITDA is headline operating profit before operating adjusting items, depreciation of property, plant and equipment and amortisation of computer software.
<table>
<tr><th></th><th>2020
£000</th><th>2019
£000</th></tr>
<tr><td>Operating (loss)/profit</td><td>(306,712)</td><td>14,172</td></tr>
<tr><td>Operating adjusting items (note 5)</td><td>296,067</td><td>41,591</td></tr>
<tr><td>Depreciation of property, plant and equipment (note 15)</td><td>4,849</td><td>1,704</td></tr>
<tr><td>Amortisation of computer software (note 14)</td><td>2,422</td><td>1,262</td></tr>
<tr><td>Headline EBITDA</td><td>(3,374)</td><td>58,729</td></tr>
</table></td></tr>
<tr><td>Net debt</td><td>Cash and cash equivalents less bank loans and lease liabilities</td><td>Reconciliation of net debt (note 30)</td><td>Net debt is defined as cash and cash equivalents after deducting bank loans and lease liabilities.</td></tr>
<tr><td>Adjusted net debt</td><td>Cash and cash equivalents less bank loans</td><td>Reconciliation of net debt (note 30)</td><td>Adjusted net debt is defined as cash and cash equivalents after deducting bank loans.

The Board consider adjusted net debt to be a reliable measure of the Group’s net indebtedness that provides an indicator of the overall balance sheet strength. It is also a single measure that can be used to assess the combined impact of the Group’s cash position and its indebtedness and can be compared consistently against prior periods.</td></tr>
<tr><td>Adjusted net debt : Headline EBITDA</td><td>None</td><td>N/A</td><td>Adjusted net debt : Headline EBITDA is the ratio of adjusted net debt to headline EBITDA.</td></tr>
</table>

APM	Closest equivalent statutory measure	Reconciling items to statutory measure	Definition and purpose
Cash conversion	None	N/A	Cash conversion is defined as headline cash generated from operations as a percentage of headline operating profit before non-cash items. Headline cash generated from operations is cash generated from operations before net venue utilisation, the cash impact of adjusting items included in the definition of headline profit before tax after adjusting for any wrong pockets true ups through working capital adjustments on acquisitions or disposals. Headline operating profit before non-cash items is headline operating profit before foreign exchange gains/losses, depreciation and amortisation.

	2020 £000	2019 £000
Cash generated from operations	7,753	40,353
Net venue utilisation	903	12
Adjusting items:		
Integration costs	531	6,791
Restructuring costs	823	4,218
Transaction costs on completed and pending acquisitions and disposals	3,270	1,462
Adjustment to reflect timing of cash flow for above adjusting items	793	1,847
Working capital adjustment on acquisitions	–	1,409
Adjusted cash flow from operations	**14,073**	56,092
Headline operating (loss)/profit	(10,645)	55,763
Depreciation of property, plant and equipment (note 15)	4,849	1,704
Amortisation of computer software (note 14)	2,422	1,262
Foreign exchange loss/(gain) on operating activities	(2,806)	1,140
Headline operating (loss)/profit on a cash basis	**(6,180)**	59,869
Cash conversion	**-228%**	94%

APM	Closest equivalent statutory measure	Reconciling items to statutory measure	Definition and purpose
Headline basic earnings per share	Basic earnings per share	Adjusting items in the earnings per share note (note 11)	Profit after tax attributable to owners of the parent and before the impact of adjusting items, divided by the weighted average number of ordinary shares in issue during the financial year.
Headline diluted earnings per share	Diluted earnings per share	Adjusting items in the earnings per share note (note 11)	Profit after tax attributable to owners of the parent and before the impact of adjusting items, divided by the weighted average number of ordinary shares in issue during the financial year adjusted for the effects of any potentially dilutive options unless anti-dilutive.
Headline effective tax rate	Effective tax rate	Adjusting items and the tax impact of adjusting items (note 5 and note 9)	The income tax charge for the Group excluding the tax impact of adjusting items, divided by headline profit before tax. This measure is a useful indicator of the ongoing tax rate for the Group.

	2020 £000	2019 £000
Tax credit/(charge) per income statement	10,097	(4,585)
Tax on share of results of associates and joint ventures	(1,536)	(1,900)
Tax impact of adjusting items	(12,921)	(6,630)
Headline tax charge	**(4,360)**	(13,115)
Headline (loss)/profit before tax	**(18,697)**	50,408
Headline effective tax rate	**-23%**	26%

APM	Closest equivalent statutory measure	Reconciling items to statutory measure	Definition and purpose
Headline return on capital employed (ROCE)	None	Operating adjusting items as disclosed in note 5	Headline ROCE is calculated as headline operating profit (i.e. before adjusting items) divided by net assets excluding all balances relating to any provisions, financial instruments, interest-bearing liabilities and cash or cash equivalents.

Headline ROCE	2020 £000	2019 £000
Headline operating (loss)/profit (A)	**(10,645)**	55,763
Non-current assets:		
Acquired goodwill	**66,829**	209,970
Acquired intangibles	**240,572**	270,608
Property, plant and equipment	**17,964**	5,167
Interests in associates and joint ventures	**37,444**	43,374
Deferred consideration receivable	**6,865**	3,795
Deferred tax asset	**12,362**	8,547
Current assets:		
Trade and other receivables	**34,224**	59,024
Tax prepayment	**1,374**	3,300
Current liabilities:		
Trade and other payables	**(58,454)**	(33,390)
Corporation tax	**(1,360)**	(1,929)
Deferred income	**(61,276)**	(79,701)
Non-current liabilities:		
Deferred tax liability	**(25,675)**	(40,655)
Deferred income	**–**	(291)
Capital employed (B)	**270,869**	447,819
Headline ROCE (A/B)	**-3.9%**	12.5%

APM	Closest equivalent statutory measure	Reconciling items to statutory measure	Definition and purpose
Like-for-like	None	N/A	Like-for-like (or underlying) results are stated on a constant currency basis, after excluding events which took place in the current period, but did not take place under our ownership in the comparative period and after excluding events which took place in the comparative period, but did not take place under our ownership in the current period. This excludes: • Biennial events; • Timing differences (i.e. events that ran in only one of the current or comparative periods, due to changes in the event dates); • Launches; • Cancelled or disposed of events that did not take place under our ownership in the current year; • Acquired events in the current period; and • Acquired events in the comparative period that didn't take place under our ownership in the comparative period (i.e. they took place pre-acquisition). Refer to the Chief Finance and Operations Officer's statement for a reconciliation to the closest statutory measures.
Forward bookings	None	N/A	Forward bookings are contracted revenues for the following financial year. Unless otherwise stated these are as at the date of announcement (i.e. late November/early December each year).

Financial calendar

Pre-close announcement	23 September 2020
Preliminary results announcement	1 December 2020
AGM	21 January 2021
Q1 trading update	21 January 2021
Q2 trading update	6 April 2021
Interim results announcement	18 May 2021
Q3 trading update	6 July 2021

Shareholder profile at 30 September 2020

Range of holdings	Number of shareholders	Percentage of total shareholders (%)	Ordinary shares (million)	Percentage of issued share capital (%)
1–100	342	33.76	10,824	0.00
101–1,000	306	30.12	104,675	0.04
1,001–10,000	137	13.48	462,601	0.17
10,001–100,000	98	9.65	4,283,602	1.62
100,001–1,000,000	87	8.56	27,789,640	10.48
1,000,001–999,999,999	45	4.43	232,476,765	87.68
Totals	**1,015**	**100.00**	**265,128,107**	**100.00**

Category	Number of shareholders	Percentage of total shareholders (%)	Ordinary shares (million)	Percentage of issued share capital (%)
Private individuals	669	65.91	417,616	0.16
Nominee companies	253	24.93	209,976,669	79.20
Limited and public limited companies	59	5.81	11,045,512	4.17
Other organisations and banks	34	3.35	43,688,310	16.48
Totals	**1,015**	**100.00**	**265,128,107**	**100.00**

Share price

London Stock Exchange, pence per 10p share

Highest	617.97p
Lowest	62.50p

In respect of the above, the following should be noted:

- In May 2020, the Group completed a share consolidation of every 10 existing shares into 1 consolidated ordinary share
- In June 2020, the Company completed a fully underwritten rights issue of up to 9 new ordinary shares at 69p each for every 40 existing ordinary shares, equivalent to 9 new ordinary shares at 69p each for every 4 consolidated ordinary shares, to raise gross proceeds of c.£126.6m (c.£116.8m net of expenses)
- The rump placing was priced at 115p, a 0.5% discount to the closing price on 11 June 2020, and above the TERP at the date of the initial announcement of the rights issue

Dividend calendar

Dividends suspended in respect of financial year ended 30 September 2020; future dividends will be kept under review.

Share dealing services

The Company's Registrar, Equiniti Limited, offers a telephone and internet dealing service, Shareview, which provides a simple and convenient way of buying and selling shares. For telephone dealings please call 0345 603 7037 between 8:00am and 4:30pm, Monday to Friday, and for internet dealings please log on to **www.shareview.co.uk/dealing**.

Electronic communications

Shareholders can elect to receive shareholder documents electronically by registering with Shareview at **www.shareview.co.uk**. This will save on printing and distribution costs, creating environmental benefits. When you register, you will be sent an email notification to say when shareholder documents are available on our website and you will be provided with a link to that information. When registering, you will need your shareholder reference number, which can be found on your share certificate or proxy form. Please contact Equiniti Limited if you require any assistance or further information.

Directors, advisers and other information

Directors

Richard Last
Non-Executive Chairman

Nicholas Backhouse
Non-Executive Director

Sharon Baylay
Non-Executive Director

Andrew Beach
Chief Financial Officer (resigned 30 September 2020)

John Gulliver
Chief Finance and Operations Officer (appointed 1 October 2020)

Stephen Puckett
Non-Executive Senior Independent Director

Mark Shashoua
Chief Executive Officer

Company Secretary

Jared Cranney
(appointed 25 November 2019)

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