

Directors' report

The Directors present their Annual Report, together with the Group's audited financial statements for the year ended 31 December 2021.

The Corporate Governance Statement set out on pages 48 to 49 forms part of this report.

Details of any significant events since the reporting date are included in note 36 to the financial statements. An indication of likely future developments in the business of the Company and details of research and development activities are included in the Strategic Report.

Information about the use of financial instruments by the Company and its subsidiaries is given in note 28 to the financial statements.

Dividends

The Directors recommend a final dividend of 8.8p per ordinary share (2020: 7.8p) to be paid on Thursday 23 June 2022 to ordinary shareholders on the register on Friday 3 June 2023 which, together with the interim dividend of 4.4p (2020: 3.9p), makes a total of 13.2p for the year (2020: 11.7p).

Capital structure

Details of the authorised and issued share capital of the Company and options over shares of the Company are set out in notes 31 and 33 to the Group financial statements. Over the period, the Company had five share incentive schemes by which Directors and employees may:

- (i) be granted options under a Long-Term Incentive Plan ("LTIP") to subscribe for nil-cost shares in the Company;
- (ii) be granted options under the Company Share Option Plan ("CSOP");
- (iii) be issued shares under a Share Incentive Plan ("SIP");
- (iv) be granted options under a Save As You Earn plan ("SAYE"); and
- (v) be granted options under the deferred bonus scheme.

The maximum aggregate number of shares which may be issued in respect of these schemes is limited to 10% of the issued share capital.

In the period the Company has issued equity in connection with settlement of deferred consideration and options in respect of historical acquisitions.

Composition of the Group

Details concerning subsidiary undertakings are given in note 17 to the Group financial statements.

Directors

The names of the Directors during the year and up to the date of signing are disclosed on pages 50 to 51.

Directors' interest in share capital

The Directors' interest in share capital is shown within the Annual Report on Remuneration on page 79.

Directors' indemnities

The Company has made qualifying third-party indemnity provisions for the benefit of the Directors of the Company and its subsidiaries which were made during the year and remain in force at the date of this report.

Going concern

The financial accounts are prepared on a going concern basis. Further detail can be found in the Financial review on pages 32 to 35.

Treasury policy

The Group's treasury policy aims to manage the Group's financial risk and to minimise the adverse effects of fluctuations in the financial markets on the value of the Group's financial assets and liabilities, on reported profitability and on the cash flows of the Group. Note 28 sets out the particular risks to which the Group is exposed, and how these are managed.

Interests in contracts

At no time during the year did any of the Directors have a material interest in any significant contract with the Company or any of its subsidiaries.

Health, safety, the environment and the community

The Group has a formal Health, Safety and Environmental Policy which requires all operations within the Group to pursue economic development whilst protecting the environment. The Directors aim not to damage the environment of the areas in which the Group operates, to meet all relevant regulatory and legislative requirements and to apply responsible standards of its own where relevant laws and regulations do not exist.

It is the policy of the Group to consider the health and welfare of employees by maintaining a safe place and system of work as required by legislation in each of the countries where the Group operates.

Energy and carbon emission reporting

Information on energy and carbon emission reporting can be found on pages 36 to 42.

Political contributions

No political contributions were made in the year (2020: £nil).

Employee engagement

Information relating to how the Group engages with its workforce can be found on pages 43 to 44.

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the Group continues and that appropriate training is arranged. It is the policy of the Group that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Auditors and their independence

A resolution to appoint auditors for the year to 31 December 2022 will be proposed at the AGM. The Company has a policy for approval by the Audit Committee of non-audit services by the auditor, to preserve independence. The external auditor, Deloitte LLP, have expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Disclosure of information to the auditor

Each of the persons who is a Director at the date of approval of this Annual Report confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the Director has taken all the steps that he/she ought to have taken as a Director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Approved and authorised by the Board.

By order of the Board,

Andrew Belshaw

Chief Financial Officer

21 March 2022