ITE GROUP PLC

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ITE GROUP PLC
("ITE" or the "Group")

PRELIMINARY RESULTS ANNOUNCEMENT

Transformation and Growth Programme ("TAG") is delivering ahead of plan driving double-digit growth

Financial highlights	**Year to 30 September 2018**	**Year to 30 September 2017 (restated*)**
Volume sales	766,300m[2]	679,900m[2]
Revenue	£175.7m	£152.6m
Headline profit before tax[1]	£35.4m	£31.6m
Loss before tax	£(3.7)m	£(3.2)m
Headline diluted earnings per share[2]	4.9p	5.0p
Diluted earnings per share	(1.6)p	(1.9)p
Full year dividend per share	2.5p	2.5p
Net debt[3]	£82.7m	£49.7m

- Revenue of £175.7m; growth of 11% on a like-for-like[4] basis
- Success of the TAG programme evidenced in the growth across our Top 10 Core events, up 14% on a like-for-like basis
- Headline profit before tax of £35.4m, growth of 20% on a like-for-like basis
- Statutory loss before tax; after amortisation of intangible assets, transaction costs and costs associated with the TAG programme
- Strong cash generation[5] of 113%
- Full year dividend cover maintained in line with policy
- Forward bookings[6] of £147m already contracted for FY19, up 11% on a like-for-like basis

Strategy update

- Year of significant change as a result of focusing on our Transformation and Growth (TAG) programme - designed to drive growth and improve the quality of the Group's portfolio:
  - Acquisition of Ascential Events - seven market-leading brands added to the portfolio, tripling our global brands, with integration on track
  - Disposal or closure of 29 regional events during the year as part of the active management of our event portfolio, followed by the sale of 56 non-core regional Russian events just after the year end
  - Acquisition of Mining Indaba after the year end
- Delivering ahead of schedule on four of our five targets for the three-year TAG programme, and on track to deliver the fifth to plan

**Earnings per share and dividend per share for the year ended 30 September 2017 have been restated as a result of the rights issue which took place during the 2018 financial year*

Mark Shashoua, CEO of ITE Group plc, commented:

"I am pleased to report that the TAG programme is already delivering. ITE has posted like-for-like revenue growth of 11%, as well as like-for-like profit before tax growth of 20% for the financial year. This was particularly visible in the revenue growth of our Top 10 events, which were up 14% in total for the year. We delivered this performance despite difficult conditions in many of our markets - with tougher sanctions in Russia and political instability in Turkey. The quality of our portfolio has improved as we have disposed of events requiring significant levels of investment that would impact future profitability. We have also bought eight market-leading brands. The integration of these events is on track and we expect to reach most of our TAG targets earlier than planned.

Trading for FY19 is currently in line with the Board's expectations, this is underpinned by strong indicators with circa. £147m of forward bookings, up 11% on last year on a like-for-like basis. We are well-placed to continue to realise our vision of creating the world's leading portfolio of content-driven, must-attend events that deliver an outstanding experience and ROI for our customers. We have implemented a significant amount of organic growth initiatives in 2018 that have already driven strong growth. We look forward to building on these achievements in 2019 and beyond."

1. *Headline profit before tax is defined as profit before tax and adjusting items which include amortisation of acquired intangibles, impairment of goodwill, intangible assets and investments, profits or losses arising on disposal of Group undertakings, restructuring costs, transaction and integration costs on completed and pending acquisitions and disposals, tax on income from associates and joint ventures, gains or losses on the revaluation of deferred/contingent consideration and on equity option liabilities over non-controlling interests, and imputed interest charges on discounted equity option liabilities - see note 3 to the consolidated financial statements for details.*
2. *Headline diluted earnings per share is calculated using profit attributable to shareholders before adjusting items - see notes 3 and 10 to the consolidated financial statements for details.*
3. *Net debt is defined as cash and cash equivalents after deducting bank loans.*
4. *Like-for-like 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. For clarity, this excludes all:*
   - *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).

5. Cash conversion is defined as cash generated from operations before net venue utilisation and the cash impact of the adjusting items included in the definition of headline profit before tax, expressed as a percentage of headline profit before tax adjusted for net finance costs and non-cash profits, including foreign exchange gains/losses, depreciation and amortisation.
6. Forward bookings are contracted revenues for the year ending 30 September 2019. These are the bookings as at 30 November 2018, unless otherwise stated.

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Chairman's statement

Strong overall trading performance

I am pleased to introduce to shareholders the ITE Group plc ("the Group") Annual Report for the year ended 30 September 2018. These results demonstrate a second year of growth and the continuing and successful implementation of the Transformation and Growth ("TAG") programme where we now expect to reach most targets earlier than originally planned.

Revenue for the year was £175.7m (2017: £152.6m), growing by 11% on a like-for-like basis. This is the second consecutive year of like-for-like revenue growth and the first year of revenue and volume growth since 2014. This signifies the positive impact the TAG programme is having by enabling us to grow our key events organically. Headline profit before tax increased to £35.4m (2017: £31.6m), even after an incremental £4.4m in ongoing TAG costs in the year. Loss before tax increased to £3.7m (2017: £3.2m). Headline diluted earnings per share for financial year 2018 were 4.9p.

In July 2018 the Group acquired the Ascential Events business for a total consideration of £300.3m, of which £255.9m was financed by a share rights issue and the remainder was financed by increasing our bank debt. At the year end, the group's net debt amounted to £82.7m (2017: £49.7m). The integration of the Ascential events business is progressing well and to plan.

Delivering our vision

The Group's vision is being realised through the TAG programme, which we launched in 2017 and has already started to have a positive impact on trading performance in 2018, which we expect to continue. Of the £20m earmarked for the TAG programme that was reported last year, we have already committed £12.0m within guidance.

At the beginning of the year there was significant progress in creating a scalable platform - adding the final members to the best practice regional teams, planning for the system changes and introducing lead generation, content and customer success initiatives into our leading shows. We have also focused on actively managing our portfolio, which is a critical element of re-shaping our business through the disposal of two businesses in Malaysia, the closure of 28 events during the year and the sale of the 56 non-core regional Russian events shortly after the year end. We have also been successful in making product-led acquisitions. As noted above, in July we completed the acquisition of the Ascential Events business, a portfolio of seven market-leading events and a major accelerator of our TAG programme. We also completed the acquisition of Mining Indaba in October 2018, a world leading mining investment conference, which will be highly complementary to Africa Oil Week.

We have now re-shaped our business to become more balanced in terms of regional exposure, through the acquisition of two global events brands, Bett and CWIEME, as well as other market leading shows in the UK. Management time and investment continues to focus on our leading events; our vision remains the same - to build world class, market-leading events.

You will find more details in the Chief Executive Officer's Statement.

Dividends

Full year dividend cover has been maintained at two times headline earnings per share. The full year dividend per share is proposed at 2.5p (2017: 2.5p, restated for the impact of the bonus element rights issue). The total dividend declared for 2018 is expected to amount to £11.4m (2017: £10.7m), representing an increase of 7%. The Board believes this to be appropriate and in the long-term interests of the shareholders. The proposed final dividend of 1.0p is due for payment on 4 February 2019 to shareholders on the register on 4 January 2019.

Board Changes

The Board recognises the importance of strong corporate governance, which is key to a good business. We remain dedicated to implementing and maintaining robust processes to identify and mitigate risk and to follow best practices, ensuring we deliver on our commitment to shareholders.

I joined the Board on 12 February 2018 and have greatly enjoyed my first ten months as Chairman.

After ten years on the Board, Neil England will be stepping down and will not be offering himself for re-election at the Group's 2019 AGM. I would like to thank Neil for his dedication and in particular for his guidance to the Group during his tenure as Chairman.

Linda Jensen, having served as Non-Executive Director for six years, stepped down from the Board at the end of April and left with the Board's thanks and good wishes.

Our People

This year has been truly transformative for the Group, not just due to the acquisitions and disposals, but also because of the re-shaping of our teams to drive the Group towards its vision. We have welcomed many new joiners and successfully integrated over 220 colleagues from the acquisitions we have made. Our business and its success depend on the hard work and dedication of employees, who have worked tirelessly to deliver another year of excellent results. On behalf of the Board I would like to take this opportunity to thank all our 1,559 employees for their loyalty and service.

Outlook

The year has been one of considerable activity and progress on the TAG programme. The Group has taken a number of important steps towards realising its vision for the business and embracing the dynamic change needed to deliver on its potential. This has been despite an increase in sanctions in Russia, instability in Turkey and economic uncertainty in a number of the Group's key markets. It is likely that this uncertainty and volatility will continue into the future; where possible we will take measures to mitigate these effects.

The impact of building the scalable platform, as part of the TAG programme, can already be seen from the higher NPS scores, visitor numbers and operational improvements at our events. These benefits are illustrated most clearly by our forward bookings, with revenues 11% ahead of this time last year on a like-for-like basis. Given the goals achieved in the last year, the Board remains positive on the Group's future growth prospects and current trading is in line with the Board's expectations.

Chief Executive Officer's Statement

2018 has been a year of significant transformation and implementation of the Transformation and Growth (TAG) programme within the Group. The early benefits of TAG are clearly being seen in our results for 2018.

In 2018 we have delivered double-digit revenue and headline profit growth on both an actual and a like-for-like basis. This reflects the significant progress made to date on implementing the TAG programme, which is now delivering returns ahead of schedule while remaining on track to stay within the original budget.

This is the first year that we have seen like-for-like growth in both yield and volume since 2014. Our top 10 events grew revenues by 14% on a like-for-like basis in 2018 and forward revenue bookings into 2019 are up 11% on a like-for-like basis. Revenues for the year were £175.7m (2017: £152.6m), up 11% on a like-for-like basis. The reported loss before tax of £3.7m (2017: £3.2m), was after £39.1m of adjusting items, including transaction and integration costs of £10.8m (2017: £0.4m), primarily in relation to the Ascential Events acquisition. Headline profit before tax was £35.4m (2017: £31.6m) and headline diluted EPS was 4.9p (2017 restated: 5.0p).

When I joined two years ago, ITE was a de-centralised business that had experienced four years of decline, largely due to the financial crisis in Russia, and the company had initiated a margin protection strategy. Whilst it was an understandable response at the time, the thorough strategic review we undertook in early 2017 showed the cost reduction process had led to an underperformance versus the market. Also as a consequence, the events were not in a position to recover once the markets recovered. In addition, customer behaviours had shifted towards attending only market-leading events, ones that also provided experience and content that drove higher quality visitors, in turn giving the best return on investment (ROI) and return on time (ROT) for the customers.

Since then we have worked hard to ensure that our events are focused on customer experience, particularly by providing enhanced content and tailored customer service. By also improving our systems and increasing our operational rigour we have been able to drive organic growth across our core shows that is significantly ahead of GDP growth in the markets in which we run our events.

In 2017, we set three main priorities for the year ended 30 September 2018. These were to:

1. Continue the focus on trading;
2. Deliver the TAG programme, with a particular emphasis on introducing lead generation, content and customer success, so that all our core invested shows run at the same high level of quality, wherever they are in the world; and
3. Implement one global ITE way of working and further develop our sales-led, high performing culture, ensuring everyone is working together as one team towards the common goal of each event, to maximise our potential and service to our customers.

I am pleased to report that clear progress has been made against all three priorities, despite some challenging market headwinds, which has enabled us to move quickly from the successful implementation phase in 2018 onto the execution phase in 2019.

Progress on our strategy

We continue to drive forward towards our vision, which is to create the world's leading portfolio of content-driven, must-attend events delivering an outstanding experience and ROI for our customers. This vision now informs every decision we make.

The TAG programme is our means of delivering that vision, which continues to be executed across the Group and comprises three pillars:

1. Create a scalable platform
2. Actively manage our portfolio
3. Make selective product-led acquisitions

By putting exhibitors and visitors at the heart of everything we do, we strive to run the best shows and offer the best service to our customers worldwide. This in turn is driving improvements in customer retention rates and spend per customer, as well as giving us the ability to attract both new and lapsed customers. We have refined our portfolio and our continuing emphasis on a product-led strategy has seen the acquisition of eight market-leading events in the year and one subsequent to the year end.

The TAG programme, and the impact of its investment into our events, have driven significant revenue growth at a number of our events including Breakbulk Europe, WorldFood Istanbul, TransRussia, YugAgro, RosUpack, Emitt, and MosBuild.

2018 was our second year of implementing the three-year TAG programme and significant progress has been made to date:

We are creating a scalable platform

It is our belief that a more efficient model can be used across the world by standardising the operational running of an event. We believe that sales rigour, marketing, operations and workflows can be standardised and rolled out across the world to create a more efficient approach and ensure a higher level of quality across all events, regardless of geography.

This year we have rolled out our best practice blueprints globally, illustrating the best practice method for specific business areas including marketing, customer success and operations.

We have now recruited all the senior team of 'heads of best practice' globally and it is their responsibility to ensure global adoption, and continuous review, of the blueprints. They are supported by newly-appointed regional excellence teams, responsible for maintaining the implementation of TAG initiatives throughout our divisions.

We have established a global technology team who have rolled out a number of new systems that are streamlining our business. Our new CRM system has recently gone live in several markets. We also launched several back-office systems to improve efficiency and reporting.

The focus in 2019 will be on the design and implementation of a new finance system, which will give greater transparency of financial performance globally and provide enhanced financial information instantly to allow the business to make more informed decisions. We will also continue to roll out training of the new systems implemented throughout 2018.

The scalable platform is delivering some impressive initial results. A focus on lead generation resulted in new business increasing by an average of 15% over the past two years. Over 21,000 visitors alone interacted with our content and we featured over 1,400 professional speakers at our events in 2018. In customer success, over 5,000 calls were made to understand our customers better and we have introduced multi-language portals to be more accessible to our customers. This element will in turn drive higher retention rates, particularly from first-time customers.

These improvements into our products and operational focus have already improved customer retention from 72% to 81% by value and 70% to 79% by volume.

We are on track with all of our TAG workstreams for creating a scalable platform, bar one - value-based pricing. We are on track to trial this in four, but due to commercial reasons we have had to postpone the trials on two further shows.

We are proactively managing our portfolio

Having a portfolio of market-leading events is the key to achieving sustainable growth. At the beginning of the TAG programme, we defined which events were market-leading or had the potential to become market-leading - our core events. These events now receive the full suite of our TAG initiatives. We also recognised that there were a certain number of events that did not fit into this profile and should receive only partial elements of our TAG programme. Lastly, there were a number of events that we believed would have greater prospects elsewhere, so we have looked for an opportunity to sell or close those events.

In 2018, we made significant headway in managing our portfolio. In April we sold TradeLink, the owner of MetalTech, the metalworking exhibition in Malaysia. In July we sold our 75% stake in ECMI ITE Asia ("ECMI"), a Malaysian-based events business responsible for the Cosmobeauté series of beauty trade exhibitions in Malaysia, Indonesia and Vietnam, and the biennial Lab series of Scientific Instrument and Laboratory Equipment trade exhibitions in Malaysia and Indonesia.

We reached the decision, for both businesses, that we would never achieve the scale required in these markets to justify the TAG investment needed to bring them to an international standard, and take them to the next level.

Finally, just after the year end, we completed the sale of ITE Expo LLC, which operates 56 non-core regional events in Russia. These events had been yield-driven for many years and the cost to improve and bring them up to an international standard would have diminished profitability. This sale has considerably changed the geographic shape of our business in 2019.

We have completed significant, product-led acquisitions

The success of the first two pillars of the TAG programme has enabled us to achieve some significant milestones with regards to the third pillar, and the events we acquired throughout 2018 will benefit from the scalable platform that we have created. In July, we completed the acquisition of the Ascential Events business. The portfolio of seven market-leading brands was the perfect fit for our business and aspirations. It trebled the number of global brands in our portfolio and five of the events were of such significant size and success, that they will enter straight into our top 10 events by revenue in 2019.

The portfolio includes events such as Bett, the global education technology series of shows, CWIEME, the leading global event for coil winding, electric motor and transformer manufacturing technologies, plus Spring and Autumn Fair, the UK's largest seasonal home and gift shows. The seven brands will each now benefit from the scalable platform that we have created in order to drive organic growth.

Another benefit of this acquisition was the opportunity to move our headquarters into the new office in Paddington under the favourable lease held by the Ascential Events business. This office and location better suit the ambitions of our transforming organisation, as well as being a means to attract and keep top talent within the company.

In October 2018 we also acquired Mining Indaba, which is the world's largest mining investment conference dedicated to the development of mining in Africa. We are delighted to be the owners of this iconic event, which is highly complementary to our Africa Oil Week event.

The integration of the Ascential Events business is progressing in line with expectations and we are on track to deliver between £4m and £5m of synergies, in line with our guidance at the time of the acquisition.

We announced that 50% of these synergies would be re-invested into driving growth within the acquired events and we are pleased with the progress of the rollout of our investment plans so far. As many of these shows are in the first half of FY19, these investment plans are critical to driving growth in FY20. The team has worked incredibly hard to make this happen and it is a great illustration of the commitment and performance-led culture that we are building.

Trading

There have been clear benefits to our trading from implementing the scalable platform. By ensuring we have the right systems in place, we have increased our output considerably. We have tightened our operations, ensured consistent blueprints and introduced the initiatives of standardised sales processes, content, customer success and lead generation, which are all having a major impact on the revenue growth of our core shows. Onsite re-bookings have increased significantly and visitor NPS rose to +20 from +16. The impact of these initiatives can also be seen in the like-for-like revenue growth, and the growth in volume, since 2014.

Geographic exposure

We recognise that a number of our events take place in emerging markets which continue to have volatility such as increased sanctions in Russia, heightened tensions in Ukraine and political disruption in Turkey, as well as uncertainty surrounding Brexit in the UK. However, the majority of our shows have continued to perform well due to the increased focus we place on improving the quality of our events, operational rigour and management experience in these regions.

There were two exceptions during the year. Firstly, Moscow International Oil & Gas Exhibition (MIOGE), suffered from low exhibitor interest due to running the event annually, coupled with the effect of the sanctions on international energy companies being able to trade in Russia, resulting in a fall in volumes. In the UK we have seen the continued decline of Moda, a trade fashion event in Birmingham, due to the historic lack of investment having caused Moda to be seen as second in the market. UK performance was also impacted by the cancellation of Bubble, a niche, high-end childrenswear event which made low margins and low profits.

We are driving a culture of performance

One of the main drivers of our strategy is a relentless focus on performance, and we believe that a strong sales and marketing performance culture drives organic growth. Every member of the sales team has personal monthly targets which are tracked on a daily and weekly basis and we reward those who have the best performance and behaviours. We incentivise our sales teams to ensure early bookings and differentiate commissions to drive new and lapsed sales early in the sales cycle. This in turn achieves increased retention as our customers can plan their participation earlier in the cycle.

Last year we expanded Club Elite, our global reward and recognition programme, from our sales teams to the marketing and support teams to motivate and reward the whole business.

We have also invested heavily in training programmes, ensuring that the sales and marketing teams understand the principles contained in the event blueprints, and that they are all working as one team, wherever they are in the world.

Accelerating into the curve

In 2017 we completed a comprehensive planning exercise and throughout 2018 we implemented those plans. In 2019, we will focus on the execution of our plans, to continue to realise the benefits that we are already seeing.

We have three priorities for 2019:

- **Focus on trading**: We will build on the solid performance achieved in 2018 and continue to grow. We will continue to invest in our shows, continue to exceed our objectives and deliver better performance.
- **Embed operational rigour**: We will take the best practice blueprints we developed last year and implement them consistently across all our shows to ensure continuing organic growth.
- **Create a culture of success**: We will continue to employ and reward the very best people and continue to nurture a culture of high performance. We will invest in training and development programmes, so that our people can service our customers in a more rigorous and efficient way.

We are passionate about the quality of our shows. Our business is no longer just about the square metres that we sell, it's also about creating the highest quality event, curating world-class content and giving our customers an experience that they won't forget. This in turn drives greater retention and ability to attract new and lapsed customers to our shows.

Outlook

We will continue to focus on trading, whilst we embed our newly-acquired events using the scalable platform that we are building. The uncertain geopolitical situation continues across some of our markets and therefore is a potential headwind, along with adverse currency movements. However, we are confident that our experience in operating in these challenging markets will allow us to overcome these headwinds.

The Board is confident in the Group's future growth prospects as it enters a new financial year. 2018 has been a year of considerable activity, progress and portfolio management, with the Group taking a number of important steps towards realising its vision of creating "the world's leading portfolio of content-driven, must-attend events delivering an outstanding experience and ROI for our customers". We have achieved a major element of our TAG programme this year and look forward to a continued fast pace into 2019.

Chief Financial Officer's Statement

Overview

Revenues for the year were £175.7m (2017: £152.6m), up 11% on a like-for-like basis following like-for-like volume and yield growth for the first time since 2014. This growth demonstrates the positive impact our TAG initiatives are having and the benefit of focusing on our core events. Looking ahead, TAG continues to have a positive impact. Deferred income has increased to £100.6m (2017: £82.6m), a significant element of which is as a result of the acquisition of Ascential Events, but on a like-for-like basis, therefore excluding the impact of Ascential Events, forward bookings at 30 September 2018 were up 14%.

Revenue Bridge						
2017 Revenue	*Biennials and timing differences*	*Acquisitions and disposals*	*Launches and cancellations*	*Foreign Exchange*	*LFL Growth*	**2018 Revenue**
£152.6m	*£5.8m*	*£15.6m*	*(£2.8m)*	*(£11.8m)*	*£16.3m*	**£175.7m**

The Group reported a loss before tax of £3.7m (2017: £3.2m loss), after including adjusting items of £39.1m (2017: 34.8m) and the first full year of TAG costs not presented as adjusting items of £7.3m (2017: £2.8m), discussed further below. Share of results of associates and joint ventures have increased to £5.9m (2017: £5.0m), following strong performance from the Chinacoat event in Shanghai, operated by our joint venture, Sinostar.

Headline profit before tax is an alternative performance measure used by the Group to measure underlying trading performance. After excluding adjusting items, headline profit before tax was £35.4m (2017: £31.6m). Included within headline profits were an additional £4.4m of costs associated with the TAG programme, which includes the cost of our heads of best practice responsible for designing, establishing and evolving the 'ITE way' and investment in content programmes to improve the event experience for visitors and exhibitors to create must-attend events. On a like-for-like basis headline profit before tax has grown by 20%, considerably ahead of the 2% growth in 2017 and the declines seen in the preceding few years, and ahead of the rate of like-for-like revenue growth.

Headline PBT Bridge							
2017 Headline PBT	*Biennials and timing differences*	*Acquisitions and disposals*	*Launches and cancellations*	*TAG costs*	*Foreign Exchange*	*LFL Growth*	**2018 Headline PBT**
£31.6m	*£1.5m*	*£2.8m*	*£0.1m*	*(£4.4m)*	*(£1.8m)*	*£5.6m*	**£35.4m**

Basic and diluted EPS were (1.6)p (2017 restated: (1.9)p). The Group achieved headline diluted EPS of 4.9p (2017 restated: 5.0p). The 2017 EPS comparatives have been restated to take into account the bonus issue of shares following the rights issue in July 2018. The decrease in headline diluted EPS is due primarily to the impact of the rights issue which has increased the number of shares in issue, partially offset by the Group's increased profitability in 2018, even after the increased TAG costs.

Headline Diluted EPS Bridge						
2017 EPS (restated)	*TAG costs*	*Increase in profits*	*Decrease in NCI profits*	*Change in effective tax rate*	*Change in no. of shares in issue*	**2018 EPS**
5.0p	*(0.8p)*	*1.5p*	*0.1p*	*(0.1p)*	*(0.8p)*	**4.9p**

Headline operating cash conversion for the year was 113% (2017: 134%). In 2017 cash conversion increased significantly as a result of the onsite rebooking initiatives launched in the year, which brought cash inflows forward, particularly across our core events. Onsite rebooking has continued to improve throughout 2018 but has a less pronounced effect on cash conversion as our booking profiles have normalised and aligned to the earlier sales cycle. The cash conversion in excess of 100% in 2018 reflects the Group's growth trajectory, demonstrating the positive impact of the TAG programme in accelerating organic growth.

Net debt at the year-end has increased to £82.7m from £49.7m at 30 September 2017 primarily as a result of £50.0m of additional drawn debt to part fund the acquisition of the Ascential Events business (total upfront consideration of £297.8m), offset by strong cash conversion. In the net debt bridge, the acquisitions and disposals cash outflow is presented net of the £255.9m net proceeds received following the rights issue in July 2018. Excluding the net impact of acquisitions and disposals, cash flow from operations was sufficient to cover the Group's dividends, tax paid and the TAG costs incurred in the period. Statutory net debt at the year-end of £82.7m excludes £2.2m of cash held by the Group within ITE Expo LLC, which was held for sale at the year-end ahead of the completion of the disposal in October 2018.

Net Debt Bridge								
2017 Net debt	*Cash flow from operations*	*Dividends and tax*	*TAG*	*Acquisition net of rights issue*	*Net other*	*Foreign exchange*	*Cash and cash equivalents held for sale*	**2018 Net debt**
(£49.7m)	*£41.4m*	*(£20.2m)*	*(£14.7m)*	*(£37.2m)*	*£0.0m*	*(0.1m)*	*(£2.2m)*	**(£82.7m)**

On 22 November 2017 the Group refinanced its external debt facility, giving the Group access to a new £100.0m facility from a syndicate of four banks: HSBC, Barclays, Citibank and Commerzbank. In July 2018 the facility was amended and restated on the same terms, giving the Group access to

a £170.0m facility, which was used to part-fund the Ascential Events acquisition in July 2017 and the Mining Indaba acquisition in October 2018. The facility amortises by £10.0m in December 2018 and £17.5m each December thereafter until the facility expires in November 2021. At 30 September 2018, £134.3m is drawn on the facility. Bank loans presented in the Statement of Financial Position are £132.3m, net of £2.0m of capitalised borrowing costs.

The facility has more favourable pricing and more appropriate covenants, including a leverage ratio which is now assessed on a net debt to EBITDA basis, replacing the gross debt covenant in place under the previous facility. The facility is also structured to allow the flexibility we require to achieve our plans, including acquisitions and more flexible use of disposal proceeds.

Trading summary

In 2018 the Group ran 205 events (2017: 234). The decrease is primarily attributable to cancellations of smaller, less profitable events. A detailed analysis of volumes and revenues is presented below:

		Square Metres Sold (000)	Revenue £'m	Average yield £ per m^2
2017	**All events**	**680**	**152.6**	**224**
	Biennial	(10)	(2.0)	
	Timing	(3)	(1.1)	
	Non-recurring	(26)	(4.2)	
	Disposals	(12)	(2.7)	
2017	Annually recurring	629	142.6	**227**
	Acquisitions	71	18.3	
	Launches	13	1.4	
	FX translation	-	(11.8)	
	Like-for-like growth	**17**	**16.3**	
2018	Annually recurring	730	166.8	**228**
	Timing	10	4.1	
	Biennial	26	4.8	
2018	**All events**	**766**	**175.7**	**229**

Segmental results

£'m	**Revenue**		**Headline profit before tax**	
	2018	**2017 (restated)**	**2018**	**2017 (restated)**
Russia	73.3	71.4	24.3	26.3
Asia	25.7	23.8	10.2	6.9
UK	25.5	9.9	6.9	2.7
Central Asia	24.5	21.7	7.2	6.5
Eastern & Southern Europe	15.2	17.0	4.4	4.8
Brands	11.5	8.8	2.1	2.7
Other income	-	-	0.9	0.7
Central costs	-	-	(19.5)	(16.1)
Foreign exchange gain	-	-	2.2	0.3
Net finance costs	-	-	(3.3)	(3.1)
Total	**175.7**	**152.6**	**35.4**	**31.6**

Following the acquisition of the Ascential Events business a new UK operating segment has been established. This includes the Spring Fair, Autumn Fair, Glee, Pure and BVE events acquired from Ascential plc and also includes the Moda portfolio that was previously reported within the Brands operating segment. The Bett and CWIEME portfolios have been added to the Brands operating segment, joining the Breakbulk and Africa Oil Week events, and in 2019 will also include the Mining Indaba event that was acquired post-year-end. As a result of these changes, the reported segmental results for Brands and UK have been restated to reflect the Group's new operating structure. No restatement was required for the other operating segments.

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

Other income relates primarily to rental income from sub-leasing unused office space.

Central costs include all costs that are not allocated to the Group's operating segments when headline profit before tax is reported to the Senior Operating Board 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 are primarily comprised of the staff costs, which include the Group's executive and non-executive directors, depreciation of the Group's centrally held assets, office rent 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.

The increase in central costs in 2018 is due to increased ongoing TAG costs which have risen by £4.4m. Of the £7.3m of costs associated with the TAG programme that have been included within headline results, £5.9m has been recognised within central costs (2017: £1.3m), as they do not directly relate to the reportable segments.

The foreign exchange gain represents the retranslation of monetary assets and liabilities held in our subsidiary companies that are denominated in currencies other than the functional currencies of the subsidiaries. See the 'Foreign exchange' section below for further details.

Net finance costs relate to the interest payable on our external banking facility and bank fees, net of interest income for the period.

Headline results

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 consider 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.

With the exception of the derecognition of goodwill on cessation of trading and integration costs, the adjusting items presented are consistent with those presented 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. The derecognition of goodwill on cessation of trading removes the non-cash impact of actively managing our portfolio that is allowing management to focus on the core portfolio of events. The integration costs allow users of the Annual Report to track the financial cost of the integration of the Ascential Events business and assess the performance of the business excluding this investment.

Reconciliation of loss before tax to headline profit before tax:

£'m	2018	2017
Loss before tax	(3.7)	(3.2)
Operating items		
Amortisation of acquired intangible assets	13.6	14.1
Impairment of assets	7.5	14.3
Derecognition of goodwill on cessation of trading	2.2	-
(Gain)/loss on disposal	(2.9)	3.7
Transaction costs on completed and pending acquisitions and disposals	8.0	0.4
Integration costs		
- Integration costs	1.9	-
- Costs to realise synergies	0.8	-
Restructuring costs		
- TAG	5.4	4.7
- Other	2.2	0.3

Tax on income from associates and joint ventures	1.6	1.5
Financing items		
Revaluation of liabilities on completed acquisitions	(1.2)	(4.2)
Headline profit before tax	**35.4**	**31.6**

Amortisation of acquired intangible assets

Amortisation of acquired intangible assets relates to the amortisation charge in respect of intangible assets acquired through business combinations. The charge has declined in the year as a result of a number of our historical intangible assets reaching the end of their estimated useful lives, and the disposal of TradeLink, offset in part by the acquisition of the Ascential Events business for the final two and a half months of the year.

Impairment of assets

In the year, an impairment charge of £5.6m was recognised in respect of our Turkey cash generating unit ("CGU"). Despite the like-for-like revenue growth of £1.8m reported in Turkey in 2018, the impairment charge has largely arisen due to the IMF downgrading their forecasts of GDP growth and inflation for the country due to the adverse macro-economic and geopolitical climate in the country. These revised forecasts, which we use in our impairment calculations, affect our long-term outlook for the region. Our short-term trading forecasts have also been impacted by the economic uncertainty in Turkey, particularly in relation to a slowdown of new business sales to customers in the construction sector. The reduced headroom in Turkey prior to these changes is as a result of the write down of the assets to the value in use of the CGU in the prior year.

A rental deposit of £1.5m paid in advance in respect of future years' rent of a non-core venue, and the associated VAT of £0.3m, have been written off in the year. This follows the termination notice served by the Group to the venue owner in June 2018 which renders the prepayment irrecoverable.

As well as the impairment charge recognised at our Turkey CGU last year, the prior year charge also included impairments of our India and Africa Oil Week CGUs (£12.6m), and our Indonesian joint venture (£1.7m).

Derecognition of goodwill on cessation of trading

Following the cessation of trading at RAS Publishing during the year, the full carrying value of the goodwill in the UK segment relating to RAS Publishing was derecognised.

(Gain)/loss on disposal

During the year the Group disposed of its investment in TradeLink, the owner of MetalTech, the metalworking exhibition in Malaysia for £4.9m, and a gain on disposal of £3.1m was recognised in relation to this. The Group also disposed of its 75% stake in ECMI for £2.7m, resulting in a £0.1m loss on disposal. The Group had previously acquired an additional 25% in ECMI in June 2018, before the disposal of its entire holding, resulting in a loss on disposal being recognised following the write down of the investment. The loss in the previous year related to the disposal of the Group's investment in Gima International Exhibition Group GmbH & Co KG, a sales agency business based in Germany.

Impairment of investments in associates and joint ventures

No impairments were required in the year relating to investments in associates and joint ventures. In the prior year we impaired our investment in our Indonesian joint venture.

Transaction costs on completed and pending acquisitions

Transaction costs on completed and pending acquisitions and disposals relate principally to costs incurred on the acquisition of the Ascential Events business. The most significant of these costs are professional and consultancy fees incurred in relation to the stamp duty, due diligence and legal procedures necessary for the acquisition. Transaction costs have also been incurred in relation to the disposals of ITE Expo LLC, and TradeLink as part of the active management of the Group's portfolio of events, and in relation to the acquisition of Mining Indaba.

Integration costs, including synergy realisation

Costs of £1.9m have been incurred in steering and executing the integration of the Ascential Events business, primarily in relation to HR, IT and communications. Costs of £0.8m have also been incurred in order to realise the synergy opportunities presented by the acquisition, and primarily relate to provisions for redundancy payments communicated to affected staff before year end.

Restructuring costs, including TAG

Restructuring costs include £5.4m of costs incurred in transforming the business, as a result of TAG. The costs presented in respect of TAG primarily relate to implementing the Group's new strategy, developing and rolling out best practice blueprints and establishing the 'ITE way' to increase the scalability of our platform, and launching our event best practice initiatives.

Costs of £7.3m (2017: £2.8m) that have been incurred as a result of the TAG programme that are expected to remain as part of the Group's new operating model post-transformation are therefore not presented as adjusting items and are included within underlying results.

Other restructuring costs of £2.2m have been presented as adjusting items and primarily relate to redundancy and severance costs that have been incurred in relation to the active management of the Group's portfolio of events and the focus on our core events. Also included is the accelerated non-cash amortisation charge on the refinancing of our external debt during the year to part-fund the elements of the TAG programme.

Tax on income from associates and joint ventures

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.

Revaluation of liabilities on completed acquisitions

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. All such revaluations are presented within adjusted results as they do not relate to the pure performance of the Group. Revaluation of liabilities on completed acquisitions include the revaluation of the equity option liabilities in respect of the acquisition of ABEC and Fasteners completed in previous years, and the revaluation of deferred consideration in respect of ABEC.

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.

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.

Largely as a result of the weakening of the Russian ruble and Turkish lira against sterling, the reported results were lower than in the comparative period by £11.8m for revenue and £4.0m for headline profit before tax.

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 devaluation of the Russian ruble and Turkish lira in 2018, particularly from July through to September has contributed to the gain of £2.2m (2017: £0.3m) 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 order to minimise our exposure to changes in foreign exchange rates, particularly on euro denominated cash inflows held in sterling subsidiary companies, which accounts for approximately 15-20% of total revenues, the Group holds foreign exchange forward contracts to provide certainty over the future euro cash inflows. The gains and losses on the forward contracts are deferred and recognised within revenue at the point at which the revenue is recognised.

In the year, a loss of £1.7m (2017: loss of £0.7m) 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 £7.8m, largely due to the weakening of the Russian ruble, 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 reduced.

Share of results of associates and joint ventures

Profits after taxation for the financial year arising from investments in joint ventures and associates increased by £0.9m to £5.9m (2017: £5.0m) primarily as a result of Sinostar, our 50% owned Chinese joint venture, continuing to perform well.

Finance costs

Statutory net finance costs are £2.1m (2017: net finance income of £1.0m). On a headline basis, after excluding the revaluations relating to liabilities on completed acquisitions, net finance costs are £3.3m (2017: £3.1m). These represent the interest cost on the Group's borrowings of £2.8m (2017: £2.5m) and bank charges of £1.1m (2017: £1.3m), net of interest income of £0.6m (2017: £0.7m). The higher interest costs reflect the increased level of debt since July 2018, to part-fund the Ascential Events acquisition.

Tax charge

A tax charge of £3.0m (2017: £3.3m) was recognised in the year. Tax on associate and joint venture profits, which is presented within the share of profit from associates and joint ventures, was £1.6m (2017: £1.5m), reflecting the higher level of joint venture profits discussed above. The total tax charge was therefore £4.7m (2017: £4.8m). The headline tax charge for the period was £9.7m (2017: £8.3m), equating to a headline effective tax rate of 27.5% (2017: 26.3%).

Profits attributable to non-controlling interests ("NCIs")

NCI profits for the year were £1.4m (2017: £1.8m), down £0.4m. In May 2017 we increased our interest in Africa Oil Week to 100%, reducing the proportion of profits attributable to NCI for the event that runs each October. This was offset by the first-time impact of the 30% of the pre-acquisition profits from the prior period acquisition of Gehua.

Consolidated Statement of Financial Position

The Group's Consolidated Statement of Financial Position at 30 September 2018 is summarised in the table below:

	30 September 2018	30 September 2017
	Net assets	Net assets
	£m	£m
Goodwill and other intangible assets	469.1	154.4
Interests in associates and joint ventures	43.3	45.5
Other non-current assets	17.6	11.7
Total non-current assets	**530.0**	**211.6**
Trade debtors	57.7	44.1
Cash	49.6	23.3
Other current assets	21.4	20.2
Assets classified as held for sale	10.5	-
Total current assets	**139.2**	**87.6**
Deferred income	100.6	82.6
Bank loan	132.3	73.0
Other liabilities	103.1	53.3
Liabilities classified as held for sale	8.3	-
Total liabilities	**344.3**	**208.9**
Share capital and share premium	287.2	31.3

Translation reserve	(53.1)	(45.3)
Other reserves	67.0	81.6
NCI	23.8	22.7
Total equity	**324.9**	**90.3**

Total non-current assets

Goodwill and intangible assets increased during the year due primarily to the acquisition of the Ascential Events business which added £347.6m to the balance. This was partially offset by the £5.6m impairment recognised in the Turkey CGU, the disposal of TradeLink goodwill and intangible assets of £0.9m, the annual amortisation charge in respect of the intangible assets of £13.6m and the retranslation of overseas balances to sterling at year end exchange rates. The intangible assets balance represents acquired customer relationships, trademarks and licences, visitor databases and computer software.

Interests in associates and joint ventures has declined by £2.2m, due to the disposal of ECMI and the receipt of dividends from our joint ventures, offset in part by strong profitability in the larger joint ventures, particularly Sinostar and ITE MF.

Other non-current assets have increased as a result of capital expenditure as part of the TAG programme, primarily in relation to building fit-for-purpose IT infrastructure and systems to help create a scalable platform for growth as well as due to other long-term assets acquired from Ascential Events, primarily in respect of property, plant and equipment.

Total current assets

Trade debtors increased compared to the prior year as a result of the addition of Ascential Events' trade debtors and the increased forward bookings for 2019 events as the Group's revenues continue to grow as a result of the TAG initiatives introduced since May 2017. This contributed to trade debtors increasing by over 10% year-on-year. Trade debtor recoverability remains strong and cash flow from operations and cash collection have continued to be areas of focus over the past year.

Cash balances increased to £49.6m (2017: £23.3m) as a result of the Ascential Events acquisition which has increased the Group's working capital requirements and increased debt drawn down to fund the £20.0m upfront payment for the Mining Indaba acquisition that was completed shortly after the year end, in October 2018.

Other current assets, comprising other debtors, prepayments and tax prepayments, have remained broadly consistent year on year, with the movement coming largely from increased prepaid event costs following the Ascential Events acquisition.

Assets of £10.5m have been classified as held for sale at the year end, representing the assets of ITE Expo LLC, the subsidiary company that operated 56 of our non-core events in Russia, that was disposed of on 3 October 2018. In accordance with IFRS 5, the assets and liabilities at 30 September 2018 have been classified as held for sale and presented separately in the Statement of Financial Position.

Total liabilities

As with trade debtors, deferred income has increased considerably as a result of the Ascential Events acquisition, with the balance as at 30 September 2018 being £100.6m (2017: £82.6m), up by over 20% year on year. The increase is offset by the deferred income recognised within ITE Expo LLC being presented separately as held for sale, the impact of the biennial event cycle where Q1 in even years is our strongest quarter in the 48-month biennial cycle, and the negative impact of FX, particularly in Russia and Turkey when translating the deferred income into sterling on consolidation.

The bank loan balance of £132.3m (2017: £73.0m) has increased largely as a result of the increased debt drawn down to finance the Ascential Events acquisition, £47.6m of which was financed through debt with the remaining £265.2m funded through the rights issue. The £2.6m deferred consideration was settled through debt in November 2018.

Other liabilities increased to £103.1m (2017: £53.3m). The increase is primarily in respect of deferred tax liabilities recognised on the intangible assets acquired as part of the Ascential Events business which totalled £37.4m. Other increases within liabilities have also come about through the acquisition of the Ascential Events business, including deferred consideration of £2.6m in respect of consideration that was paid in November 2018.

Liabilities of £8.3m relating to the disposal of ITE Expo LLC have been classified as held for sale at 30 September 2018.

Total equity

During the year the Company issued 472,338,182 (2017: 7,140,601) ordinary shares of 1p. 471,938,893 of the total new issues were part of the rights issue to raise funds for the acquisition of the Ascential Events business, which raised £265.2m. The remaining shares issued were to shareholders who elected to receive their 2017 final dividend in shares.

As at 30 September 2018 the Employee Share Ownership Trust (ESOT) held 2,506,133 (0.3%) of the Company's issued share capital (2017: 2,783,585 (1.0%)).

The movement in the translation reserve from a debit balance of £45.3m to £53.1m represents the loss on the year-end retranslation of the Group's overseas assets denominated in foreign currencies. This is driven primarily by movements in the sterling/ruble, sterling/lira and sterling/rupee exchange rates. The Group's ability to pay dividends is secure, with distributable reserves in the parent Company accounts of £18.6m.

Venue arrangements

The Group has long-term arrangements with its principal venues in its main markets setting out ITE'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 17 July 2018, the Group acquired a 100% holding in Ascential Events Ltd, a company incorporated in the United Kingdom, for total consideration of £300.3m. The acquired business has contributed £17.1m to Group revenue and £3.5m to headline profit before tax since acquisition.

On 24 April 2018 the Group disposed of TradeLink ITE Sdn. Bhd., the owner of MetalTech, the metalworking exhibition in Malaysia, to UBMMG Holdings Sdn. Bhd., a subsidiary of UBM plc, for total cash consideration of £4.9m.

On 3 October 2018 the Group announced that it had entered an agreement to acquire the business and assets relating to Mining Indaba from Euromoney Institutional Investor Plc for £30.1m. Mining Indaba is the leading event dedicated to bringing together mining and investment experts in order to develop mining interests in Africa.

On 3 October 2018 the Group completed the disposal of ITE Expo LLC, the operating company for 56 of the Group's non-core, regionally-focused, smaller events in Russia, to Shtab-Expo LLC for £7.5m.

As part of the acquisition of Ascential Events, £2.6m of deferred consideration was outstanding at 30 September 2018, which has subsequently been paid in November 2018. On acquisition of Ascential Events we also recognised the obligation to pay £0.2m of contingent consideration to a third party based upon the results of Spring Fair over a multi-year period ending with the event in 2019. At 30 September 2018 there remains an outstanding obligation of £0.9m in respect of the acquisition of ABEC, completed in October 2015.

At 30 September 2018, equity options are held over further interests in our subsidiary companies, ABEC, Fasteners and Scoop, and our joint venture company Debindo. The equity option over ECMI was ended upon sale of the joint venture in June 2018.

Portfolio management

As part of our ongoing focus on Core events, 28 events were cancelled in 2018 which had in 2017 contributed £4.3m to Group revenue and £0.5m to headline profit.

TAG overview

In May 2017, we announced our intention to invest up to £20.0m in the TAG programme over the three-year transformation period. In 2018 we invested £7.0m, comprised of £5.3m of one-off restructuring costs, which are presented within adjusting items, and £1.7m of capital expenditure. The restructuring costs were principally in relation to developing and rolling out best practice blueprints, launching the best practice initiatives and establishing the one 'ITE way' to operate our events. Having invested £12.0m since May 2017, we anticipate investing up to £6.0m in the current financial year, focusing on creating a scalable platform, embedding our new CRM system, designing and implementing a new global finance system and developing floor planning tools to be used across all of our events. We remain confident of delivering the overall TAG programme within the £20.0m one-off investment indicated.

During 2018, £7.3m (2017: £2.8m) of costs were included within our statutory and headline results in relation to the TAG programme. These represent costs that are associated with the TAG programme, in relation to the delivery of the Group's new strategy, rather than the costs of designing and implementing the strategy. These are costs that have arisen following changes to the way we operate as a result of the TAG programme and are expected to continue to be incurred as the Group's new operating model becomes fully embedded. Of the £7.3m incurred in the year, £3.3m was included within cost of sales (£2.3m of which was included within central costs) and £4.0m is included within overheads (£3.6m within central costs). The cost of sales represents costs incurred to date that are direct costs incurred to drive future revenue growth. Overhead costs are ongoing costs largely incurred in relation to maintaining best practice functions and teams and building capability and talent.

In May 2017 we said that we expected the ongoing costs of TAG to exceed the incremental revenue it delivers during the three years ending 30 September 2019, with positive net operating profit after tax from the year ended 30 September 2020. We are now projecting that we will meet this target a year early, in the year ended 30 September 2019. We also expect to deliver ROI from the TAG programme greater than our cost of capital a year ahead of plan, in the year ended 30 September 2020. This gives us confidence that we will meet all our TAG targets within the expected timeframe.

Divisional trading summary

Russia

	2018 £'m	2017 £'m	% change	% change Like-for-like

Revenue	73.3	71.4	+3%	+8%
Headline profit before tax	24.3	26.3	-8%	+4%

During the year ITE held 89 events in Russia (2017: 96), with total volume sales of 293,400m^2 (2017: 274,400m^2). Revenue of £73.3m was 3% higher than the previous year and headline profit before tax of £24.3m was 8% lower than the previous year, reflecting the weakening of the Russian ruble which had a negative impact of £5.8m on revenues and £2.4m on headline profit before tax. Headline profit before tax was also impacted by this being the weaker biennial year for ITE MF, the Russian joint venture, which reduced to a pre-tax share of profits of £0.8m (2017: £1.4m). These factors were mitigated by TAG benefits and stabilisation of the trading environment - particularly in Moscow. On a like-for-like basis volume sales in Russia increased by 4%, revenues increased by 8% and headline profits before tax increased by 4% from the prior year.

Moscow is ITE's largest office in Russia with events accounting for around 80% of the region's revenues. Volume sales for the year on Moscow events were 194,700m^2 (2017: 182,300m^2); an increase of 4% on a like-for-like basis.

ITE's leading events in Moscow responded well to the stabilisation of the trading environment and benefitted from management's increased focus on these events. MITT, the annual international tourism and travel event in Moscow delivered volume sales of 14,200m^2 (2017: 13,700m^2) as the Russian international tourism sector recovered confidence, TAG initiatives delivered and relations between Turkey and Russia improved. In April, MosBuild saw volumes increase by 5% to 36,100m^2 (2017: 34,500m^2) with the growth being led by domestic exhibitors. The packaging event, RosUpack, also performed strongly with volume growth of 15% from 13,400m^2 to 15,400m^2. The heating event AquaTherm Moscow and the security event Securika also reported growth in volumes at 13,300m^2 (2017: 12,800m^2) and 10,900m^2 (2017: 10,400m^2) respectively. The now annual Moscow International Oil & Gas Exhibition (MIOGE) was in its second year at a new venue, but suffered from low exhibitor interest from running the event annually, coupled with the effects of the sanctions on energy companies operating in Russia, which meant volumes fell to 8,800m^2 (2017: 12,000m^2). WorldFood Moscow in September grew volumes, by 2%, to 21,600m^2 (2017: 21,300m^2), as both domestic exhibitors and international suppliers increased their space requirements.

The single largest event in Krasnodar is the leading agriculture event, YugAgro, which grew by 11% to 35,300m^2 (2017: 31,700m^2).

The non-core events, divested on 3 October 2018, experienced a volume decline of 1%.

Central Asia

	2018 £'m	2017 £'m	% change	% change Like-for-like
Revenue	24.5	21.7	+13%	+27%
Headline profit before tax	7.2	6.5	+11%	+13%

ITE's principal offices in Central Asia are in Kazakhstan, Azerbaijan and Uzbekistan. All the economies in this region are heavily dependent on oil and gas for their overseas earnings and economic wealth and in the case of Kazakhstan a significant level of trade with Russia as well.

This year ITE organised a total of 56 events (2017: 66) across these territories delivering total volume sales of 66,700m^2 (2017: 64,000m^2), revenues of £24.5m (2017: £21.7m) and headline profits before tax of £7.2m (2017: £6.5m). Overall, on a like-for-like basis, volumes in Central Asia increased by 7% over the previous year. Revenues increased by 27% and headline profit before tax increased by 13% as dollar pricing partially protected revenues from significant currency fluctuations.

Kazakhstan is the Group's largest office in the region selling 33,000m^2 (2017: 32,200m^2). The largest event in the region, Kazakhstan Oil & Gas Exhibition (KIOGE), took place in Almaty in October 2017 and again in September 2018. The October 2017 event volumes were flat compared to the prior edition at 3,700m^2 (2017: 3,700m^2). However, reflecting the improvement in the environment during the year, WorldFood Kazakhstan held in November 2017 grew volumes by over 40% from 2,300m^2 to 3,200m^2.

Azerbaijan achieved volume sales of 11,500m^2 (2017: 14,200m^2) a decrease of 5% on the prior year on a like-for-like basis with all sectors suffering reduced volumes.

ITE's Uzbekistan business is slightly more insulated from the oil price due to the nature of the local economy and it performed strongly in 2018 selling 22,200m^2 (2017: 17,600m^2). On a like-for-like basis volumes have increased by 34% while revenues are up 60%. This is due in part of the devaluation of the Uzbekistan som which has resulted in considerably cheaper prices for overseas exhibitors.

UK

	2018 £'m	2017 £'m	% change	% change Like-for-like
Revenue	25.5	9.9	+158%	-10%
Headline profit before tax	6.9	2.6	+165%	-33%

The new UK business contains the results of our Moda fashion events, Moda, Scoop, Jacket Required and Bubble, as well as the majority of the acquired Ascential Events portfolio including Spring Fair, Autumn Fair, Pure, Glee and BVE. The only events included in the like-for-like results therefore are those from the Moda portfolio.

With the Ascential Events portfolio having only been acquired on 17 July 2018, only three of the newly acquired events ran in the current financial year. These were Autumn Fair, Pure and Glee. On a combined basis these three events delivered revenues of £17.1m.

Moda is a trade fashion event in Birmingham, UK which was previously part of the Brands portfolio but is now part of the UK portfolio. The Group made the decision to cancel the second edition of Bubble, a niche high-end childrenswear event which made low margins and low profits.

Overall the Moda portfolio achieved volume sales of 29,500m^2 (2017: 34,800m^2), a 13% like-for-like volume decline and a 10% revenue decline on the prior year. This was due to the closure of the lingerie section of the Moda event during 2017 and the decline in the menswear section throughout 2018, reflecting the challenges facing non-market leading events in the UK mid-market fashion industry.

Asia

	2018 £'m	2017 £'m	% change	% change Like-for-like
Revenue	25.7	23.8	+8%	+10%
Headline profit before tax	10.2	6.9	+48%	+54%

The Group's operations in this region are based primarily in India and China, with a small presence in South East Asia. In April 2018, prior to the event taking place, we disposed of TradeLink, the South East Asian business responsible for the MetalTech event. During the year, the Group ran 29 (2017: 35) events in Asia. Overall the group's majority owned businesses in the region sold 176,400m^2 in 2018 (2017: 160,100m^2), reflecting acquisitions in China taking place for the first time in the current year, the stronger biennial pattern and three new launches, offsetting the TradeLink disposal. The Group benefitted from another strong performance by its Sinostar joint venture, which is not included in consolidated revenues, but is included in consolidated headline profits before tax for the region.

On a like-for-like basis the region reports an increase of 2% in volumes and 10% in revenues and a 54% increase in headline profits before tax.

The Group operates two businesses in India: one through a wholly-owned subsidiary, ITE India, which has its stronger biennial year in even years, and the other through ABEC, one of India's largest exhibition organisers in which ITE has a 60% stake. ABEC's portfolio of over 20 exhibitions across different industry sectors includes ACETECH - India's leading construction event. ACETECH Mumbai in November 2017 delivered 29,100m^2 (2017: 27,800m^2) although the positive impact of this was offset by challenges faced at the smaller ACETECH Bangalore event and the smaller, more consumer based property and lifestyle events. The Indian business as a whole delivered a like-for-like volume decline of 1%, but a like-for-like revenue increase of 7%, reflecting increased yields despite challenges faced in the market.

In China the Group has offices in Beijing, Shanghai and Guangzhou and operates (through its Hong Kong headquartered 50% joint venture partner Sinostar) the Chinacoat/Surface Finishing China event. The November 2017 Chinacoat event in Shanghai recorded 20% growth on the equivalent previous edition reporting record sales of over 48,100m^2. The 70% owned Gehua business performed well with the major food event which ran in August 2018 delivering 24,900m^2 (2017: 20,000m^2). The Group's Fasteners event declined by 34% to 10,700m^2 (2017: 16,300m^2) in the face of increased competition.

In South East Asia, after the disposals of ECMI, the Malaysian joint venture, and TradeLink, the Group now operates through one organisation based in Indonesia. In Jakarta, Indonesia, the Group owns 50% of PT Debindo which runs the IndoBuildTech series of construction exhibitions, the largest of which takes place annually in Jakarta. Volumes increased to 20,600m^2 (2017: 18,700m^2) although the revenues decreased by 8% due to currency weakness, with the like-for-like increase being 1%.

Europe (Eastern and Southern)

	2018 £'m	2017 £'m	% change	% change Like-for-like
Revenue	15.2	17.0	-11%	+19%
Headline profit before tax	4.4	4.8	-8%	+34%

The Eastern and Southern Europe region is represented by the Group's offices in Turkey and Ukraine. Overall the region sold 120,200m^2 in 2018 (2017: 134,500m^2), with a small amount of growth in Ukraine, offset by 2018 being the weaker biennial year in Turkey, due to the railway industry exhibition, Eurasia Rail, running only in odd years, and the cancellation of a number of high volume but low profit events in Turkey after the 2017 editions. On a like-for-like basis, volumes increased by 3%, revenues by 19% - reflecting the success of the yield strategy pursued in 2018 - and headline profit before tax by 34%.

Overall total volumes in Turkey were down, reflecting the weaker biennial pattern and the impact of cancelling the high volume but low yield events in 2017 but were flat on a like-for-like basis. On a like-for-like basis revenues were up 20% due to pricing power following the introduction of TAG initiatives and euro pricing at several events.

Trading in Ukraine has continued on the path to recovery. Overall volume sales were up, with an 18% increase in revenue on a like-for-like basis.

Brands

	2018 £'m	2017 £'m	% change	% change Like-for-like
Revenue	11.5	8.8	+31%	+15%
Headline profit before tax	2.1	2.7	-22%	-16%

The Group's Brands business contains the results of the Africa Oil Week event and the Breakbulk portfolio of events. From next year the division will also include the BETT and CWIEME portfolios of events acquired as part of the Ascential Events acquisition and the Mining Indaba event acquisition completed in October 2018.

Overall the portfolio reports a 31% increase in revenues and a 22% decrease in profits. The decline in profits is due to increased investment within both Breakbulk and Africa Oil Week as part of the TAG programme to drive future growth and increased divisional costs reflecting the first full year of Brands being managed as a separate division. On a like-for-like basis, revenues increased by 15% and headline profits before tax decreased by 16%.

Africa Oil Week ran in October 2017 and considerably exceeded expectations with revenues flat year on year despite structural challenges due to the low oil price at the time.

The Breakbulk portfolio overall saw an increase in volumes and revenues compared with the previous year as Breakbulk Americas did not run in the 2017 financial year, having run twice in the previous financial year due to event timing. However, on a like-for-like basis the portfolio grew volumes by 14% and revenues by 24%.

Consolidated Income Statement

		Year ended 30 September 2018			Year ended 30 September 2017		
		Headline	**Adjusting items (Note 3)**	**Statutory**	Headline (restated*)	Adjusting items (Note 3)	Statutory (restated*)
	Notes	**£000**	**£000**	**£000**	£000	£000	£000
Revenue	4	**175,669**	-	**175,669**	152,623	-	152,623
Cost of sales		**(107,648)**	-	**(107,648)**	(93,259)	-	(93,259)
Gross profit		**68,021**	-	**68,021**	59,364	-	59,364
Other operating income		**889**	-	**889**	741	-	741
Administrative expenses		**(40,003)**	**(38,664)**	**(78,667)**	(32,194)	(37,445)	(69,639)
Foreign exchange gain on operating activities		**2,237**	-	**2,237**	337	-	337
Share of results of associates and joint ventures	4	**7,557**	**(1,641)**	**5,916**	6,510	(1,504)	5,006
Operating profit/(loss)		**38,701**	**(40,305)**	**(1,604)**	34,758	(38,949)	(4,191)
Investment revenue	6	**603**	**2,995**	**3,598**	688	5,342	6,030
Finance costs	7	**(3,887)**	**(1,791)**	**(5,678)**	(3,824)	(1,178)	(5,002)
Profit/(loss) before tax	4	**35,417**	**(39,101)**	**(3,684)**	31,622	(34,785)	(3,163)
Tax (charge)/credit	8	**(9,722)**	**6,699**	**(3,023)**	(8,315)	5,063	(3,252)
Profit/(loss)		**25,695**	**(32,402)**	**(6,707)**	23,307	(29,722)	(6,415)
Attributable to:							
Owners of the Company		**24,337**	**(32,402)**	**(8,065)**	21,476	(29,722)	(8,246)
Non-controlling interests		**1,358**	-	**1,358**	1,831	-	1,831
		25,695	**(32,402)**	**(6,707)**	23,307	(29,722)	(6,415)
Earnings per share (p)							
Basic	10	**4.9**		**(1.6)**	5.0		(1.9)
Diluted	10	**4.9**		**(1.6)**	5.0		(1.9)

The results stated above relate to continuing activities of the Group. The accompanying notes 1 to 12 form an integral part of the consolidated financial statements.

*The weighted average number of shares used for basic and diluted and headline basic and diluted earnings per share for 2017 has been restated as a result of the 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 2017 have also been restated.

Consolidated Statement of Comprehensive Income

	Notes	2018 £000	2017 £000
Loss for the year attributable to shareholders		**(6,707)**	(6,415)
Cash flow hedges:			
Movement in fair value of cash flow hedges		**1,946**	1,336
Fair value of cash flow hedges released to the income statement		**(97)**	(675)
Currency translation movement on net investment in subsidiary undertakings		**(7,808)**	(2,976)
Total other comprehensive income		**(5,959)**	(2,315)
		(12,666)	(8,730)
Tax relating to components of comprehensive income	8	**(314)**	(222)
Total comprehensive income for the year		**(12,980)**	(8,952)
Attributable to:			
Owners of the company		**(14,338)**	(10,783)
Non-controlling interests		**1,358**	1,831
		(12,980)	(8,952)

All items recognised in comprehensive income may be reclassified subsequently to the income statement.

The accompanying notes 1 to 12 form an integral part of the consolidated financial statements.

Consolidated Statement of Changes in Equity

	Share capital £000	Share premium account £000	Merger reserve £000	Capital redemp-tion reserve £000	ESOT reserve £000	Retained earnings £000	Put option reserve £000	Translation reserve £000	Hedge reserve £000	Total £000	Non-controlling interests £000	Total equity £000
Balance as at 1 October 2017	**2,693**	**28,567**	**2,746**	**457**	**(4,240)**	**98,520**	**(13,255)**	**(45,265)**	**(2,553)**	**67,670**	**22,652**	**90,322**
Net (loss)/profit for the year	-	-	-	-	-	(8,065)	-	-	-	**(8,065)**	1,358	**(6,707)**
Currency translation movement on net investment in subsidiary undertakings	-	-	-	-	-	-	-	(7,808)	-	**(7,808)**	-	**(7,808)**
Movement in fair value of cash flow hedges	-	-	-	-	-	-	-	-	1,946	**1,946**	-	**1,946**
Fair value of cash flow hedges released to the income statement	-	-	-	-	-	-	-	-	(97)	**(97)**	-	**(97)**
Tax relating to components of comprehensive income (note 8)	-	-	-	-	-	-	-	-	(314)	**(314)**	-	**(314)**

Total comprehensive income for the year	-	-	-	-	-	(8,065)	-	(7,808)	1,535	(14,338)	1,358	(12,980)
Dividends (note 9)	4	(4)	-	-	-	(9,980)	-	-	-	(9,980)	(163)	(10,143)
Exercise of share options	-	-	-	-	1,446	(69)	-	-	-	1,377	-	1,377
Share-based payments	-	-	-	-	-	456	-	-	-	456	-	456
Issue of shares	4,719	251,193	-	-	-	-	-	-	-	255,912	-	255,912
Tax debited to equity (note 8)	-	-	-	-	-	(62)	-	-	-	(62)	-	(62)
Balance as at 30 September 2018	7,416	279,756	2,746	457	(2,794)	80,800	(13,255)	(53,073)	(1,018)	301,035	23,847	324,882

The accompanying notes 1 to 12 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	Put option reserve £000	Translation reserve £000	Hedge reserve £000	Total £000	Non-controlling interests £000	Total equity £000
Balance as at 1 October 2016	2,621	20,629	2,746	457	(4,370)	115,450	(21,317)	(42,289)	(2,992)	70,935	25,427	96,362
Net (loss)/profit for the year	-	-	-	-	-	(8,246)	-	-	-	(8,246)	1,831	(6,415)
Currency translation movement on net investment in subsidiary undertakings	-	-	-	-	-	-	-	(2,976)	-	(2,976)	-	(2,976)
Movement in fair value of cash flow hedges	-	-	-	-	-	-	-	-	1,336	1,336	-	1,336
Fair value of cash flow hedges released to the income statement	-	-	-	-	-	-	-	-	(675)	(675)	-	(675)
Tax relating to components of comprehensive income (note 8)	-	-	-	-	-	-	-	-	(222)	(222)	-	(222)
Total comprehensive income for the year	-	-	-	-	-	(8,246)	-	(2,976)	439	(10,783)	1,831	(8,952)
Dividends (note 9)	21	(21)	-	-	-	(8,678)	-	-	-	(8,678)	(1,315)	(9,993)
Exercise of share options	-	-	-	-	130	(60)	-	-	-	70	-	70
Share-based payments	-	-	-	-	-	201	-	-	-	201	-	201
Issue of shares	51	7,959	-	-	-	-	-	-	-	8,010	-	8,010
Tax debited to equity (note 8)	-	-	-	-	-	(12)	-	-	-	(12)	-	(12)
Put option disposal	-	-	-	-	-	(60)	187	-	-	127	(127)	-
Acquisition of subsidiary	-	-	-	-	-	-	-	-	-	-	4,636	4,636
Exercise put option on acquisition of subsidiary	-	-	-	-	-	(75)	7,875	-	-	7,800	(7,800)	-
Balance as at 30 September 2017	2,693	28,567	2,746	457	(4,240)	98,520	(13,255)	(45,265)	(2,553)	67,670	22,652	90,322

Consolidated Statement of Financial Position

	Notes	2018 £000	2017 £000
Non-current assets			
Goodwill		**201,838**	92,566
Other intangible assets		**267,265**	61,867
Property, plant and equipment		**4,932**	2,783
Interests in associates and joint ventures		**43,293**	45,470
Venue advances and prepayments		**2,141**	3,548
Derivative financial assets		**103**	-
Deferred tax asset		**10,435**	5,411
		530,007	211,645
Current assets			
Trade and other receivables		**77,056**	61,425
Tax prepayment		**2,015**	2,880
Cash and cash equivalents		**49,649**	23,321
Assets classified as held for sale	5	**10,483**	-
		139,203	87,626
Total assets		**669,210**	299,271
Current liabilities			
Trade and other payables		**(35,863)**	(21,332)
Deferred income		**(99,114)**	(82,591)
Corporation tax		**(5,464)**	(3,834)
Derivative financial instruments		**(11,762)**	(1,795)
Provisions		**(1,469)**	(527)
Liabilities classified as held for sale	5	**(8,311)**	-
		(161,983)	(110,079)
Non-current liabilities			
Bank loan and overdrafts		**(132,345)**	(72,998)
Provisions		**(1,600)**	(273)
Deferred income		**(1,481)**	-
Deferred tax liabilities		**(46,595)**	(12,494)
Derivative financial instruments		**(324)**	(13,105)
		(182,345)	(98,870)
Total liabilities		**(344,328)**	(208,949)
Net assets		**324,882**	90,322
Equity			
Share capital		**7,416**	2,693
Share premium account		**279,756**	28,567
Merger reserve		**2,746**	2,746
Capital redemption reserve		**457**	457
Employee Share Ownership Trust ("ESOT") reserve		**(2,794)**	(4,240)
Retained earnings		**80,800**	98,520
Put option reserve		**(13,255)**	(13,255)
Translation reserve		**(53,073)**	(45,265)
Hedge reserve		**(1,018)**	(2,553)
Equity attributable to equity holders of the parent		**301,035**	67,670
Non-controlling interests		**23,847**	22,652
Total equity		**324,882**	90,322

The accompanying notes 1 to 12 form an integral part of the consolidated financial statements.

The financial statements of ITE Group plc, registered company number 01927339, were approved by the Board of Directors and authorised for issue on 4 December 2018. They were signed on their behalf by:

Mark Shashoua
Chief Executive Officer

Andrew Beach
Chief Financial Officer

Consolidated Cash Flow Statement

	Notes	2018 £000	2017 £000
Operating activities			
Operating loss from continuing operations		**(1,604)**	(4,191)
Adjustments:			
Depreciation and amortisation		16,288	16,326
Impairment of goodwill and intangible assets		5,572	12,585
Impairment of investments in associates and joint ventures		-	1,691
Impairment of venue prepayment		1,843	-
Derecognition of goodwill on cessation of trading		2,216	-
Share-based payments		497	218
(Decrease)/increase in provisions		535	371
Foreign exchange gain on operating activities		(2,237)	(337)
Profit on disposal of plant, property and equipment and computer software		(17)	-
(Profit)/loss on disposals		(2,968)	3,712
Fair value of cash flow hedges recognised in the income statement		(97)	(661)
Share of profit from associates and joint ventures		(5,916)	(5,006)
Dividends received from associates and joint ventures		6,420	3,831
Operating cash flows before movements in working capital		**20,532**	28,539
Decrease/(Increase) in receivables		8,166	(10,130)
Advances and prepayments to venues		(6,585)	(5,187)
Utilisation of venue advances and prepayments		6,043	5,526
(Decrease)/Increase in deferred income		(7,418)	20,673
Increase in payables		7,591	2,864
Cash generated from operations		**28,329**	38,454
Tax paid		(9,631)	(6,790)
Net cash from operating activities		**18,698**	35,495
Investing activities			
Interest received	6	603	688
Investment in associates and joint ventures		(1,356)	(220)
Acquisition of businesses - cash paid net of cash acquired		(294,502)	(9,330)
Purchase of plant, property and equipment and computer software		(4,254)	(3,136)
Disposal of plant, property and equipment and computer software		109	238
Disposal of subsidiaries and investments - cash received net of cash disposed		7,326	3
Net cash utilised on investing activities		**(292,074)**	(11,757)
Financing activities			
Equity dividends paid		(10,582)	(8,652)
Dividends paid to non-controlling interests		(154)	(760)
Interest paid and bank charges	7	(3,887)	(3,824)
Proceeds from the issue of share capital and exercise of share options		1,370	4
Proceeds from the rights issue net of fees		255,940	-
Drawdown of borrowings		341,804	219,060
(Repayment) of borrowings		(282,513)	(220,710)
Net cash outflow from financing activities		**301,978**	(14,882)

	2018 £000	2017 £000
Net increase in cash and cash equivalents	**28,602**	8,856
Cash and cash equivalents at beginning of year	23,321	15,508
Effect of foreign exchange rates	(81)	(1,043)
Cash and cash equivalents held for sale	(2,193)	-
Cash and cash equivalents at end of year	**49,649**	23,321

The accompanying notes 1 to 12 form an integral part of the consolidated financial statements.

Notes to the Consolidated Financial Statements

1 Basis of preparation

Whilst the financial information included in this preliminary announcement has been prepared in accordance with the recognition and measurement criteria of International Financial Reporting Standards ("IFRS"), this announcement does not contain sufficient information to comply with IFRS. The Company expects to publish full financial statements that comply with IFRS later in December 2018. These will be available at www.ite-exhibitions.com.

The financial information set out above does not constitute the Company's statutory accounts for the years ended 30 September 2018 or 2017, but is derived from those accounts. Statutory accounts for 2017 have been delivered to the Registrar of Companies and those for 2018 will be delivered following the Company's annual general meeting. The auditors have reported on those accounts; their reports were unqualified, did not draw attention to any matters by way of emphasis without qualifying their report and did not contain statements under s498(2) or (3) Companies Act 2006 or equivalent preceding legislation.

The Directors have, at the time of approving the Consolidated Financial Statements, a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. They therefore continue to adopt the going concern basis of accounting in preparing the Consolidated Financial Statements.

2 Impact of new accounting standards

In the current year, the Group has applied the below amendments to IFRSs issued by the International Accounting Standards Board (IASB) that are mandatorily effective for the Group's accounting period that begins on or after 1 October 2017. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

	Effective date
Amendments to IAS 12: *Recognition of Deferred Tax Assets for Unrealised Losses*	1 January 2017
Amendments to IAS 7: *Disclosure Initiative*	1 January 2017
Annual improvements to IFRS: 2014-2016 Cycle	1 January 2017

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 2018. A list of these can be found below:

	Effective date
Amendments to IFRS 2 *Share-based payments*	1 January 2018
Clarifications to IFRS 15 *Revenue from contracts with customers*	1 January 2018
IFRS 9 *Financial instruments*	1 January 2018
IFRS 15 *Revenue from contracts with customers*	1 January 2018
Amendments to IAS 12 *Income taxes*	1 January 2019
IFRS 16 *Leases*	1 January 2019

The Directors anticipate that the adoption of these standards and interpretations in future periods will have no material impact on the financial statements of the Group with the exception of the adoption of IFRS 16 *Leases*, which will replace the current leasing standard, IAS 17 *Leases*, and IFRS 15 *Revenue from contracts with customers*, which will replace the current revenue standard, IAS 18 *Revenue*.

IFRS 16 requires all leases to be treated in a consistent way to the current rules on finance leases. This will result in all leases being disclosed in the Statement of Financial Position, with the exception of short-term leases, where, for lease terms of less than 12 months, an election can be made to account for the expense in line with the payment terms.

This is expected to have a significant impact on both the Group's Statement of Financial Position, as there will be an increase in lease assets and financial liabilities recognised, and the Group's Income Statement, through a changing of the expense profile and the financial statement lines in which the expenses are recognised. The adoption of IFRS 16 will increase the expense charged at the beginning of our lease contracts, due to the straight-line operating lease expense charge being replaced by the finance cost approach, which, by its nature is front-loaded. This is expected to reduce profit before tax in the first year of adoption. Currently, our operating lease rentals are recognised within administrative expenses, but under IFRS 16, these will be classified as finance costs and therefore operating profit is expected to increase on adoption. The financial impact of the changes have yet to be quantified by management.

An initial assessment of the impact that adopting IFRS 15 will have on the Group's revenue recognition and financial statements has been performed. It is expected that adopting IFRS 15 in 2019 will not have a material impact on the Group's Income Statement or Statement of Financial Position except for a reclassification between deferred income and trade debtors. The Group has significant forward bookings, which are currently recognised within trade receivables and deferred income at the point at which a contractual obligation to provide the service arises. Under IFRS 15, the deferred income, and corresponding trade receivable, may not be recognised until the earlier of the service being provided and the payment falling due. This will result in a material reduction to the deferred income and trade receivables on adoption of the standard. Based on the initial assessment performed, we estimate that for the year ended 30 September 2018, deferred income and trade receivables would be reduced by approximately £30m.

3 Operating profit and adjusting items

Operating profit is stated after charging/(crediting):

	2018	2017
	£000	£000
Staff costs	**50,484**	42,410
Depreciation of property, plant and equipment	**1,247**	1,135
Amortisation of intangible assets included within administrative expenses	**15,041**	15,191
Derecognition of goodwill on cessation of trading	**2,216**	-
Impairment of goodwill	**5,572**	11,204
Impairment of acquired intangible assets	**-**	1,381
Impairment of investments in associates and joint ventures	**-**	1,691
Impairment of venue prepayment	**1,843**	-
(Profit)/loss on disposals	**(2,968)**	3,712
Operating lease rentals - land and buildings	**2,259**	2,128
Gain on derivative financial instruments - equity options	**(2,918)**	(4,839)
Foreign exchange gain on operating activities	**(2,237)**	(337)

Adjusting items:

	2018	2017
	£000	£000
Operating items		
Amortisation of acquired intangible assets	**13,631**	14,069
Derecognition of goodwill on cessation of trading	**2,216**	-
Impairment of goodwill	**5,572**	11,204
Impairment of intangible assets	**-**	1,381
Impairment of investments in associates and joint ventures	**-**	1,691
Impairment of venue prepayment	**1,843**	-
(Profit)/loss on disposals	**(2,968)**	3,712
Transaction costs on completed and pending acquisitions	**8,037**	406
Integration costs		
- Integration costs	**1,905**	-
- Costs to realise synergies	**845**	-
Restructuring costs		
- TAG	**5,347**	4,664
- Other	**2,236**	318
Tax on income from associates and joint ventures	**1,641**	1,504
Total operating items	**40,305**	38,949
Financing items		
Revaluation of liabilities on completed acquisitions	**(1,204)**	(4,164)
Total adjusting items	**39,101**	34,785

4 Segmental information

The Group has identified reportable segments based on financial information used by the Senior Operating Board in allocating resources and making strategic decisions. The Senior Operating Board (consisting of the Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, Strategy Director and Chief People Officer), 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. During the year the Group has made changes to the reportable segments, adding a new United Kingdom segment, which consists of Moda, previously included in the Brands segment, and the acquired Ascential events, excluding Bett and CWIEME. Bett and CWIEME are included in the Brands segment.

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 2018	Asia £000	Brands £000	Central Asia £000	Eastern & Southern Europe £000	Russia £000	UK £000	Total Group £000
Revenue	**25,700**	**11,533**	**24,483**	**15,155**	**73,291**	**25,507**	**175,669**
Segment headline profit before tax	**10,240**	**2,145**	**7,155**	**4,393**	**24,319**	**6,881**	**55,133**
Unallocated costs							**(19,716)**
Headline profit before tax							**35,417**
Adjusting items (note 3)							**(39,101)**
Loss before tax							**(3,684)**
Tax							**(3,023)**
Loss after tax							**(6,707)**

The revenue in the year of £175.7m includes £0.2m (2017: £0.3m) of barter sales. No individual customer amounts to more than 10% of Group revenues.

Unallocated costs include:

- other income;
- head office costs;
- unallocated TAG costs of £5.9m;
- 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 2018	Asia £000	Brands £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	**6,665**	-	-	**71**	**821**	-	**7,557**
Tax	**(1,477)**	-	-	-	**(164)**	-	**(1,641)**
Share of results after tax	**5,188**	-	-	**71**	**657**	-	**5,916**
Capital expenditure							

Segment capital expenditure	**304**	**5**	**54**	**106**	**587**	**3**	**1,059**
Unallocated capital expenditure							**3,195**
							4,254
Depreciation and amortisation							
Segment depreciation and amortisation	**3,948**	**6,018**	**383**	**2,426**	**258**	**1,692**	**14,725**
Unallocated depreciation and amortisation							**1,563**
							16,288

The derecognition of goodwill and 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:

	2018	2017
	£000	£000
Asia	-	8,235
Brands	-	3,547
Eastern & Southern Europe	**5,572**	2,494
Russia	**1,843**	-
UK	**2,216**	-
	9,631	14,276

The Group's assets and liabilities can be analysed by operating segment as follows:

30 September 2018	**Asia £000**	**Brands £000**	**Central Asia £000**	**Eastern & Southern Europe £000**	**Russia £000**	**UK £000**	**Total Group £000**
Assets							
Segment assets	**107,886**	**219,798**	**13,555**	**19,537**	**79,370**	**209,099**	**649,245**
Unallocated assets							**19,965**
							669,210
Liabilities							
Segment liabilities	**(53,893)**	**(14,702)**	**(6,623)**	**(8,133)**	**(36,067)**	**(34,051)**	**(153,469)**
Unallocated liabilities							**(190,859)**
							(344,328)
Net assets							**324,882**

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).

The comparative period segmental information has been restated to reflect the changes made to the operating segments in the current year.

Year ended 30 September 2017 (restated)	**Asia**	**Brands**	**Central Asia**	**Eastern & Southern Europe**	**Russia**	**UK**	**Total Group**
	£000	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**
Revenue	23,777	8,816	21,736	17,041	71,365	9,888	**152,623**
Segment headline profit before tax	6,885	2,680	6,541	4,766	26,339	2,694	**49,905**
Unallocated costs							**(18,283)**
Headline profit before tax							**31,622**
Adjusting items (note 3)							**(34,785)**
Loss before tax							**(3,163)**
Tax							**(3,252)**

Loss after tax	**(6,415)**

Year ended 30 September 2017 (restated)	**Asia £000**	**Brands £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	5,095	-	-	-	1,415	-	**6,510**
Tax	(1,173)	-	-	-	(331)	-	**(1,504)**
Share of results after tax	3,922	-	-	-	1,084	-	**5,006**
Capital expenditure							
Segment capital expenditure	885	1	47	261	98	9	**1,301**
Unallocated capital expenditure							**1,835**
							3,136
Depreciation and amortisation							
Segment depreciation and amortisation	4,567	4,771	566	3,815	959	395	**15,073**
Unallocated depreciation and amortisation							**1,253**
							16,326

The Group's assets and liabilities can be analysed by operating segment as follows:

30 September 2017 (restated)	**Asia £000**	**Brands £000**	**Central Asia £000**	**Eastern & Southern Europe £000**	**Russia £000**	**UK £000**	**Total Group £000**
Assets							
Segment assets	116,002	40,260	13,063	27,373	68,813	15,896	**281,407**
Unallocated assets							**17,864**
							299,271
Liabilities							
Segment liabilities	(63,022)	(6,609)	(5,359)	(9,079)	(33,300)	(2,760)	**(120,129)**
Unallocated liabilities							**(88,820)**
							(208,949)
Net assets							**90,322**

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***	
	2018 £000	2017 £000 (restated)	**2018 £000**	2017 £000 (restated)
Asia	**27,756**	26,133	**82,013**	89,948
Central Asia	**15,054**	13,073	**4,030**	4,250
Eastern & Southern Europe	**12,958**	15,032	**12,121**	22,617
Russia	**52,694**	52,340	**16,084**	28,783
UK	**36,267**	9,887	**285,643**	10,101
Rest of the World	**30,940**	36,158	**119,681**	50,535
	175,669	152,623	**519,572**	206,234

** Non-current assets exclude deferred tax assets and assets classified as held for sale.*

5 Disposal group held for sale

On 5 September 2018, the group announced the proposed disposal of ITE Expo LLC which operated 56 non-core events in Russia. The disposal was effected in order to complete a major step in delivering a key pillar of the Group's TAG programme to focus on must-attend International events by actively managing its portfolio. The disposal was completed on 3 October 2018, on which date control of ITE Expo LLC passed to the acquirer. In relation to this, the assets and liabilities of ITE Expo LLC have been classified as held for sale at 30 September 2018.

In order to be recognised as a disposal group held for sale, IFRS 5 'Non-current Assets Held for Sale and Discontinued Operations' requires the business to be available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets, and the sale must be highly probable.

The Group has considered how advanced the disposal was at 30 September 2018 and concluded that the relevant criteria for recognition as held for sale have been met as at this date. This conclusion has subsequently been supported by the completion of the disposal on 3 October 2018.

IFRS 5 requires the disposal group held for sale to be measured at the lower of its carrying value and fair value less costs to sell. The fair value of the disposal group is deemed to be the present value of the expected consideration of £3.3m (the undiscounted value of the expected consideration is £6.6m). The costs to sell are approximately £1.0m. As the fair value less costs to sell of the disposal group exceeds the carrying value of the disposal group of £2.2m, at 30 September 2018, the disposal group was stated at carrying value and comprised the following assets and liabilities:

	2018
	£000
Goodwill	5,673
Other intangible assets	9
Property, plant and equipment	126
Deferred tax asset	307
Trade and other receivables	2,175
Cash and cash equivalents	2,193
Total assets classified as held for sale	**10,483**
Trade and other payables	(1,913)
Corporation tax	(518)
Deferred income	(5,415)
Deferred tax liability	(465)
Total liabilities classified as held for sale	**(8,311)**
Net assets classified as held for sale	**2,172**

A loss on disposal is expected to be recognised in the year ending 30 September 2019 as the fair value of the expected consideration is expected to be lower than the net assets being disposed of, after including the amounts held within the Group's foreign currency translation reserve in respect of ITE Expo LLC, which must be classified to the income statement on disposal.

In line with the requirements of IFRS 5, the disposal of ITE Expo LLC has not been treated as a discontinued operation, as it does not represent the disposal of a component of the entity, a separate major line of business or a separate geographical area of business.

6 Investment revenue

	2018	2017
	£000	£000
Interest receivable from bank deposits	**603**	688
Gain on revaluation of equity options	**2,918**	4,839
Gain on revaluation of deferred and contingent consideration	**77**	503
	3,598	6,030

7 Finance costs

	2018	2017
	£000	£000
Interest on bank loans	**2,775**	2,512
Bank charges	**1,112**	1,312
Imputed interest charge on discounted equity option liabilities	**1,791**	1,178
	5,678	5,002

8 Tax on profit on ordinary activities

Analysis of tax charge for the year:

	2018	2017
	£000	£000
Group taxation on current year result:		

	2018	2017
UK corporation tax credit on result for the year	**(78)**	(249)
Adjustment to UK tax in respect of previous years	**110**	(49)
	32	(298)
Overseas tax - current year	**9,856**	7,402
Overseas tax - previous years	**(255)**	675
	9,601	8,077
Current tax	**9,633**	7,779
Deferred tax		
Origination and reversal of timing differences:		
Current year	**(6,569)**	(3,457)
Prior year	**(41)**	(1,070)
	(6,610)	(4,527)
	3,023	3,252

The tax charge for the year can be reconciled to the profit per the income statement as follows:

	2018 **£000**	2017 £000
Loss on ordinary activities before tax	**(3,684)**	(3,163)
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.0% (2017: 19.5%)	**(700)**	(617)
Effects of:		
Expenses not deductible for tax purposes	**1,531**	407
(Profit)/Loss on sale of investments	**(577)**	724
Exceptional costs	**1,326**	128
Increase in uncertain contingencies	**460**	920
Tax effect of equity options and deferred/contingent consideration	**(184)**	(809)
Impairment of goodwill	**1,830**	2,678
Foreign exchange	**(582)**	-
Tax effect of amortisation of intangibles	**(322)**	(801)
Deferred tax asset not recognised	**261**	1,208
Withholding tax and other irrecoverable tax	**1,511**	231
Deferred tax provision on repatriation of overseas profits	**157**	829
Tax charge in respect of previous period	**(186)**	(444)
Reduction in DT rate from 19% to 17%	**114**	297
Effect of different tax rates of subsidiaries in other jurisdictions	**(519)**	(524)
Associate tax	**(1,097)**	(975)
	3,023	3,252

The Group operates and derives profits from a range of international markets, and as such it is subject to tax in a number of territories. The Group actively monitors developments in international and domestic tax rules to which it is subject and is currently assessing the potential impact of measures announced as part of the OECD's 'Base Erosion and Profit Shifting'. It is possible that changes in tax rules will have an impact of the Group's effective tax rate in future periods.

	2018 **£000**	2017 £000
Tax relating to components of comprehensive income:		
Cash flow gains - Current	**-**	-
Cash flow (losses)/gains - Deferred	**(314)**	(222)
	(314)	(222)
Tax relating to amounts (charged)/credited to equity:		
Share options - Current	**-**	-
Share options - Deferred	**(62)**	(12)
	(62)	(12)
	(376)	(234)

9 Dividends

	2018			2017		
	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	**2.5**	**5,962**	**701**	3.0	5,350	2,497

Interim dividend in respect of the current year	**1.5**	**4,018**	-	1.5	3,328	686
	4.0	**9,980**	**701**	4.5	8,678	3,183

The Directors are proposing a final dividend for the year ended 30 September 2018 of 1.0p per ordinary share, a distribution of approximately £7.4m. The proposed final dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements.

Under the terms of the trust deed dated 20 October 1998, the ITE Group Employees Share Trust, which holds 2,506,133 (2017: 2,783,585) 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.

10 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:

	2018 No. of shares (000)	2017 No. of shares (000) (Restated*)
Weighted average number of shares:		
For basic earnings per share	**500,822**	428,910
Effect of dilutive potential ordinary shares	**362**	499
For diluted and headline diluted earnings per share	**501,184**	429,409

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 £8.1m (2017: £8.2m). Basic and diluted earnings per share were (1.6)p (2017: (1.9)p*). 362,000 share options (2017: 499,000) 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 4.9p per share (2017: 5.0p*). Headline basic earnings per share is 4.9p (2017: 5.0p*).

	2018 £000	2017 £000
Loss for the financial year attributable to equity holders of the parent	**(8,065)**	(8,246)
Amortisation of acquired intangible assets	**13,631**	14,069
Tax effect of amortisation of acquired intangible assets	**(5,058)**	(3,559)
Derecognition of goodwill on cessation of trading	**2,216**	-
Impairment of goodwill	**5,572**	11,204
Impairment of acquired intangible assets	**-**	1,381
Impairment of investments in associates and joint ventures	**-**	1,691
Impairment of venue prepayment	**1,843**	-
(Profit)/loss on disposals	**(2,968)**	3,712
Transaction costs on completed and pending acquisitions	**8,037**	406
Integration costs		
- Integration costs	**1,905**	-
- Costs to realise synergies	**845**	-
Restructuring costs		
- TAG	**5,347**	4,664
- Other	**2,236**	318
Revaluation of liabilities on completed acquisitions	**(1,204)**	(4,164)
Headline earnings attributable to Owners of the Company for the financial year after tax	**24,337**	21,476

**The weighted average number of shares used for basic and diluted and headline basic and diluted earnings per share for 2017 has been restated as a result of the 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 2017 have also been restated.*

11 Acquisitions

Ascential Events Limited

On 17 July 2018, ITE's wholly owned subsidiary, ITE Enterprises Limited, acquired 100% of the issued share capital of Ascential Events Limited for consideration of £300.3m.

The Ascential Events business, which organises market-leading exhibitions, includes two global industry-leading exhibitions brands, Bett and CWIEME, and a number of market-leading UK exhibitions brands such as the Spring and Autumn Fairs and Pure.

During the period the Group incurred transaction costs on the Ascential Events acquisition of £4.7m, which are included within administrative expenses.

Details of the fair values of the net assets acquired, and the goodwill arising, are presented as follows:

Assets acquired	**Fair value £000**
Intangible assets - Customer relationships	25,549
Intangible assets - Trademarks	194,718
Computer software	63
Property, plant and equipment	2,091
Deferred tax asset	771
Trade and other receivables	25,212
Cash and cash equivalents	3,260
Trade and other payables	(7,168)
Corporation tax	(1,664)
Deferred income	(30,701)
Provisions	(1,750)
Deferred tax liabilities	(37,445)
	172,936
Non-controlling interest	-
Net assets acquired	**172,936**
Goodwill arising on acquisition	127,376
Total cost of acquisition	**300,312**

Satisfied by	
Cash consideration	297,762
Deferred consideration	2,550
	300,312

Net cash outflow arising on acquisition	
Cash consideration paid	297,762
Cash and cash equivalents acquired	(3,260)
	294,502

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 fair value of trade and other receivables includes trade receivables with a fair value, after providing for expected uncollectable amounts, of £16.4m. The gross value of these trade receivables was £18.1m. No further amounts are currently expected to be uncollectable.

Goodwill arising on acquisition of £127.4m reflects the strategic value of the acquisition of a portfolio of market-leading events, including the expectation of new contracts and relationships, and the expected synergies with the Group's existing operations. None of the acquired goodwill and intangibles are expected to qualify for tax deductions in the UK.

The acquired business has contributed £17.1m to Group revenue and a statutory profit before tax of £3.5m since acquisition. If the acquisition had occurred on 1 October 2017 it would have contributed £75.3m to Group revenue and £19.7m to Group statutory profit before tax.

On 23 October 2018 the Group completed the acquisition of the business and assets relating to Mining Indaba from Euromoney Institutional Investor Plc. See Note 12 for detail.

12 Post balance sheet events

Acquisition of Mining Indaba

On 23 October 2018 the Group completed the acquisition of the business and assets relating to Mining Indaba from Euromoney Institutional Investor Plc. Mining Indaba is the leading event dedicated to bringing together mining and investment experts in order to develop mining interests in Africa.

The consideration of £30.1m comprises initial cash consideration of £20.0m to be paid on completion, and deferred cash consideration of £10.1m to be paid in June 2019.

The provisional amounts to be recognised in respect of the identifiable assets acquired and liabilities assumed are presented as follows:

	Fair value £000
Intangible assets - Customer relationships	4,563
Intangible assets - Trademarks	13,351
Trade and other receivables	409
Deferred income	(2,620)
Deferred tax liability	(2,270)
Identifiable net assets	**13,433**
Goodwill arising on acquisition	16,667
Total consideration	**30,100**

Satisfied by	
Cash consideration	**20,000**
Deferred consideration	**10,100**
	30,100
Net cash outflow arising on acquisition	
Cash consideration paid	**20,000**
Cash and cash equivalents acquired	-
	20,000

The value of separately identifiable intangible assets, and deferred tax on those intangibles, utilise valuation methodologies including the use of discounted cash flows, revenue forecasts and the estimates for the useful economic lives of intangible assets. There are significant judgements involved in assessing what proportion of the consideration paid is attributed to separate intangible assets such as trademarks and customer relationships.

The provisional amounts reflected in the table above are management's best estimate as at the date of the financial statements. However, a significant change in the assumptions used to calculate the valuation of intangible assets on acquisition could potentially result in a material change to the valuation of trademarks and customer relationships, and associated goodwill. These will be subsequently finalised within the 12-month measurement period, as permitted by IFRS 3.

The provisional goodwill of £16.7m arising from the acquisition reflects the strategic value of the acquisition of a market-leading event, including the expectation of new contracts and relationships, and the expected synergies with the complementary Africa Oil Week event which the Group already owns. The fair value of trade and other receivables includes trade receivables with a fair value, after providing for expected uncollectable amounts, of £0.1m. No further amounts are currently expected to be uncollectable.

Acquisition-related costs (included in administrative expenses) amount to £0.3m.

Disposal of ITE Expo LLC

Subsequent to the assets and liabilities of ITE Expo LLC being classified as held for sale at 30 September 2018, on 3 October 2018 the Group completed the disposal of ITE Expo LLC, the operating company for 56 of the Group's non-core, regionally-focused, smaller events in Russia, to Shtab-Expo LLC.

The Group will receive consideration of approximately £7.5m over the nine years following completion together with additional variable consideration of up to approximately £4.7m based on ITE Expo LLC's incremental revenue growth during this period. The terms of the deal incentivise the purchaser to make earlier payments to satisfy the consideration. If the purchaser has by 30 September 2023 paid consideration of approximately £6.1m, exclusive of any variable consideration, this will extinguish the obligation to pay the remaining consideration, including any future variable consideration.

Dividend calendar

Final dividend 2018	
Ex-dividend date	3 January 2019
Record date	4 January 2019
Payment date	4 February 2019
Interim dividend 2019	
Ex-dividend date	20 June 2019
Record date	21 June 2019
Payment date	1 August 2019

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