Centaur Media plc
Annual Report 2006

Contents

Vision & Values

Finding new ways to inform and connect in strong markets

Centaur's Vision - what we aim to do

Centaur's focus is on serving defined business and special interest communities, within which we identify two broad customer groups – those we call our audiences (ie information consumers who read our print and online publications and visit our events) and those we call marketers (ie those who wish to do business with our audiences). We aim to be market leaders within our chosen specialist communities in the following areas of activity:

- To be the leading provider of high need information to our community audiences
- To be the leading provider of marketing and lead generation multimedia solutions to our community marketers

Centaur's Strategy - how we aim to do it

The success of our business depends upon our ability to maintain the trust and support of our audiences, through the delivery of relevant content, so that we can connect them with prospective marketers. The key elements of our strategy are therefore as follows:

- To identify high value business and special interest audiences and understand their information needs
- To build high quality databases of influential individuals within our communities and understand the marketing needs of those wishing to connect with our audiences
- To establish the most appropriate media (print publications, online and events) which best engage with our audience's information and business needs and in so doing create or reinforce a community's distinctive identity
- To use our media and our databases to provide effective marketing and lead generation solutions to those seeking to connect with our audiences
- To achieve and sustain market leadership through investment in customer-focussed innovation

Centaur's Values - who we aim to be

Centaur's culture has, since its formation, been built on the foundation stones of integrity and enterprise. We want our people and our products to inspire trust, we aim to treat people with honesty and respect and we reward merit. As an entrepreneurial business, we encourage our people to think like owners, to be creative, take initiative, work hard and embrace change. We believe that these values are integral to our past and future success.

Highlights

Trends

	3 year compound annual growth %	Year ended 30 June 2006 Actual IFRS £m	Year ended 30 June 2005 Actual IFRS £m	Year ended 30 June 2004 Proforma UK GAAP £m	Year ended 30 June 2003 Proforma UK GAAP £m
Revenue	10%	82.3	72.2	68.3	62.6
Adjusted EBITDA [1]	33%	15.7	12.2	8.8	6.7
Adjusted profit before tax [2]	40%	13.2	9.7	6.3	4.8
Adjusted basic EPS (pence) [3]	64%	6.2	4.7	2.9	1.4
Average staffing (number of heads)		732	717	750	735
Revenue per head		112	100	91	85
Cash conversion rate [%4]		89%	80%	91%	138%

Notes

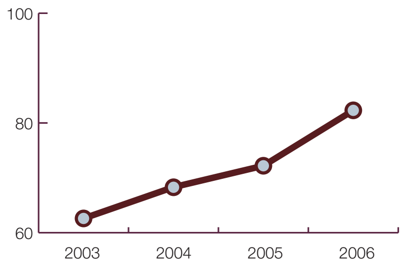
1 *One of Centaur's key measures of profit, which is used to measure the relative performance of divisional units of the Group, is earnings before interest, tax, depreciation and amortisation, excluding exceptionals and other material non-cash items (Adjusted EBITDA).*

2 *Adjusted PBT is profit before tax, excluding the impact of amortisation of acquired intangibles and of exceptional items.*

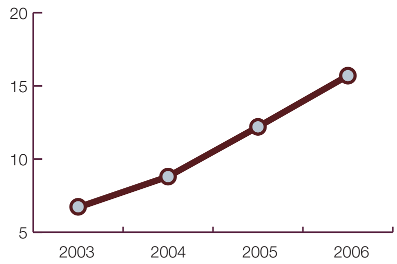
3 *Adjusted EPS is based on the basic EPS but after making adjustments for amortisation on acquired intangibles and exceptional items as detailed in note 7 to the financial statements.*

4 *Cash conversion rate is free cash flow expressed as a percentage of adjusted operating profit. Free cash flow is defined as cash generated from operations (note 25 to the financial statements), less capital expenditure on property, plant and equipment and software. Adjusted operating profit is operating profit after making adjustments for amortisation on acquired intangibles and exceptional items.*

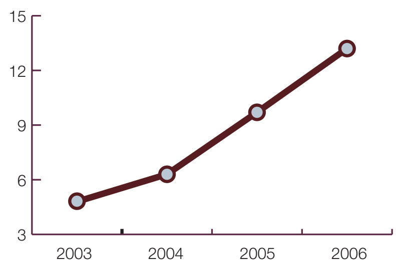
Revenue (£m)



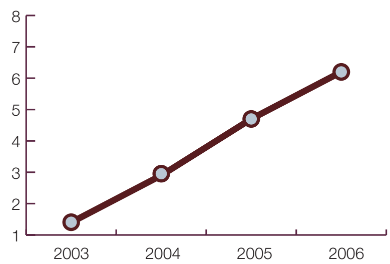
Adjusted EBITDA (£m)



Adjusted PB (£m)



Adjusted EPS (£m)



Highlights

Current and prior year

	IFRS Actual Year ended 30 June 2006 £m	IFRS Actual Year ended 30 June 2005 £m	Year on year movement %
Revenue	82.3	72.2	14%
Adjusted EBITDA [1]	15.7	12.2	29%
Adjusted EBITDA [1] margin	19%	17%	
Profit before tax	15.1	9.2	64%
Adjusted profit before tax [2]	13.2	9.7	36%
Basic EPS (pence)	7.6p	4.4p	73%
Adjusted basic EPS (pence) [3]	6.2p	4.7p	32%
Cash conversion rate [4]	89%	80%	
Net cash	6.2	10.0	
Full year dividend per share (pence)	3.0	1.7	76%

- Strong growth in revenues leads to record profits
- Adjusted EBITDA margin increases to 19%
- 15% growth in advertising revenues, led by strong online performance, which grew by 20%
- 15% growth in events revenues, boosted by launch of 6 new events
- 4 new magazines and 5 new websites launched in year
- 6 bolt-on acquisitions completed in the period
- PBT up 64% to £15.1m and adjusted PBT up 36% to £13.2m (2005: £9.7m), ahead of expectations
- Strong balance sheet and profits growth leads to 76% increase in full year dividend
- Appointment of Geoff Wilmot as new Chief Executive Officer announced

Centaur's Strategy

Centaur's vision is to be the leading provider of information, marketing and lead generation media solutions to our chosen business communities. We seek to offer the best integrated product and service portfolio in each of the vertical markets we serve. We aim to achieve and maintain market leadership through continuous customer-responsive innovation and a consistently high level of content quality and integrity.

Centaur's strategy, since the formation of the group in 1981, has been based firstly on identifying and serving the information needs of distinct business communities and secondly on facilitating contact between buyers and sellers in those communities. We do not seek to enter a new market unless we believe that it offers substantial value and that we can achieve market leadership within an acceptable timescale.

Centaur's organisation reflects our community focus, operating as it does as a federation of small businesses serving individual vertical communities, supported by a strong central infrastructure of common services such as Finance, Circulation, IT Operations and HR.

Our culture is entrepreneurial, innovative and highly customer-focused, with each community served by discrete profit centres. We strongly encourage innovation in pursuit of customer satisfaction. As a result, most of our portfolio has been created and launched within the business as opposed to being acquired. Around 12% of Centaur's revenues in the past year derived from products created within the last three years.

In pursuit of market leadership, Centaur's strategy is generally first to establish a high frequency publication (in print or online) that becomes a trusted source of information, whose identity becomes closely linked with that of the community it serves. Typically we have launched new products within markets that are undergoing change (which is invariably the catalyst which permits market entry) and where we perceive high value, long-term growth potential.

In creating products that meet the needs of our markets, we seek both to define and analyse the buyer audience that suppliers wish to reach and to identify the essential information needs of that audience. In doing so, we also seek to maintain the highest standards of content quality and editorial integrity. This strategy reflects the fact that, whilst Centaur generates significant revenues from advertising, exhibitions and sponsored events, we are positioned primarily as being in the relevant readership business and our principal goal is to establish and maintain market-leading information brands. This permits us to build a database of loyal communities of readers with significant purchasing power which we can use to provide effective marketing and lead generation solutions to our advertising clients.

The second element of Centaur's strategy is therefore to extend its core publication brands into complementary product offerings, as reflected in the description of the portfolio listed on pages 8 & 9.

Centaur's key media models

Magazines

Weekly magazines have traditionally been at the core of Centaur's strategy. Their frequency has ensured that they have normally been the hub in serving any market. The emergence of the internet as an effective information and marketing medium is undoubtedly beginning to change the way that readers use magazines, but we believe that they still remain a uniquely effective medium with which to develop an in-depth relationship with their readers. Their key editorial functions are as follows:

- They provide a forum for news and analysis about the market, where topicality and depth of understanding are essential.
- They serve to diminish the sense of isolation experienced by people working within one area by informing them of events affecting their contemporaries working in a parallel area.
- They monitor the pulse of the sector and provide key data and analysis on a regular basis.

In summary, weeklies can become an integral part of the community they serve, as its members increasingly rely on them. In some markets, there is insufficient justification for a weekly frequency – and with the growth of the internet as a news medium, it is likely that overall frequencies of print publications will tend to decline, albeit at different rates in different markets. Monthly and less frequent titles are however normally only published where opportunities are identified for other profitable products and services linked to the magazine.

Online products

The internet is creating many exciting opportunities to serve our markets in new ways and clearly offers features which printed products cannot match. We expect online products to become an increasingly important medium over the next few years. However, we believe that the medium of the internet is essentially complementary to the role of the business magazine rather than competitive with it.

Editorially, the weekly magazine provides an ideal medium for news analysis and special emphasis features, whilst the internet is better suited to breaking news highlights, multimedia content, user-generated content, data analysis and database searching. From an advertiser's perspective, the business magazine is still an ideal medium for brand building and achieving in-depth engagement with information browsers, whilst the internet is more suited to advertising designed for lead-generation and providing access to information searchers. In terms of circulation, the magazine typically addresses the top end of a community, whilst the internet, with its very low marginal cost of distribution, permits a much broader reach.

Centaur has successfully launched internet services to support each of its main magazine brands. Revenues and profits from these services have grown rapidly in the last few years and they have become an integral part of the service we provide to our communities.

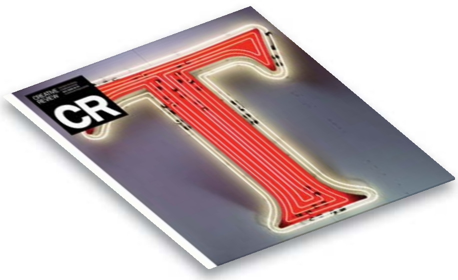
Events

As a natural extension of our core mission to create a market identity for a community and diminish the sense of isolation between its members, the development of meetings-based events is a core part of Centaur's strategy. These take a number of forms, the most important of which are Exhibitions, Conferences, Summits and Awards.

The strategy for exhibitions is to build small to medium-sized shows that seek to serve clearly defined vertical markets. These vertical markets may be subsets of a broader market served by the relevant weekly. Revenues are derived principally from stand sales.

Centaur's conferences model is essentially based on 1 or 2 day programmes addressing topics of high current interest. Revenues are principally from delegates, so great emphasis is placed on the quality of programme research and choice of speakers.

Summits typically comprise meetings-based events, bringing together relatively small numbers of senior members of particular vertical markets. They have a strong information base, but revenues are normally derived from sponsorship. Centaur also stages the leading annual awards ceremony in each of its major communities. These events reinforce the strength of the related magazine brands and provide invaluable opportunities to communicate with the market.



Group Products & Services

As at September 30th 2006

W Weekly
F Fortnightly
M Monthly

3 3 issues p.a
4 4 issues p.a
5 5 issues p.a
6 6 issues p.a
9 9 issues p.a

	Marketing, Creative & New Media	Legal and Financial
Magazines		
	W Marketing Week	W Money Marketing
	F Precision Marketing	W Fund Strategy
	W New Media Age	W Mortgage Strategy
	W Design Week	M Lending Strategy
	M Creative Review	M Corporate Adviser
	M In-Store	W The Lawyer
	M Data Strategy	5 Lawyer 2 B
	M Brand Strategy	
Online		
	MarketingWeek.co.uk	MoneyMarketing.co.uk
	mad.co.uk	TheLawyer.com
	PrecisionMarketing.co.uk	Headlinemoney.co.uk
	NMA.co.uk	
	E-CR.co.uk	
Exhibitions/Events		
	The In-Store Show	Mortgage Summit
	Insight Show	Investment Summit
	Online Marketing Show	The Lawyer Legal Summit
	DM Live!	Money Marketing Live
Awards		
	Marketing Week Awards	Money Marketing Awards
	Precision Marketing Awards	Lawyer Awards
	New Media Age Awards	Mortgage Strategy Awards
	IMA Awards	Headline Money Awards
	Design Week Awards	
	POP Awards	
	Data Strategy Awards	

In addition to the products listed above, Centaur Conferences produces more than 80 one, two and three day conferences in the marketing, legal, engineering, new media and PPF markets. Centaur Exhibitions runs more than 20 exhibitions, including the ones itemised above. And the company produces more than 20 annuals and books plus direct response media – list rental and action packs.

Group Products & Services

Construction and Engineering	Perfect Information	Other
F The Engineer 6 Metalworking Production M Process Engineering 6 What's New In Industry 3 Technology Horizons M Architect, Builder, Contractor & Developer 6 Public Sector Building M Homebuilding & Renovating M Move Or Improve? M Period Living		F Recruiter M Employee Benefits M Logistics Manager 6 Hali 4 Modern Carpets & Textiles 9 Logistics Europe
TheEngineer.co.uk Pro-Talk.com Homebuilding.co.uk Plotfinder.net PropertyFinderFrance.net abc-d.co.uk wnii.co.uk	Perfect Filings Perfect Analysis Perfect Debt	EmployeeBenefits.co.uk LogisticsManager.com Hali.com PublicPrivateFinance.com ABTN.co.uk FinanceWeek.co.uk
Homebuilding & Renovating Shows Subcon	Perfect Learning	Employee Benefits Shows Employee Benefits Summit Business Travel Shows Logistic Link Shows Materials Handling Live Travel Technology Show
Metalworking Production Awards		Recruiter Awards Employee Benefits Awards Supply Chain Excellence Awards Hali/Modern Carpets Awards PPF Awards

The product list above is not comprehensive, it represents the major revenue-generating business units.

Board of Directors

Non-Executive Directors

Executive Directors

Thomas Scruby
Non-Executive Director

Tom was appointed a Director of Centaur Communications in 1989. Since qualifying as a chartered accountant in 1957, he has held senior executive and non-executive positions in a range of public and private commercial businesses and corporate finance advisory organisations. He is a Non-Executive Chairman of Linguaphone Group plc and Questor VCT plc, and Non-Executive Director of Questor VCT 2 plc.

Alton Irby
Non-Executive Director

Alton was founding partner of the M&A boutique Hambro Magan Irby in 1988. After selling the business to NatWest in 1996, he became Chairman and CEO of the NatWest Global Investment Banking Advisory business. In 2001 he bought the business from NatWest and renamed it Hawkpoint Partners. In 2001 he retired as Chairman and CEO from Hawkpoint Holdings and became a founding partner of Gleacher & Co's European investment banking business. He left Gleacher & Co. in early 2003 to form Tricorn Partners, a private investment bank. In May 2006 he moved from London to San Francisco to form London Bay Capital, a private equity firm.

Colin Morrison
Non-Executive Director

Colin is Chief Executive Officer of the UK division of Australian Consolidated Press. During 2001-03, he was Chief Operating Officer of The Future Network plc, seeing the company through a period of successful reorganisation. He has managed B-to-B publishing operations in the UK for Reed and EMAP, and consumer magazines in the Asia Pacific region and across Europe for Australian Consolidated Press and Axel Springer.

Patrick Taylor
Non-Executive Director

Patrick was formerly Chief Executive Officer of GWR Group plc, the UK's largest commercial radio group ranked by licences and audiences. Before joining GWR, Patrick was a Group Finance Director of Capital Radio plc. A qualified chartered accountant, Patrick began his career at Coopers & Lybrand and became a partner with the practice in 1980, specialising in corporate finance. He is a Non-Executive Director of The Future Network plc.

Graham Sherren
Executive Chairman and Chief Executive

Graham has spent most of his career running business-to-business publishing companies starting in 1964 with Product Journal Limited. In 1968, Product Journal Limited was acquired by Morgan Grampian plc. He ran Morgan Grampian (including subsequent to its takeover by Trafalgar House Investments plc) until 1981 when he established Centaur Communications.

Geoffrey Wilmot
Chief Financial Officer

Geoff joined Centaur Communications in September 1998 as Group Finance Director. He qualified as a chartered accountant with Binder Hamlyn in 1979. Immediately prior to joining Centaur Communications, he was Chief Financial Officer of the legal and professional division within Thomson Corporation. He has also previously worked for Morgan Crucible plc in a variety of roles and as Finance Director of Dexion Group plc and Scruttons plc.

Senior Management

From left to right

Patrick Ponsford Publishing Director, Financial Services Division
Tim Potter Managing Director, Business Publishing
Ian Roberts Company Secretary
Nigel Roby Publishing Director, New Media and Engineering Divisions
Calum Taylor Managing Director, Exhibitions
Annie Swift Publishing Director, Marketing Division
Howard Sharman Corporate Development Director
Libby Child Publishing Director, Legal Division
Roger Beckett Publishing Director, Creative Division
Mike Lally Finance Director
Robin Coates Publishing Director, Construction Division
Judith Mann Selley Director of Circulation and Information Services

Chairman’s Statement

Centaur has delivered 64% p.a. compound growth in adjusted eps in the last three years

Graham Sherren
Executive Chairman and Chief Executive

Chairman's Statement

Introduction

I am pleased to announce that Centaur is reporting record profits in the 12 months to 30 June 2006, with adjusted PBT ahead of expectations up 36% to £13.2million and adjusted basic earnings per share 32% up at 6.2p (2005: 4.7p). Revenues, which grew 14% in the year, benefited from strong growth in advertising in most of our served markets, particularly in online media, continued growth in our events business and from the results of new and recently launched products. Revenue growth was underpinned by the bolt-on acquisitions we made during the year, but underlying revenues excluding acquisitions still grew 9% in the year.

Adjusted EBITDA increased by 29% to £15.7million, representing a further strong improvement in margin to 19% from 17% in the previous year, despite another year of significant further investment in the major new product, Finance Week.

Profit before tax amounted to £15.1million compared with £9.2million in the year ended 30 June 2005. The 2006 result is stated after an exceptional credit of £2.2m relating principally to the release of a provision for deferred purchase consideration in respect of Synergy Group and after charging, within administrative expenses, £0.3million of amortisation of acquired brands and publishing rights (2005 £0.0million). Finally, cash balances at 30 June 2006, net of loan note creditors, stood at £6.2million (2005: £10.0million).

In light of this performance, the Board is recommending a final dividend of 2.4p per share, giving a full year dividend of 3.0p, representing an increase of 76% over prior year. The final dividend will be paid to shareholders on the register as at 3 November 2006. It is proposed that the dividend will be paid on 1 December 2006. The Company will not be proposing any Scrip Dividends or Dividend Reinvestment Plan Options.

These excellent results reflect the success of our strategy of seeking to build market-leading positions across a number of vertical markets through continuous customer-focussed innovation. The recovery in the advertising cycle that started towards the end of 2003 has continued through the year to June 2006 in most of our served markets, although the marketing and creative sectors experienced well-publicised difficulties, reflecting weakness in the retail and consumer goods sectors in particular.

Nevertheless, total advertising turnover during the year increased by 15% over the equivalent prior year period. Acquisitions made during the year contributed to this growth, but underlying advertising revenues also grew strongly, thanks in particular to buoyant underlying trading conditions in the legal and financial markets.

The fastest pace of revenue growth was derived from online products (up 20%) and events (up 15%), reflecting the success of the principal focus of our strategy in the past few years, which has been to extend our major print publishing brands across multiple media. Centaur has developed most of its business organically and in FY2006, 12% of revenues were generated by products launched within the previous three years. We continued to maintain an active pace of new product development during the year, with the launch of 4 new magazines, 5 new websites and half a dozen new events.

In the past year we have also supplemented our growth through a number of small bolt-on acquisitions. These were in line with our established acquisition strategy, making selective purchases of businesses that fit with our overall growth strategy, which is to expand existing market positions and to establish market-leading positions in new markets. The key developments and initiatives in the period are outlined in the Business Review.

The new financial year has started well and our growth prospects continue to be supported by our pipeline of new and recently launched or acquired products. Revenues in the first quarter are comfortably ahead of the same period last year. The outlook is presently encouraging and we expect FY 2007 results to demonstrate further good progress.

As previously reported, I am also pleased to confirm that Geoff Wilmot will become Chief Executive Officer with effect from 1st November 2006. I am confident that he and his team will continue to take Centaur from strength to strength. Finally, my thanks to all my colleagues who as always have performed with great energy and enthusiasm.

Business Review

Our growth prospects continue to be supported by our pipeline of new and recently launched or acquired products.

Business Review

Analysis of results

	2006 £m Revenue	2006 £m EBITDA	2005 £m Revenue	2005 £m EBITDA
By Division				
Legal and Financial	**24.5**	**7.1**	20.7	5.4
Marketing, Creative and New Media	**23.5**	**3.3**	24.0	4.9
Construction and Engineering	**16.5**	**3.4**	13.3	2.1
Perfect Information	**6.4**	**1.4**	5.9	0.4
Other	**11.4**	**0.5**	8.3	(0.6)
Total	**82.3**	**15.7**	72.2	12.2
By Source				
Recruitment advertising	**12.9**	**-**	11.6	-
Other advertising	**31.0**	**-**	26.7	-
Circulation revenue	**5.8**	**-**	5.6	-
Online subscriptions	**7.6**	**-**	6.9	-
Events	**23.9**	**-**	20.8	-
Other	**1.1**	**-**	0.6	-
Total	**82.3**	**-**	72.2	-
By Product type				
Magazines	**43.8**	**7.6**	39.3	7.1
Events	**23.9**	**5.1**	20.8	3.8
Online products	**12.8**	**2.1**	10.7	0.9
Other	**1.8**	**0.9**	1.4	0.4
Total	**82.3**	**15.7**	72.2	12.2
Underlying				
Underlying	**78.4**	**15.3**	72.1	12.3
Acquisitions [1]	3.9	0.4	0.1	(0.1)
Total	**82.3**	**15.7**	72.2	12.2
By Maturity				
New [2]	**9.6**	**(0.3)**	10.6	(0.3)
Existing and acquired	**72.7**	**16.0**	61.6	12.5
Total	**82.3**	**15.7**	72.2	12.2

Notes

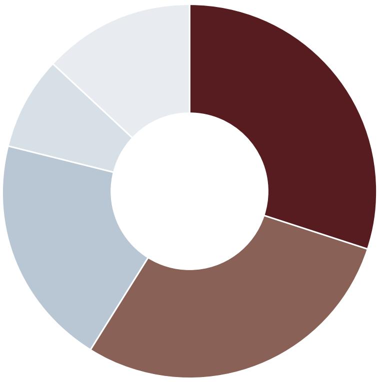
1 Acquisitions are reported by reference to the two years preceding each reporting date

2 New products are defined as any product launched in the last three years and are reported by reference to the three years preceding each reporting date

Business Review

__Revenue by Division__
Year ended 30 June 2006

Legal and Financial	*30%*
Marketing, Creative, New Media	*29%*
Construction and Engineering	*20%*
Perfect Information	*8%*
Other	*13%*



Trading Review

Revenues grew 14% in the year to 30 June 2006, led by 15% growth in revenues from both advertising and events. Advertising growth was particularly strong in our online media, which grew total revenues by 20%. Overall productivity improved, with total revenues per employee increasing 11% to £112k. This revenue and productivity growth, combined with other initiatives, resulted in adjusted EBITDA margins improving to 19% (2005:17%) and in adjusted basic earnings per share rising by 32% to 6.2p.

Centaur's rapid growth in the year continued to be supported by its pipeline of new and recently launched products and the record results were achieved despite a continuing high level of investment in future growth. Overall, approximately 12% of revenues generated in the last financial year were from products or events launched within the past three years. The bulk of the new product launches have been in existing communities, enhancing and extending established leading brands. Our major new product development, Finance Week, incurred further significant operating losses during the year, which have decreased significantly following its conversion to an online-only format in March 2006.

We also completed a number of small bolt-on acquisitions during the past year. In addition to the acquisition of Logistics Manager part way through the previous year, these acquisitions contributed 5% of revenues in FY2006 and an adjusted EBITDA margin of 10%.

Legal & Financial

This was our most successful market segment in the year, reflecting the strength of the underlying communities served. Revenue grew 18% year on year and we increased the EBITDA margin to 29% (2005:26%).

This division's three leading titles, Money Marketing, Mortgage Strategy and The Lawyer, each ended the year strongly. Money Marketing and its sister title, Fund Strategy, both benefited from a surge in demand for retail investment products in the second half, whilst Mortgage Strategy's consistent growth throughout the year reflected the continuing high levels of activity in that sector. The Lawyer, meanwhile, again recorded its best performance ever, benefiting in particular from the impact of the healthy levels of underlying M&A activity on the legal profession.

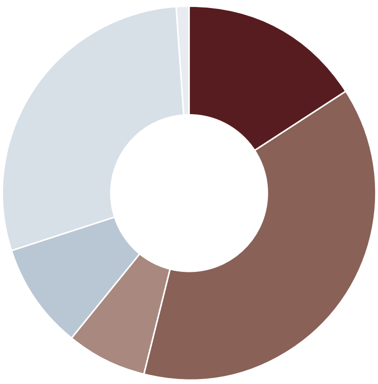
Events in this Division also recorded strong growth, led by the launch of two new summit events during the year. The Mortgage Summit, launched in September 2005, was successfully repeated in June 2006. The Investment Summit, launched in March 2006, was also a great success. The Lawyer Legal Summit continued to grow as did our major exhibitions in the financial sector, Money Marketing Live.

The fastest pace of growth in this Division was derived from online products. Revenues and profits from the three major internet businesses, Money Marketing Online (principally banner advertising), TheLawyer.com (recruitment and directory advertising) and Headlinemoney (subscriptions income) each grew strongly and each of these business units is now delivering above average EBITDA margins.

Business Review

Revenue by Source
Year ended 30 June 2006

Recruitment advertising	*16%*
Other advertising	*38%*
Circulation revenue	*7%*
Online subscriptions	*9%*
Events	*29%*
Other	*1%*



Marketing, Creative & New Media

Revenues in what was previously our largest market segment declined 2% in the year, and, despite tight cost control, adjusted EBITDA margins deteriorated to 14% (2005: 20%).

The advertising recovery in this sector has been severely affected by the consumer and retail slowdown experienced in the last year and by the well-publicised challenges faced by traditional media owners. As a result, recruitment advertising in particular suffered and our leading magazines in this sector, Marketing Week, Design Week and Creative Review, all recorded a decline in overall revenues during the year. This was offset to an extent by continuing recovery in revenues from New Media Age, our leading weekly magazine for the interactive marketing community.

The direct marketing segment, for which we publish the weekly magazine Precision Marketing (PM), also remained weak. In response to changing conditions in this market, we decided to reduce PM's frequency to fortnightly, with effect from July 2006. We are supplementing the magazine with a new stand-alone website, launched in September 2006, and we are increasing the magazine's revenue potential by expanding its circulation.

The Insight and In-Store shows both delivered modest revenue and profits growth. The DM Show, run in September 2005, did not improve its results year on year, reflecting the weakness of the underlying sector of the market. The Total Motivation Show also achieved only modest revenue growth in its second year. The only event which recorded significant growth was The Online Marketing Show, also in its second year.

Our internet portal, mad.co.uk, which serves the marketing, advertising and design communities, delivered strong revenue growth, principally from recruitment and banner advertising, but profits growth was held back by the increased costs of its new technology platform, implemented during the year, which we invested in to support future growth.

Construction & Engineering

Led by the acquisitions of Period Living and Pro-Talk, revenues in this division grew 24% in the year and EBITDA margins improved 5 points to 21% having doubled in the previous year to 16%.

The leading title in the engineering portfolio is The Engineer, which is celebrating its 150th anniversary in 2006. We have been successfully repositioning the title as the news magazine for technology and innovation, published principally for those involved in the development of new applications and transferable technology. As a result of this repositioning, the magazine delivered its second successive year of double digit revenue growth. Our largest magazine in the construction portfolio is the leading monthly self-build publication Homebuilding & Renovating, which experienced a levelling out of revenues, following several years of strong growth, reflecting some softness in the housing market during the year.

We continued to experience challenging market conditions for our two major engineering monthlies, Process Engineering and Metalworking Production. We have reduced the frequency of both magazines to bi-monthly and enhanced their online publication activity. The respective online services will deliver news and jobs, leaving the magazines more capacity for in-depth analysis and case studies.

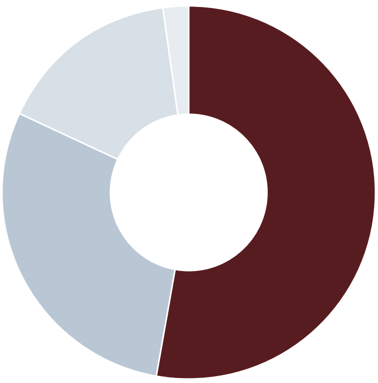
Despite the slowdown in the housing market each of the six established Homebuilding exhibitions generated further strong growth in revenues, delivering nearly 100,000 visitors in aggregate. In the engineering sector, Subcon, the show for international buyers of sub-contracted manufacturing, delivered significant revenue growth and a useful profit contribution.

Online revenues in this Division are driven principally by The Engineer Online (mainly recruitment advertising), homebuilding.co.uk (mainly banner advertising), plotfinder.co.uk (revenues from subscriptions) and the newly acquired Pro-Talk (online response driven search-advertising model). In aggregate, online products delivered strong revenue growth and satisfactory improvement in margins.

Business Review

Revenue by Product Type
Year ended 30 June 2006

Magazines	*53%*
Events	*29%*
Online products	*16%*
Other	*2%*



Perfect Information

Perfect Information (PI) achieved record results in the year, with revenue growth of 8% combined with cost savings leading to a £1m increase in EBITDA to £1.4m, giving an improved adjusted EBITDA margin of 22%.

High levels of M&A activity led to improved trading conditions in PI's core investment banking and legal markets. As a result, PI secured significant growth in new subscriptions to its core Perfect Filings service. The year also saw good progress on the development of PI's new equity research service, Perfect Analysis (PA). PA Web, which delivers most of PA's powerful functionality within a pure web environment, was launched in February 2006. A new Excel add-in service, allowing users to exploit the full functionality of PA from within their own desktop version of Excel, was substantially completed by the year-end and was released to the market in the first quarter of the new financial year. We secured a number of new subscribers to PA during the year under review and net operating losses relating to this service were substantially reduced. PA is expected to generate a net profit contribution in the current year.

Other

This division comprises products serving a number of distinct business communities. These include HR (Employee Benefits), logistics (Logistics Manager), the recruitment sector (Recruiter), corporate accounting and finance managers (Finance Week), business travel (Business Travel Shows), carpets and textiles (Hali) and TV and film production (Televisual). In aggregate, revenues grew 37%, with most of the growth arising in the newly acquired sectors, logistics and recruitment. EBITDA grew £1.1m to £0.5m, despite continuing losses on Finance Week amounting to £1.3m (2005: £1.4m).

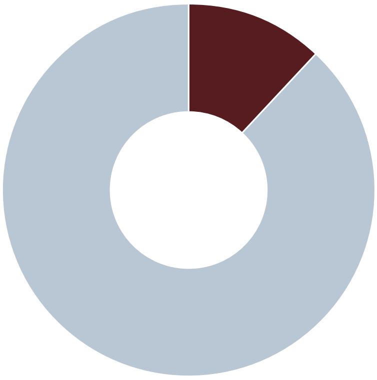
Revenue and profits growth in this division were driven principally by Logistics Manager and Recruiter. In both cases, the underlying served markets are enjoying buoyant trading conditions and our investment in redeveloping these recently acquired titles is delivering promising results. In addition, the Employee Benefits portfolio and the Business Travel shows also delivered growth in revenues and profit contribution.

As previously reported, we converted Finance Week (FW) into an online-only format in the third quarter of last year. This was done in order to enable us to expand the readership base of the title so as to provide the market with a more effective recruitment medium. It also enabled us to make a substantial reduction in FW's operating costs. FW's online circulation has been building steadily over the past few months and revenue growth is on target.

Since the year-end we have sold Televisual (TV) to its former publisher. TV is a strong brand that enjoys an exceptional position in its market. However, the market it serves has been in decline for a number of years, as a result of technology innovations, TV has recently begun to incur losses and we do not believe that it offers the potential to justify Centaur's continued investment.

Revenue by Maturity
Year ended 30 June 2006

■	*New*	*12%*
■	*Existing and acquired*	*88%*



New Business Development Initiatives

During the year we continued to focus on new product development opportunities and we became more proactive in searching for suitable bolt-on acquisitions. The key development initiatives in the period are outlined below.

New Magazines

In the first half we launched two new magazines within existing product portfolios. The monthly magazine Move Or Improve? is an extension of the market-leading publication, Homebuilding & Renovating, which will in particular enable us to address the metropolitan market more successfully. It published 6 issues during the year and delivered a small profit contribution before overheads. Modern Carpets & Textiles is a quarterly magazine published by the Hali team for the major buyers of these products in this growing international market. We published 3 issues in the year and traded at a small loss.

In January 2006, in response to recent regulatory and technology changes in the UK lending industry, we launched the monthly magazine Lending Strategy, published alongside its successful sister publication, Mortgage Strategy. We published 5 issues in the year which generated a small loss.

In May 2006 we launched Corporate Adviser, a monthly publication targeted at financial intermediaries selling pensions and employee benefits products into the corporate market. The magazine bridges the gap between Employee Benefits and Money Marketing and builds on our extensive knowledge of these two sectors. We published two issues in the year and generated a small loss.

Each of these new products is expected to make a profit contribution in the new financial year.

New Online Products

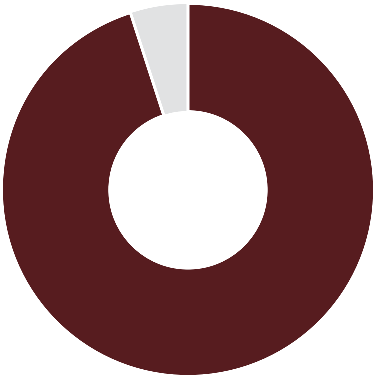
The Internet is becoming established as an increasingly important advertising and information medium, which offers significant business opportunities to Centaur. We have continued to invest steadily in enhancing the performance, functionality and reach of our established internet operations and as reported above they are now delivering high rates of revenue growth and increasingly attractive profit margins. Our success in this area was reflected in the TheLawyer.com's great achievement in winning the Association of Online Publishers' award of Business Website of the Year in autumn 2005.

Apart from the ongoing development of FinanceWeek.co.uk and Perfect Analysis, as reported above, most of our new online product activity during the year was linked to our bolt-on acquisitions.

Business Review

Underlying
Year ended 30 June 2006

Underlying	*95%*
Acquisitions	*5%*



New Events

We organised three new trade exhibitions during the year. Two of these were regional logistics shows acquired with Logistics Manager magazine. The third show was a new launch of a third regional logistics show combined with a section for materials handling suppliers. These shows all made a useful profit contribution and served to enhance our strengthening position in this important new market. In June 2006 we also announced a major repositioning of the Smart Homes show in conjunction with Future Publishing's market-leading consumer title T3. The first of the new-look shows will be run alongside the National Homebuilding show at the NEC in March 2007.

In FY2006, Centaur established a new extension to its events business with the formation of Centaur Summits. Summits typically comprise meetings/workshop-based events, bringing together relatively small numbers of senior decision-makers within particular vertical markets. We give these events a strong independent "editorial" base, but revenues are normally derived from sponsorship.

As noted above, we organised three new summits during the year, two Mortgage Summits and one Investment Summit, which made an important profit contribution in their first year and have resulted in increased levels of bookings for repeat events in FY2007. We also announced the launch of the first Employee Benefits Summit which ran successfully in July 2006.

The Conferences division, most of whose events have traditionally been in the marketing sector, suffered from the underlying weakness of that market. This was offset to a certain extent by the launch of a number of new conferences in other Centaur communities, notably, legal, financial and engineering and we will seek to consolidate our position as a conference producer in these markets in the future.

Acquisitions

Our acquisition strategy is typically to identify targets that meet the following criteria:

- The business is operating in a market with high growth potential and high value.
- There is an identifiable high information need on which to base a range of products
- The business is a market-leader in its respective sector or capable of achieving market leadership quickly
- Its key people fit comfortably into Centaur's culture

In the past year we have completed six bolt-on acquisitions which we believe meet these criteria. In October 2005 we strengthened our position in the increasingly important logistics market with the acquisition of two small magazines and an established awards event from UKTP for £0.3m.

In December 2005 we acquired the fortnightly magazine Recruiter for £4m. We are pleased with the progress we have made in investing in the quality of the magazine, which has performed ahead of our expectations at the time of purchase. In the second half we organised a successful awards event for the community and relaunched Recruiter's website.

In January 2006, we acquired the monthly magazine Period Living for £1.5m. We have made improvements to the editorial and visual quality of this strong brand, which is fitting in well with our growing portfolio of special interest consumer brands, focussed currently on the property sector.

Business Review

Acquisitions (continued)

In March 2006 we announced the acquisition, for a maximum of £1.2m, of the remaining 50% of the website Headlinemoney (HM), the highly successful information service for financial journalists. Total ownership of this business will enable us more readily to apply the Headlinemoney model in other markets. Since acquisition, we have successfully integrated HM's operations within Centaur and we expect to launch the first new extension of this business in the next few months.

In May 2006 we announced the purchase of the online sales lead service Pro-Talk for an initial consideration of £4m. We believe that this acquisition will provide us with a model which can be applied across a number of vertical markets to take advantage of the ongoing significant growth in search engine marketing expenditure. Since acquisition, we have identified and launched three new sites within Pro-Talk and invested further in sales resources to drive future growth.

We have also recently announced the acquisition for £0.1m of Air and Business Travel News (ABTN), an online publication for the business travel community which complements our successful trade shows serving this community. ABTN currently comprises a website and an online newsletter reaching 23,000 readers. We intend to develop ABTN to unlock its true commercial potential and to enhance our position in this market.

Overall, our recently acquired companies have contributed revenues in FY2006 of £3.9m on which they earned an EBITDA margin of 10%.

Current Development Activity

Innovation is central to Centaur's culture and is an almost constant activity across the whole portfolio. In the new financial year, we are continuing to develop new products at a steady pace. Our current development effort is focussed on extending our established brands into new areas and enhancing our recent acquisitions.

In addition to the ongoing development of initiatives mentioned above, we have recently launched a new specialist consumer exhibition, The Good Parent Show and three new summits in the financial and legal sectors. We have also launched two new stand-alone marketing websites, MarketingWeek.co.uk and PrecisionMarketing.co.uk, to complement our leading magazines in this sector and will shortly launch a dedicated website to complement Design Week. We have also recently launched eCR, a digital version of Creative Review, with which we plan to extend the title's circulation and which is allowing us to offer advertisers improved marketing solutions.

Notes

One of Centaur's key measures of profit is earnings before interest, tax, depreciation and amortisation, excluding exceptionals and other material non-cash items (EBITDA). In addition, we report adjusted PBT which is profit before tax excluding the impact of amortisation of acquired intangibles and of exceptional items.

Centaur's product portfolio currently comprises 7 weekly magazines, 3 fortnightly magazines, 14 monthly magazines, 8 magazines of a quarterly or bi-monthly frequency, 33 online products or services, 30 awards or other sponsored events, 26 exhibitions and approximately 80 conferences.

Centaur reports its results within 5 distinct divisions, namely Legal and Financial, Marketing and Creative, Engineering and Construction, Perfect Information and Other. The first 3 segments comprise principally the following vertical business communities in which Centaur publishes market-leading magazine titles: Marketing Services, Creative Services, New Media, Retail Financial Products, Legal Services, Engineering and Special Interest Residential Property.

Centaur also enjoys strong positions in a number of other specialist communities, namely HR, Recruitment, Logistics, Business travel, Construction, Carpets and Textiles and Public/Private Finance.

Financial Review

Our strong profits performance and balance sheet support a 76% increase in full year dividend.

Geoffrey Wilmot
Chief Financial Officer

Financial Review

Basis of preparation
The consolidated financial statements include all the Group's activities for the year ended 30 June 2006 and are the first statements prepared in accordance with International Financial Reporting Standards ("IFRS"). Full details of the IFRS accounting policies can be found on pages 42–45 and the changes arising from the adoption of these policies are described in note 33 of these financial statements.

There is no impact on reported Group cash position at the reporting date as a result of the transition to IFRS.

Revenue
Revenue increased from £72.2 million to £82.3 million (+14%) and is analysed by category in note 1 to the financial statements (segmental analysis) on page 46. There were no discontinued operations during the year and total revenue included £3.9 million relating to acquisitions made during the current and prior year as follows:

Year ended 30 June 2006	£m
Logistics manager	1.6
UK Logistics	0.1
The Recruiter	1.1
Period Living	0.8
Pro-Talk	0.3
	3.9

Excluding the effect of current and prior year acquisitions, revenue increased by 9% year on year.

Profit on ordinary activities before taxation ("PBT")
PBT for the year ended 30 June 2006 was £15.1 million compared to £9.2 million for the year ended 30 June 2005, an increase of 64%.

PBT for 2006 includes an exceptional credit of £2.2 million that relates primarily to the release of a deferred consideration provision in respect the acquisition of the Synergy Group in October 2003 (note 2).

After adjusting for this exceptional administrative credit and amortisation charges of £0.3 million relating to acquired intangibles, adjusted PBT increased by 36% to £13.2 million (2005 : £9.7 million).

EBITDA before exceptional costs
The Board considers an important and consistent measure of profit for the Group to be earnings before interest, tax, depreciation, amortisation, exceptional costs and other material non-cash items ("EBITDA") and as described below the EBITDA margin is one of the key performance indicators used by the board to monitor and manage the business.

EBITDA for the year ended 30 June 2006 was £15.7 million compared to £12.2 million, in the year ended 30 June 2005. This represents an EBITDA margin of 19% (2005: 17%).

An analysis of revenue and EBITDA by product maturity is included in the Business Review on pages 14 to 21 and this indicates the impact of new product development and acquisitions during 2006. New product development is defined as any product launched in the last three years and is reported by reference to the three years preceding each reporting date. In addition acquisitions are reported by reference to the two years preceding each reporting date.

EBITDA excluding acquisitions (underlying EBITDA) was £15.3 million for the year ended 30 June 2006 (2005: £12.3 million). This represents an underlying EBITDA margin of 19% (2005: 17%).

Reconciliation of alternative profit measures
The following table shows the calculation of the alternative measures of profit used by the Group as described above:

	2006 £m	2005 £m
Revenue	**82.3**	72.2
Adjusted EBITDA	**15.7**	12.2
Depreciation of property, plant and equipment	**(0.7)**	(0.6)
Amortisation of software	**(1.8)**	(1.8)
Share based payments	**(0.4)**	(0.4)
Interest receivable	**0.3**	0.3
Share of post-tax profit from associate	**0.1**	-
Adjusted PBT	**13.2**	9.7
Amortisation of acquired intangibles	**(0.3)**	-
Exceptional administrative credit / (costs)	**2.2**	(0.5)
Profit before taxation	**15.1**	9.2

Financial Review

Notes

1 Revenue growth for 2005 is in comparison to the 2004 pro-forma.

2 Adjusted EBITDA margin is earnings before interest, tax, depreciation and amortisation and excluding exceptionals and other material non-cash items (Adjusted EBITDA) as a proportion of revenue.

3 Adjusted PBT is profit before tax, excluding the impact of amortisation of acquired intangibles and of exceptional items.

4 Adjusted EPS is based on the fully diluted EPS but after making adjustments for amortisation on acquired intangibles and exceptional items as detailed in note 7.

5 Cash conversion rate is free cash flow expressed as a percentage of adjusted operating profit. Free cash flow is defined as cash generated from operations (note 25), less capital expenditure on property, plant and equipment and software. Adjusted operating profit is operating profit after making adjustments for amortisation on brands and publishing rights and exceptional items.

Key performance indicators (KPIs)

The Board uses a range of performance indicators to monitor and manage the business and to ensure focus is maintained on the key priorities of the Group.

The indicators which the Board considers to be important are as follows:

- Revenue growth by revenue type
- Adjusted EBITDA margin
- Revenue per employee
- Adjusted PBT
- Adjusted EPS
- Cash conversion rate.

In the Board's view this range of measures provides the Group's stakeholders an opportunity to assess progress made within each reporting period towards a number of commercial and financial objectives and in addition, by adopting measures that are commonly reported by other members of Centaur's peer group, to facilitate a comparison of performance against other similar companies in the sector. Other specific aims of the adopted performance measures are as follows:

- To indicate the spread and breath of Centaurs operating business models and their relative importance in each reporting period.

- To remove the impact of non-recurring exceptional credits or expenditure (and any related tax effect of those exceptional items) thus ensuring the indicators are closely aligned with the underlying, continuing aspects of the Groups trading performance.

- To indicate the strong cash generative nature of the Group.

- To remove the impact of non-cash credits or expenditure from the measures of earnings to ensure the indicators are closely aligned to the cash generative nature of the Groups assets.

- To indicate the strong operational gearing associated with the group's revenue growth.

	2006	2005
Revenue growth by revenue type [1]	%	%
Magazines	**11%**	6%
Events	**15%**	6%
Online products	**20%**	7%
Other	**29%**	3%
Total	**14 %**	6%
	%	%
Adjusted EBITDA margin [2]	**19%**	17%
	£000	£000
Revenue per employee	**112**	101
	£m	£m
Adjusted PBT [3]	**112**	101
	Pence	Pence
Adjusted EPS [4]	**6.2**	4.6
	%	%
Cash conversion rate [5]	**89%**	80%

Principal risks and uncertainties

Specific business risks to which the Group is exposed are detailed below and as described in the Corporate Governance Report on page 30 the Board has implemented a comprehensive risk management process to identify, monitor and mitigate these risks.

Exposure to the economy

Centaur's products and markets are predominantly UK based and as a result the group's performance is broadly linked to the strength of the UK economy and general economic factors such as inflation, currency fluctuation, interest rates, supply and demand of capital and industrial disruption therefore have the potential to affect the Group's operations, business and profitability. While these macro economic factors are beyond the control of the Group, specific exposure to interest rate and currency risk is minimal and in addition the range of markets served by Centaur's products together with the continuing strategy of extending the reach of established brands through the delivery of new products in a diverse range of media formats provides some ability to spread this exposure.

Dependence on advertising

In total advertising revenues represented 53% of Group revenue in the year ended 30 June 2006 and this remained constant year on year (2005: 53%). Changes in advertising trends, particularly away from traditional magazine formats could have an impact on the Groups profitability. However the diversity of markets served by the Group, the strength of brands, which in most cases includes a number of market leading positions, and brand diversification into alternative media formats all serve to limit this exposure. It may be seen from the KPI data above that the highest revenue growth in the last twelve months was recorded in events, online and other, non-magazine, product formats.

Growth Strategy

The Group seeks to launch or acquire new titles, conferences, exhibitions and other brand extensions. It is essential that the Group successfully develops and markets these products and integrates acquired businesses. The proven record of organic growth over the past several years, and the successful integration of the businesses acquired in the previous and current year clearly demonstrate the Group's ability to deliver this strategy

Competitor activity

A number of products exist that compete directly or indirectly with the Group's resulting in a highly competitive market. Domestic and international competitors market their products at the Group's target audiences. New technology, changing commercial circumstances and new entrants to the markets in which the Group operates may adversely affect the Group's business. A key element of the Group's strategy is to develop and maintain a deep understanding of the information needs of the markets it serves and by maintaining the highest standards of editorial integrity it aims to ensure that the provision of information remains commercially aligned with and relevant to the markets it serves. Through this means the Group can continually adapt and develop existing products thus protecting market leading positions are thereby limiting the opportunities for competitors to secure an advantage.

Dependence on key personnel

The Group's future success is substantially dependent on the continued services and continuing contributions or its Directors, senior management and other key personnel. The loss of the services of any of the Group's executive officers or other key employees could have a material adverse effect on the Group's business. The entrepreneurial culture of the Group and the incentive programs in place enable us to attract and retain the key management team.

Reliance on information systems

Certain divisions of the Group are dependent on the efficient and uninterrupted operation of their IT and computer systems and of services from third-party providers. The Group has taken precautions to limit its exposure to the risk of material disruption to systems.

Taxation

Tax on profit on ordinary activities amounted to £3.7 million in the year ended 30 June 2006 (2005: £2.8 million). This represents an effective tax rate of 28% (2005: 29%) of adjusted PBT.

The 2006 tax charge of £3.7 million includes a credit of £0.1 million relating to prior years.

The net deferred tax position at 30 June 2006 is an asset of £0.5 million (2005: £0.1 million) and the movement includes a £0.2 million credit, taken directly to equity, in respect of share options granted before 7th November 2002.

Earnings per Share ("EPS")

Basic earnings per share of 7.6 pence is reported for 2006 (2005: 4.4 pence).

To assist the understanding of the Group's performance an adjusted earnings per share has been included. This is based on the profit for the financial year before amortisation of acquired intangibles and exceptional administrative costs. For 2006 the adjusted Earnings per Share also excluded the effect of the exceptional administrative credit and associated tax effect relating to the release of deferred consideration in respect of the acquisition of the Synergy Group.

Using this adjusted measure, on a fully diluted basis EPS increased from 4.6 pence in 2005 to 6.2 pence in 2006. Details of EPS calculations are presented in note 7 to the financial statements.

Dividends

Given the strong financial performance in the period, the Board is proposing a final dividend of 2.4 pence per ordinary share, giving a total for the year of 3.0 pence (2005: 1.7 pence). The final dividend is subject to shareholder approval at the annual general meeting and will be paid to all ordinary shareholders on the register at close of business on 3 November 2006. The Company has sufficient reserves to cover the recommended dividend.

Cash flow

At 30 June 2006 the Group had cash and deposits of £7.8 million, a decrease of increase of £4.7 million on cash at 30 June 2005 of £12.5 million. The cash balances at 30 June 2006 included £1.6 million held on behalf of the holders of loan notes in Centaur Media plc. (2005: £2.5 million).

As noted above the conversion rate of free cash flow expressed as a percentage of adjusted operating profit was 89% (2005 : 80%) for the year ended 30 June 2006. and cash generated from operations increased by 50% to 14.4 million.

As reported in the consolidated cash flow statement on page 40 , Group Expenditure on investing activities in the year amounted to £13.7 million (2005 : 2.4 million) and this included £8.6 million in respect of the purchase of intangible assets and £4.8 million in respect of acquired subsidiaries (note 25).

Treasury policy

Treasury is managed centrally and is principally concerned with managing working capital and seeking to maximise returns on available short – term cash deposits. Further details of the operation of the Group's treasury functions and a description of the role that financial instruments have had during the year in the management of the Group's funding and liquidity risks and interest and foreign exchange rate risks are contained in the "financial instruments" notes to the financial statements (note 27).

Report of the Directors

The Directors of Centaur Media plc (the "Company" and "the Group") present their Report on the affairs of the Group together with audited Financial Statements for the year ended 30 June 2006. The Company changed its name from Centaur Holdings plc on 5 May 2006.

Principal activities

The principal activities of the Group are the creation and dissemination of business and professional information through publications, exhibitions, conferences and electronic products. Centaur Media plc is a holding company, which also provides management services to the Group.

Business review

The key performance indicators which management consider are important comprise:

- Revenue growth by revenue type
- Adjusted EBITDA margin
- Revenue per employee
- Adjusted EPS
- Adjusted PBT
- Cash conversion rate

These can be found within the Financial review on pages 24 and 25 together with details of the principal risks facing the group. The Business review includes details of the Group's activities and future developments on pages 14 to 21.

Dividends

A final dividend of 2.4 pence per share is proposed by the Directors, and subject to shareholder approval at the Annual General Meeting, will be paid on 1 December 2006 to ordinary shareholders on the register at the close of business on 3 November 2006. With the interim dividend of 0.6 pence per share this will make a total dividend of 3.0 pence per share for the year.

Share capital and substantial shareholdings

Details of the share capital are set out in note 21 to the financial statements.

As at 31 August 2006 notifications of interests at or above 3% in the issued share capital of the Company had been received from the following:

Aberforth Partners	15.86%
FMR Corp and Fidelity International Limited	13.32%
AXA S.A.	9.02%
Jupiter Asset Management Limited	8.04%
Graham Veere Sherren (inc spouse)	5.44%
Griffin Land and Nurseries Inc	4.33%
UBS Global Asset Management Life Limited	4.10%
Legal and General Group plc	3.29%

Directors and Directors' interests

The Directors of the Company during the year are detailed on page 78. All Directors served from 1 July 2005 unless otherwise stated.

The Directors' interests in share options and long term incentive plans is disclosed in the Directors' Remuneration report on page 34. There has been no change to the Directors' interests since the year end.

The following Directors had beneficial interests in the ordinary share capital of the Company:

	Number of ordinary shares held at 30 June 2005	Shares acquired during the period	Number of ordinary shares held at 30 June 2006
GV Sherren	7,700,039	-	7,700,039
(In wife's ownership)	428,270	-	428,270
JPE Taylor	100,000	-	100,000
C Morrison	100,000	-	100,000
BTR Scruby	232,313	-	232,313
A Irby (appointed 20 September 2005)	-	35,465	35,465

Qualifying third party indemnity provisions

By virtue of article 206 of the Articles of Association of the Company, a qualifying indemnity provision (within the meaning given by section 309B (1) of the Companies Act 1985) is in force at the date of this report in respect of each Director of the Company and was in force from 8 December 2005.

Payment of creditors

It is the Group's policy to agree credit arrangements with suppliers as part of the general terms of supply. Payment is then made in accordance with these terms provided the goods and services have been delivered in accordance with the agreed terms and conditions. The number and diversity of supply relationships means the Group pursues no formal code or policy beyond this. The Company had no trade creditors at 30 June 2006.

Employment policy

The Group is an equal opportunities employer and appoints employees without reference to sex, ethnic group or religious beliefs.

It is the Group's policy to give full consideration to suitable applications for employment by disabled persons. Opportunities also exist for employees of the Group who become disabled to continue in their employment or to be trained for other positions in the Group.

All companies within the Group actively encourage employee involvement at all levels, both through regular employee briefings and by direct access to managers and the Directors. In addition, the Share Incentive Plan as described on page 33 was launched during the year to encourage employees' participation in the group's performance.

Events after the balance sheet date

In July 2006, the Centaur Employees' Benefit Trust (the "Trust") acquired 375,000 ordinary shares in Centaur Media Plc of 10 pence each. The shares were acquired by the trustees to satisfy awards granted under the Centaur Long Term Incentive Plan 2006 on 13 June 2006 and any future awards granted under the LTIP or any other employees' share scheme established by the Company from time to time.

Financial instruments

A statement in relation to the use of financial instruments by the Group is shown in note 27 to the Accounts.

Statement of Directors' responsibilities

Company law requires the Directors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Company and Group and of the profit or loss of the Group for that period. The Directors are required to prepare the financial statements on a going concern basis, unless it is inappropriate to presume that the Company and the Group will continue in business.

The Directors confirm that suitable accounting policies have been used and applied consistently. The Directors also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 30 June 2006 and that the financial statements comply with IFRS.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and the Group and enable them to ensure that the financial statements comply with the Companies Act 1985. They also are responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

The Directors confirm that, so far as the Directors are aware, there is no relevant audit information (that is, information needed by the Company's auditors in connection with preparing their report) of which the Company's auditors are unaware, and the Directors have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.
A resolution is to be proposed at the Annual General Meeting for the re-appointment of PricewaterhouseCoopers LLP.

By order of the Board

IPH Roberts
Secretary 28 September 2006

Corporate Governance Statement

Statement of compliance with the Combined Code

The Board of Centaur Media plc is accountable to the Company's shareholders for good Corporate Governance and in doing so is committed to the principles outlined in the 2003 FRC Combined Code on Corporate Governance.

The statement below describes how the principles of Corporate Governance are applied and the extent of the Company's compliance with the provisions set out in Section 1 of the 2003 FRC Combined Code. The Company has complied with the 2003 FRC Combined Code throughout the financial year subject to the fact that a Non-Executive Director who is not independent is a member of the Audit and Remuneration Committees; and that the roles of Chairman and Chief Executive are exercised by the same individual.

As announced on 12 June 2006 the roles of Chairman and Chief Executive will be separated as from 1 November 2006. However, Graham Sherren who currently holds both posts will remain as Chairman, which is not in compliance with the Combined Code. The Company's position on both of these matters is outlined in the statement under the heading "Board balance and independence".

The Board of Directors

The Group is controlled through its Board of Directors. The Board recognises its responsibility to the Company's shareholders. It does this by providing effective entrepreneurial leadership, whilst ensuring controls are established that enable the effective monitoring and management of risk.

The Board is responsible for the Group's systems of corporate governance and is ultimately accountable for the Group's activities and strategy by ensuring the right financial and human resources are in place.

Board process

The Board is accountable to shareholders, for ensuring that the Group is appropriately managed and achieves the strategic objectives agreed by the Board. In accordance with the Combined Code, the Board has established guidelines requiring specific matters to be discussed by the full Board of Directors, such as:

- the commencement of any major new and/or different business activity,
- material acquisitions and disposals,
- material investments and capital projects,
- the Group's internal controls and risk management policies, including insurance and material litigation,
- overall budgetary planning, treasury planning and business strategy,
- review of the functioning of the Board Committees.

The Board meets at least six times each year. The Directors receive the Board papers in advance of each meeting.

The Board has a procedure through which the Directors are able to take independent advice in the furtherance of their responsibilities. The Directors have access to the advice and services of the Company Secretary, Ian Roberts. He is also secretary to all the Board Committees.

In addition, the Company Secretary advises the Board on governance matters and provides ongoing training through the regular dissemination of relevant legislative and regulatory updates and external reports. The Company Secretary is responsible for ensuring that Board procedures are followed and that applicable rules and regulations are complied with.

The Board has established an Audit Committee, a Remuneration Committee and a Nomination Committee with formally delegated duties and responsibilities within written terms of reference prescribed by the Board, all of which are available on the Company's website (www.centaur.co.uk). Non-members may attend these committee meetings by invitation although no Director can attend a meeting, or part of a meeting where he could have a conflict of interest.

Performance evaluation

The Directors are constantly evaluated against performance and commitment to their roles and duties as Directors. The Chairman addresses weakness and, where appropriate, proposes new members to be appointed and seeks the resignations of Directors of the Board.

In August 2005 there was a formal evaluation based on the completion by each Director of evaluation forms, the results of which were reported to the Board by the Company Secretary. The Chairman then held discussions with individual Directors as necessary. No significant problems were identified. A similar exercise is planned for 2006.

Board committees

The number of scheduled full Board meetings and Committee meetings during the year to 30 June 2006 along with attendance of Directors was as follows:

	Scheduled Board Meetings	Audit Committee Meetings	Remuneration Committee Meetings	Nomination Committee Meetings
No of meetings held	9	4	5	4
Graham Sherren	9	n/a	n/a	4
Geoffrey Wilmot	9	n/a	n/a	n/a
Thomas Scruby	9	3	4	n/a
Patrick Taylor	8	3	5	4
Colin Morrison	9	4	5	4
Alton Irby	5	2	2	2

In reading the table it should be noted that Alton Irby did not join the Board until September 2005.

Board balance and independence

The Board comprises two Executive Directors, Graham Sherren and Geoff Wilmot, and four Non-Executive Directors. The same Director Graham Sherren holds the post of Chairman and Chief Executive, although as mentioned previously the roles will be separated as from 1 November 2006. It is recognised that the retention of Graham Sherren in the role of non-independent Chairman will not satisfy the 2003 FRC Combined Code. However, this was discussed with major share-holders prior to the decision being made and the Board believes that Graham Sherren's continuation as Chairman is vital in continuing to give the Group the benefit of his considerable experience and knowledge of the publishing industry.

Furthermore there will be a clear division of responsibilities between the Chairman and Chief Executive. The Chairman will be responsible for:

- Leading the Board,
- Ensuring the effectiveness and proper performance of the Board and of its Directors and setting the agenda for its meetings,
- Regularly updating the Directors on all matters relevant to them,
- Establishing effective communication with shareholders and ensuring that the Board understands their views,
- Setting the overall strategy of the Group,
- Regular contact with the Chief Executive.

The Chief Executive's responsibilities will be:

- Developing and implementing the overall strategy,
- Overseeing the day-to-day management of the Group,
- The line management of senior executives,
- Jointly with the Chairman, representing the Group externally.

Three of the Non-Executive Directors, Patrick Taylor, Colin Morrison and Alton Irby are considered by the Board to be 'independent' of management for the purposes of the 2003 FRC Combined Code and have no relationships that may interfere with their independent judgement and thus in this regard the requirements of the 2003 FRC Combined Code are satisfied.

Alton Irby was a Non-Executive Director of Centaur Communications Ltd until August 1998 but the Board does not believe that this is relevant in establishing his independence status under the 2003 FRC Combined Code. In addition the Board is strengthened by the presence of the fourth Non-Executive Director, Tom Scruby who was a Director of Centaur Communications Ltd from 1989 to 2004. In view of this he does not satisfy the 'independence' criteria of the 2003 FRC Combined Code. However, the Board believes that Tom Scruby brings substantial benefit to the Board and its committees through both his external experience and his knowledge of Centaur.

Furthermore, with three independent Non-Executive Directors already on the Audit and Remuneration Committees the requirements of the 2003 FRC Combined Code to have at least two independent Non-Executives are more than satisfied.

Patrick Taylor has been appointed senior Non-Executive Director.

All Directors are subject to re-election at least every three years.

The Audit Committee

Patrick Taylor chairs the Audit Committee and its other members are Colin Morrison, Tom Scruby and Alton Irby. All members of this committee are Non-Executive Directors.

The Audit Committee meets at least twice each year. In addition Patrick Taylor meets with the auditors annually on a one to one basis. Geoffrey Wilmot, the Chief Financial Officer, the UK Finance Director and external auditors attend for part or all of each meeting. The external auditors have unrestricted access to the Audit Committee and its Chairman. The Audit Committee considers all matters relating to financial policies, internal control and reporting, appointment and re-appointment of external auditors, the scope and results of the audits, the independence and objectivity of the auditors and ensures that an effective system of internal financial control is maintained.

The Group does not have an internal audit function. The Group believes that the internal controls established are strong and therefore an additional internal audit function is not currently required. The Audit Committee annually reviews that position.

An Internal Control Review has been conducted by management and a report has been submitted to the Audit Committee; no major control issues were identified.

The Audit Committee has reviewed arrangements for whistleblowing and has put a policy in place ensuring that the appropriate follow–up procedure is in place. All complaints of malpractices will result in an internal enquiry and if appropriate will be followed by an independent investigation.

Centaur's external auditors may not provide any non-audit service that poses a significant threat to the auditor's objectivity or independence. Centaur's auditors have confirmed that they are independent and do so on an annual basis.

Corporate Governance Statement

The Remuneration Committee

Patrick Taylor chairs the Remuneration Committee and its other members are Colin Morrison Tom Scruby and Alton Irby. All members of this committee are Non-Executive Directors. The Remuneration Committee meets at least twice each year. The Executive Chairman and the Chief Financial Officer may be invited to attend meetings, if the Remuneration Committee considers it appropriate. The Remuneration Committee will consider all material elements of remuneration policy including the remuneration and incentives of Executive Directors and Senior Management. The Executive Directors determine the remuneration of the Non-Executive Directors.

The Company Secretary, with reference to independent remuneration research and professional advice and in accordance with the 2003 FRC Combined Code, will provide regular updates to the Board on the framework for executive remuneration and its cost. The Board is then responsible for implementing the recommendations and agreeing the remuneration packages of individual Directors and the Company Secretary. The Directors are not permitted under the Articles to vote on their own terms and conditions of remuneration.

The Nomination Committee

Graham Sherren chairs the Nomination Committee and its other members are Colin Morrison, Patrick Taylor and Alton Irby. The Nomination Committee ensures that there is in place a formal, rigorous and transparent procedure for the appointment of new Directors to the Board.

The Nomination Committee is responsible for ensuring that the right calibre of person and balance of skills is maintained on the Board. This committee meets at least annually and as required will make recommendations to the Board on new appointments to the Board.

When the Nomination Committee is considering the appointment of a successor to the Chairman, Patrick Taylor chairs this committee.

The appointment of Alton Irby as a Non-Executive Director was made following the receipt of advice from the Company's financial advisors and an interview by the other Non-Executives. The appointment was made without appointing an external consultant or placing an advertisement as, following the above, he was invited to the Board based on the specific business experience that he was known to possess and which the Board was seeking.

In line with Company policy a full and detailed induction process was undertaken, but tailored to the fact that Alton Irby had previous non executive directorial experience within the Group.

In determining the appointment of Geoff Wilmot as a Chief Executive from 1 November 2006 an external consultancy was used to draw up a shortlist of both internal and external candidates. The Nomination Committee, prior to the final selection being made, interviewed all the candidates.

Internal control

The Board recognises its responsibility to present a true and balanced assessment of the Group's position and prospects. Centaur Media plc's structure of accountability and audit operates as follows:

The Board has accountability for reviewing the effectiveness of the Group's system of internal controls. This relates to all controls, covering financial, operational, compliance and risk management matters.

An ongoing process, in accordance with the guidance of the Turnbull Committee on internal control, is established for identifying, evaluating and managing risks faced by the Group. The Directors recognise that they are responsible for systems of internal control and for reviewing its effectiveness and this they have done throughout the year. The risk management process and systems of internal control are designed to only manage rather than eliminate risk. The risk of failure to achieve business objectives has been reviewed regularly by the Board throughout the period.

The Board has delegated responsibility for such reviews to the Audit Committee, which receives the relevant reports from various committees and individuals to assist it in its assessment of these controls. It is the responsibility of management to implement Board policies on internal control.

The Board through its committees is responsible for identifying, approving and enforcing policies on risk and control. The Group has a structure to monitor its key activities. As part of its structure, there is a comprehensive planning system with an annual budget approved by the Board. The results of operating communities are reported monthly and compared to the budget. Forecasts are prepared during the year.

The key procedures, which the Directors have established with a view to providing effective internal controls, are as follows:

- Regular Board meetings to consider a schedule of matters reserved for the Board's consideration,
- An annual review of corporate strategy, which includes a review of risks facing the business and how these risks are monitored and managed on an ongoing basis within the organisation,
- An established organisational structure with clearly defined lines of responsibility and delegation of authority,
- Documented and enforced policies and procedures,
- Appointment of staff of the necessary calibre to fulfil their allocated responsibilities,
- Comprehensive budgets and forecasts, approved by the Board, reviewed and revised on a regular basis, with performance monitored against them and explanations obtained for material variances,
- A detailed investment approval process, requiring Board approval for major projects. Post-investment appraisals will be conducted and be reviewed by the Board,
- An Audit Committee of the Board, comprising Non-Executive Directors, considers significant financial control matters as appropriate.

Relations with shareholders

Communication with shareholders is given a high priority. The Business and Financial Review gives a detailed overview of the business and future developments. There is regular dialogue with institutional shareholders as well as presentations after the Group's preliminary announcement of the year-end results and at the half year. In addition financial and other information about the Group is available on the Group's website. In addition procedures are in place to ensure that the Board is regularly apprised of shareholders', analysts' and brokers' expressed views of the Group.

The Board's intention is to use the Annual General Meeting on 23 November 2006 to communicate with private and institutional investors and welcomes their participation. The Chairman will aim to ensure that the Chairman of the Audit and Remuneration Committees is available at the Annual General Meeting, details of which can be found in the Notice of the Meeting.

Going concern

After making enquiries, the Directors have a reasonable expectation that the Group has adequate resources to continue its operational existence for the foreseeable future and for this reason, they continue to adopt the going concern basis in preparing the accounts.

Directors' report on remuneration

Information not subject to audit
The Directors' report on remuneration has been prepared in accordance with the Directors' Remuneration Report Regulations 2002.

The Remuneration Committee
The Remuneration Committee consisted of Patrick Taylor (Chairman), Tom Scruby, Colin Morrison and Alton Irby (all Non-Executive Directors) and together they considered all matters for the period as reported below.

During the year New Bridge Street Consultants (NBSC) were appointed as remuneration consultants to the Remuneration Committee. NBSC advises the Committee directly on matters within the Committee's terms of reference on which the Committee chooses to consult NBSC.

NBSC advises the Board (or those Directors charged by the Board to make recommendations) from time to time on the remuneration of Non-Executive Directors.

Directors' remuneration policy
The policy of the Group for the remuneration of Executive Directors is that it should be sufficient to attract and retain the Directors needed to run the Group successfully.

In addition to the advice given by NBSC and in order to assist in ascertaining the proper levels of remuneration for Directors the Company Secretary provides regular independent remuneration research reference material to the Committee.

The remuneration package consists of basic salary, benefits, bonuses, pension and share options. It is the intention of the Committee to review at least annually the remuneration packages (including, but not limited to, pension arrangements, the determination of any targets for any performance-related pay schemes operated by the Company - asking the Board, when appropriate, to seek shareholder approval for any longterm incentive arrangements, bonuses, incentive payments and any compensation payments and share option entitlements) for each of the Executive Directors and Company secretary. The objective of such policy being to ensure that Directors are provided with appropriate remuneration and incentives to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their individual contributions to the success of the Group.

The policy with regard to bonus schemes for the Executive Directors and Company Secretary is to set demanding but motivational performance targets that are normally based on one of the Company's key profit measures of Adjusted earnings per share. The Adjusted earnings per share target levels may be set with regard to a number of factors, including year on year growth. The maximum bonuses payable are capped at 75% and 50% of annual salary for the Chief Executive Officer and Chief Financial Officer respectively.

At these levels of bonus the Committee consider that there is a reasonable link between the Executive Directors' remuneration and the performance of the Group.

Non-Executive Directors receive a fee for their services, and the reimbursement of incidental expenses. In addition a payment of £1,500 per working day is made in respect of any period during which it is agreed by the Board that the time commitment is significantly longer than envisaged under the terms of the appointment as a result of, for example, a major corporate transaction.

The Directors' service agreements
The contract date for Executive Directors' existing service agreements is 27 February 2004. Notice periods are 12 months and Executive Directors do not have a fixed term of office.

Their contracts provide for termination of their employment within 14 days of which payment shall be made in lieu of notice. Where the Company terminates the contracts any damages to which the Executive Director may be entitled shall be calculated in accordance with ordinary common law principles including those relating to mitigation of loss.

Patrick Taylor, Colin Morrison, Tom Scruby and Alton Irby are the Non-Executive Directors. The Non-Executive Directors do not have service contracts; they have a letter of appointment with the Company. Their appointments are for an initial three-year period and provide for a notice period of one month. All retiring Directors are eligible for re-election. Any Non-Executive Director who has held office for a nine-year period or more shall be subject to re-election at each AGM.

Their letters of appointment provide for termination of Non-Executive Director's employment with one month's notice.

Pension arrangements
There is no Group executive pension scheme. The Group makes contributions to Directors' individual pension schemes.

Long term incentive plans
The Group has four long term incentive arrangements in place. Three of these plans (the Long-term incentive plan, the Share option plan and the Rollover plan) are available only to Executive Directors and other key employees. The Share incentive plan is open to all employees.

(i) Long term incentive plan
Following a review by the Remuneration Committee of the long-term incentive provision for Executive Directors and other key employees of the Group, a resolution to replace the Share Option plan with The Long-Term Incentive Plan 2006 (the "LTIP") was approved at an Extraordinary General Meeting of the Company on 4 May 2006, and awards were made on 13 June 2006.

The LTIP is intended to be the sole long-term incentive arrangement for the Company's key management, although in exceptional circumstances further options may be granted under the Share Option Plan. The Board believes that the LTIP will provide a better link between reward and performance and incentivise key management to deliver long-term shareholder value.

Awards may be granted under the LTIP either as a conditional allocation of ordinary shares in the Company, a nil (or nominal) cost options with a short exercise window or as forfeitable shares. Awards will normally vest three years after, subject to continuing employment and the achievement of performance conditions.

The maximum market value of shares over which awards may be granted to any individuals in any financial year will not exceed 100% of that individual's base salary.

The initial awards on 13 June 2006 took the form of conditional grants of free shares in the Company. Vesting will be based on a condition measuring the Company's Total Shareholder Return ("TSR") against a comparator group of companies over a fixed three year Performance Period commencing on the first day of the financial year in which the Award is granted.

The TSR comparator group for the 2006 awards is as follows:

- EMAP plc
- ITE plc
- Reuters plc
- Pearson plc
- UBM plc
- Reed Elsevier plc
- Informa plc
- Euromoney plc
- Incisive Media Plc
- Metal Bulletin plc
- Wilmington Plc
- Future Plc
- Huveaux Plc

Directors' report on remuneration

For awards made in 2006, the percentage of an award that will vest is as follows:

Ranking of the Company's TSR when compared against the TSR of the comparator companies	Percentage of Award that Vests
Below median	0%
Median	30%
Upper quartile	100%
Between median and upper quartile	Straight-line Vesting between 30% and 100% based on ranking plus interpolation between rankings

Irrespective of the Company's TSR performance, no award will vest unless the Committee is satisfied that this is warranted by the financial performance of the Company since grant, with average growth in the Company's adjusted Earnings per share of RPI plus 2% considered a minimum level of financial performance, unless the Committee considers that it would be inappropriate to apply this "underpin".

(ii) Share option plan

The Committee has previously granted share options under the Share option plan to members of senior management. The Board's objective in granting options was to increase shareholders value in growth in earnings.

Options granted have a three year vesting period and require that future corporate performance targets be achieved before they can be exercised. The same performance targets, which are based on Earnings before taxation & amortisation (EBTA), are common to all Executive Directors and senior management. In order to determine the number of shares that optionholders will be entitled to acquire on exercise of their options, EBTA per Ordinary Share is required to grow at a series of compound rates of growth between 19 and 44 per cent over a three-year performance period, or 26 and 63 per cent over a four-year performance period.

In determining the target EBTA, the base year's profitability of Centaur Media plc and its subsidiaries will be the financial year ended 30 June 2004. In respect of the year of exercise, for the purposes of settling the adjusted achieved EBTA the principal criteria to be applied is:

(a) To exclude exceptional gains, losses or other exceptional items,

(b) To exclude profits or losses arising from the disposal of assets,

(c) To apply an appropriate and equitable treatment to the recognition of profits or losses arising from acquisitions within a maximum period of two years from their purchase,

(d) That the EBTA will be expressed as an amount per ordinary share for the time being in issue in Centaur Media plc and where the number of shares will be the weighted average in issue throughout the relevant year upon which the performance is based,

(e) That the starting point for the number of shares in issue is 147,994,118 being the total number of ordinary shares of 10 pence each is issue, fully paid, as at 10 March 2004 being the date of admission to the AIM.

The option plan is made up of two parts. Part I is approved by the Inland Revenue and takes advantage of the legislation to encourage employees to own shares in the Company in a tax efficient manner. Part II of the plan has not been approved by the Inland Revenue.

There is a limit on the grant of options under the Share Option Schemes. Options may not be granted if the numbers of Ordinary Shares over which they are granted (together with any Ordinary Shares which are subject to options granted pursuant to the Rollover Plan) exceed 5 per cent of the Ordinary Shares in issue immediately prior to the date of grant of the options.

(iii) The Rollover plan

Centaur Media plc Executive Directors and certain senior employees elected to rollover existing ("old") Centaur Communications Ltd share options into new "rollover" share options in Centaur Media plc. The options were exchanged for options each at various exercise prices in Centaur Media plc. In addition, for each share option held in Centaur Communications Ltd, the employees (other than Graham Sherren) received matching options in Centaur Media plc. The exercise price for the matching options is set equal to the market value at date of listing, 10 March 2004.

Rollover option holders have been entitled to exercise the former Centaur Communications Ltd options from 10 March 2004 and are excluded from any performance conditions.

(iv) Share incentive plan

During the year, the Company introduced a Share Incentive Plan. The scheme is open to all employees who have been employed by the Group for more than 12 months. Employees may invest up to £1,500 per annum (or 10% of their salary if less) in shares in the Company which are held in trust and can be withdrawn with tax paid at any time, or tax-free after five years. Other than continuing employment, there are no other performance conditions attached to the plan.

The Executive Directors are eligible to participate in the Share Incentive Plan.

Performance graph

The graph below shows the performance of Centaur Media plc shares compared to the performance of the FTSE 350 Media and Entertainment index over the same period. This index is considered to be most representative of the performance of the shares of generally comparable companies.

Directors' report on remuneration

Information subject to audit

Directors' interests

The Directors holding office during the year to 30 June 2006 are shown on page 78 and their beneficial interests in the Company's share capital are shown on page 26. None of the Directors had any beneficial interest in the shares of other Group companies.

The following Director has been granted rollover and matching options to subscribe for ordinary shares in the Company under rollover, approved and unapproved share option schemes:

	Date of grant	Earliest exercise date	Expiry date	Exercise price (pence)	Number at 30 June 2005	Granted in year	Exercised in year	Lapsed in year	Number at 30 June 2006
GTD Wilmot	9.3.04	9.3.07	9.3.14	100.0	587,333	-	-	-	587,333
	9.3.04	9.3.05	9.3.14	41.67	172,777	-	-	-	172,777

The market price at 30 June 2006 was 104.5 pence and the range during the period was 76.0 pence to 114.5 pence. The average market price during the year was 96.2 pence.

Long-term incentive plan

The following Director has been awarded conditional free shares under the long-term incentive plan:

	Date of award	Vesting date	Number at 30 June 2005	Granted in year	Vested in year	Lapsed in year	Number at 30 June 2006
GTD Wilmot	13.06.06	13.06.09	-	65,000	-	-	65,000

The market price of the shares as at the date of grant was 105.3 pence.

Directors' emoluments

The table below provides details of Directors' remuneration from Centaur Media plc for the year to 30 June 2006.

Other benefits for Executive Directors during this period include the provision of a car allowance, life assurance, permanent health insurance and medical insurance.

	Salaries and Fees £	Bonus £	Pension £	Other Benefits £	Actual Year ended 30 June 2006 £	Actual Year ended 30 June 2005 £
Executive						
GV Sherren	308,438	231,329	-	44,425	584,192	469,616
GTD Wilmot	180,911	90,456	31,659	22,848	325,874	276,719
Non Executive						
BTR Scruby	40,000	-	-	-	40,000	40,000
A Irby	23,538	-	-	-	23,538	-
C Morrison	40,000	-	-	-	40,000	40,000
JPE Taylor	43,750	-	-	-	43,750	40,000
	636,637	**321,785**	**31,659**	**67,273**	**1,057,354**	**866,335**

Independent Auditor's report
to the members of Centaur Media plc

We have audited the group and parent company financial statements (the "financial statements") of Centaur Media plc for the year ended 30 June 2006 which comprise the Consolidated Income Statement, the Consolidated and Company Balance Sheets, the Consolidated and Company Cash Flow Statements, the Consolidated Statement of Recognised Income and Expenses, the Consolidated and Company Statement of Change in Shareholders' Equity and the related notes. These financial statements have been prepared under the accounting policies set out therein. We have also audited the information in the Directors' Report on Remuneration that is described as having been audited.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report, the Directors' Report on Remuneration and the financial statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements and the part of the Directors' Remuneration Report to be audited in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and whether the financial statements and the part of the Directors' Report on Remuneration to be audited have been properly prepared in accordance with the Companies Act 1985 and Article 4 of the IAS Regulation. We report to you whether in our opinion the information given in the Report of the Directors' is consistent with the financial statements. We also report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We review whether the Corporate Governance Statement reflects the company's compliance with the nine provisions of the 2003 FRC Combined Code specified for our review by the Listing Rules of the Financial Services Authority, and we report if it does not. We are not required to consider whether the board's statements on internal control cover all risks and controls, or form an opinion on the effectiveness of the group's corporate governance procedures or its risk and control procedures.

We read other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. The other information comprises only the Report of the Directors', the unaudited part of the Directors' Report on Remuneration, the Chairman's Statement, the Business Review, the Financial Review and the Corporate Governance Statement. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements and the part of the Directors' Report on Remuneration to be audited. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's and company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements and the part of the Directors' Report on Remuneration to be audited are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements and the part of the Directors' Report on Remuneration to be audited.

Opinion

In our opinion:

- the group financial statements give a true and fair view, in accordance with IFRSs as adopted by the European Union, of the state of the group's affairs as at 30 June 2006 and of its profit and cash flows for the year then ended;
- the parent company financial statements give a true and fair view, in accordance with IFRSs as adopted by the European Union as applied in accordance with the provisions of the Companies Act 1985, of the state of the parent company's affairs as at 30 June 2006 and cash flows for the year then ended;
- the financial statements and the part of the Directors' Report on Remuneration to be audited have been properly prepared in accordance with the Companies Act 1985 and Article 4 of the IAS Regulation; and
- the information given in the Report of the Directors' is consistent with the financial statements.

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London
28 September 2006

Notes:
The maintenance and integrity of the Centaur Media plc website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Consolidated Income Statement
for the year ended 30 June 2006

	Note	2006 £m	2005 £m
Revenue	1	**82.3**	72.2
Cost of sales		**(42.8)**	(39.2)
Gross profit		**39.5**	33.0
Distribution costs		**(4.5)**	(4.2)
Administrative expenses		**(20.3)**	(19.9)
Adjusted EBITDA	1	**15.7**	12.2
Depreciation of property, plant and equipment		**(0.7)**	(0.6)
Amortisation of software		**(1.8)**	(1.8)
Amortisation of acquired intangibles		**(0.3)**	-
Share based payments	22	**(0.4)**	(0.4)
Exceptional administrative credit / (costs)	2	**2.2**	(0.5)
Operating profit		**14.7**	8.9
Interest receivable	3	**0.3**	0.3
Share of post-tax profit from associate		**0.1**	-
Profit before taxation	4	**15.1**	9.2
Taxation	6	**(3.7)**	(2.8)
Profit for the year attributable to equity shareholders		**11.4**	6.4
Earnings per share	7		
Basic		**7.6p**	4.4p
Fully diluted		**7.6p**	4.3p

All operations in the current and prior year relate to continuing activities.

The accompanying accounting policies and notes form an integral part of these financial statements.

Consolidated Statement of Recognised Income and Expense
for the year ended 30 June 2006

	2006 £m	2005 £m
Profit for the financial year	**11.4**	6.4
Deferred tax on items taken directly to equity	**0.2**	0.1
Total recognised income for the year	**11.6**	6.5

There are no gains or losses for the Company other than those recognised in the income statement.

Consolidated Balance Sheet
at 30 June 2006

	Note	2006 £m	2005 £m
Non-current assets			
Goodwill	8	**142.0**	138.4
Other intangible assets	9	**13.1**	4.1
Property, plant and equipment	10	**2.5**	2.1
Investments accounted for using the equity method	11	**0.3**	0.2
Deferred tax assets	20	**1.6**	1.2
		159.5	146.0
Current assets			
Inventories	12	**1.5**	1.3
Trade and other receivables	13	**18.7**	15.7
Cash and cash equivalents	14	**7.8**	12.5
		28.0	29.5
Current liabilities			
Financial liabilities – borrowings	15	**1.6**	2.5
Trade and other payables	16	**11.3**	10.4
Deferred income	17	**10.5**	9.9
Current tax liabilities	18	**2.6**	0.5
Provisions	19	**0.6**	-
		26.6	23.3
Net current assets		**1.4**	6.2
Non-current liabilities			
Provisions	19	**1.9**	2.5
Deferred tax liabilities	20	**1.1**	1.1
		3.0	3.6
Net assets		**157.9**	148.6
Capital and reserves			
Share capital	21	**14.9**	14.9
Share premium	23	**0.3**	0.3
Other reserves	23	**2.4**	2.0
Retained earnings	23	**140.3**	131.4
Total shareholders' equity		**157.9**	148.6

The financial statements were approved by the Board of Directors on 28 September 2006 and were signed on its behalf by:

GTD Wilmot
Director

Company Balance Sheet
at 30 June 2006

	Note	2006 £m	2005 £m
Non-current assets			
Investments in subsidiaries	11	**145.4**	145.0
		145.4	145.0
Current assets			
Trade and other receivables	13	**4.8**	-
Cash and cash equivalents	14	**2.4**	4.7
		7.2	4.7
Current liabilities			
Financial liabilities – borrowings	15	**1.6**	2.5
Trade and other payables	16	**8.4**	5.8
		10.0	8.3
Net current liabilities		**(2.8)**	(3.6)
Net assets		**142.6**	141.4
Capital and reserves			
Share capital	21	**14.9**	14.9
Share premium	23	**0.3**	0.3
Other reserves	23	**2.4**	2.0
Retained earnings	23	**125.0**	124.2
Total shareholders' equity		**142.6**	141.4

The financial statements were approved by the Board of Directors on 28 September 2006 and were signed on its behalf by:

GTD Wilmot
Director

Consolidated Cash Flow statement
for the year ended 30 June 2006

	Note	2006 £m	2005 £m
Cash flows from operating activities			
Cash generated from operations	25	**14.4**	9.6
Tax paid		**(1.8)**	(1.1)
Cash flows from operating activities		**12.6**	8.5
Cash flows from investing activities			
Interest received		**0.3**	0.3
Acquisition of subsidiaries (net of cash acquired)	25	**(4.8)**	-
Proceeds from the disposal of subsidiaries		**0.4**	0.4
Purchase of property, plant and equipment		**(1.0)**	(0.7)
Purchase of intangible assets		**(8.6)**	(2.4)
Cash flows from investing activities		**(13.7)**	(2.4)
Cash flows from financing activities			
Net proceeds from issue of ordinary share capital		**-**	0.4
Repayment of loan notes		**(0.9)**	(0.9)
Dividends paid		**(2.7)**	(2.2)
Cash flows from financing activities		**(3.6)**	(2.7)
Net (decrease) / increase in cash and cash equivalents		**(4.7)**	3.4
Cash and cash equivalents at 1 July		**12.5**	9.1
Cash and cash equivalents 30 June		**7.8**	12.5

Company Cash Flow statement
for the year ended 30 June 2006

	Note	2006 £m	2005 £m
Cash flows from operating activities			
Cash generated from operations	25	**(3.5)**	(3.0)
Interest paid		**(0.5)**	(0.3)
Cash flows from operating activities		**(4.0)**	(3.3)
Cash flows from investing activities			
Interest received		**0.3**	0.1
Dividends received		**5.0**	5.0
Cash flows from investing activities		**5.3**	5.1
Cash flows from financing activities			
Net proceeds from issue of ordinary share capital		**-**	0.4
Repayment of loan notes		**(0.9)**	(0.9)
Dividends paid		**(2.7)**	(2.2)
Cash flows from financing activities		**(3.6)**	(2.7)
Net decrease in cash and cash equivalents		**(2.3)**	(0.9)
Cash and cash equivalents at 1 July		**4.7**	5.6
Cash and cash equivalents 30 June		**2.4**	4.7

Statement of accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

The consolidated and Company financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and International Financial Reporting Interpretations Committee (IFRIC) applicable at 30 June 2006 and with those parts of the Companies Act, 1985 applicable to companies reporting under IFRS. The financial statements have been prepared on the historical cost basis.

The Company has taken advantage of the exemption available under section 230 of the Companies Act 1985 and has not presented its own profit and loss account in these financial statements.

At the date of authorisation of these financial statements, the following standards and interpretations which have not been applied in these financial statements were in issue but have not yet come into effect:

- IFRS 7 *Financial Instruments: Disclosures and the related amendment to IAS 1 on capital disclosures*
- IFRIC 4 *Determining whether an Arrangement contains a Lease*
- IFRIC 8 *Scope of IFRS 2*
- IFRIC 9 *Reassessment of Embedded Derivatives*

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.

The following new standards and interpretations which were in issue but have not yet come into effect are not considered to be relevant to Centaur's activities:

- IAS 39 *(Amendment) Cash flow hedge accounting of forecast intra-group accounting*
- IAS 39 *(Amendment) and IFRS 4 (Amendment) Financial Guarantee Contracts and Credit Insurance*
- IAS 39 *(Amendment) The Fair Value Option*
- IFRS 6 *Exploration for and Evaluation of Mineral Assets*
- IFRIC 5 *Right to Interests Arising from Decommissioning, Restoration and Environmental Rehabilitation Funds*
- IFRIC 6 *Liabilities arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment*
- IFRIC 7 *Applying the Restatement Approach under IAS 29 Financial Reporting in Hyperinflationary Economies*

These financial statements are presented in pounds sterling (GBP) as that is the currency of the primary economic environment in which the group operates.

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, events or actions, the actual results may ultimately differ from those estimates.

Alternative presentation within the consolidated income statement

The Group has presented separately on the face of the consolidated income statement on page 36 an alternative profit measure of adjusted EBITDA. Adjusted EBITDA is earnings before interest, tax, depreciation, amortisation and excluding exceptionals and other material non-cash items. This presentation has been provided as the Directors believe that this measure reflects more clearly the ongoing operations of the Group. In 2006 and 2005, share based payment costs have been treated as a material non-cash item.

First time adoption of IFRS

On first time adoption of IFRS, Centaur followed the guidelines outlined in IFRS 1, First Time Adoption of International Financial Reporting Standards, in which a number of optional exemptions to the general principle of full retrospective application are permitted. Centaur has adopted the following approach in respect of the following key exemptions:

- Business combinations: Centaur has not reclassified business combinations prior to the transition date.
- Share based payment: Centaur has adopted the exemption from full retrospective application of all share based payment awards and in accordance with the guidance in IFRS 2, *Share-based payments* has only applied the standard to equity instruments that were granted after 7 November 2002, and which had not vested before 1 July 2005.
- Financial instruments: Centaur has taken the exemption not to restate comparatives for IAS 32 *Financial Instruments: Disclosure and Presentation* and IAS 39 Financial Instruments: *Recognition and Measurement* for the year ended 30 June 2005.

Reconciliations to assist in understanding the nature and value of the differences between UK GAAP and IFRS are given in note 33 of these financial statements.

Statement of accounting policies

Exceptional items
The Group classifies items of income and expenses as exceptional items, where the nature of the item, or its size, is likely to be material so as to assist the user of the financial statements to better understand the results of the operations of the Group.

Consolidation
The consolidated financial statements incorporate the financial statements of Centaur Media plc and all its subsidiaries together with the attributable share of results and reserves of associated undertakings, adjusted where appropriate to conform with Centaur's accounting policies.

Where subsidiaries have different financial year end dates, additional financial statements are prepared for the subsidiary to the same date as Centaur Media plc and these are incorporated in the consolidated financial statements.

A subsidiary is an entity controlled by Centaur. Control exists when the Company has the power, directly of indirectly, to govern the financial and operating policies of an entity so as to benefit from its activities.

Associates are those entities in which Centaur has significant influence, but not control over the financial and reporting policies. Associates are equity accounted for.

Intragroup balances and transactions and any unrealised gains or losses arising from these transactions, are eliminated in preparing the consolidated financial statements.

Revenue recognition
Revenue is measured at the fair value of the consideration received or receivable and represents amounts recoverable by Centaur for the sales of advertising space, subscriptions and individual publications and revenue from exhibitions and conferences provided in the normal course of business, net of discounts and value added tax.

Sales of advertising space are recognised in the period in which publication occurs. Sales of publications are recognised in the period in which the sale is made. Revenue received in advance for exhibitions and conferences is deferred and recognised in the period in which the event takes place.

Revenue from subscriptions to publications and online services is deferred and recognised in the income statement on a straight-line basis over the subscription period.

Foreign currencies
Transactions denominated in foreign currency are translated at exchange rates prevailing at the transaction date. Assets and liabilities are translated at exchange rates prevailing at the year end date. Any gains or losses arising on exchange are reflected in the income statement.

Investments
In the Company's financial statements, investments in subsidiaries are stated at cost less provision for impairment in value.

In the Group financial statements, investments in associates are incorporated into the financial statements using the equity method of accounting whereby investments are carried on the balance sheet at cost adjusted by post-acquisition changes of the net assets of the associates, less any impairment of value in the individual investment.

Goodwill
Where the cost of a business acquisition exceeds the fair values attributable to the separable net assets acquired, the resulting goodwill is capitalised. Goodwill has an indefinite useful life and is tested for impairment annually or where indicators imply that the carrying value is not recoverable.

For the purposes of impairment testing, goodwill is allocated to cash generating units and is then tested for impairment at the level of the reportable segments. Cash generating units are considered to be individual magazine or online titles as each magazine or online title generates profits and cash flows that are largely independent from other units. Any impairment is recognised in the income statement and is not subsequently reversed.

On the disposal of a cash generating unit, the attributable amount of goodwill is included in the determination of the profit and loss on disposal.

Goodwill arising on acquisitions prior to 1 July 2004 (the transition date to IFRS) has been retained at the previous UK GAAP carrying values subject to being tested for impairment at that date. Centaur has taken the exemption available under IFRS 1 not to reclassify business combinations affected prior to the transition date to IFRS.

Other intangibles
Intangible assets acquired separately are carried at cost less accumulated amortisation. Intangible assets acquired as part of business combinations are carried at fair value less accumulated amortisation. Computer software that is not integral to the operation of the related hardware is carried at cost less accumulated amortisation. Amortisation is calculated to write off the cost or fair value of assets on a straight line basis over the expected useful economic lives to the Group over the following periods:

Computer software	3 - 5 years
Brands and publishing rights	20 years
Customer relationships	10 years
Website development costs	3 years
Acquired content	5 years

Statement of accounting policies

Centaur's internally generated brands represent commercially valuable intangibles but are not eligible for recognition as assets under IAS 38 Intangible Assets.

Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and impairment losses. The cost of property, plant and equipment is the purchase cost together with any incidental costs of acquisition. Depreciation is calculated to write off the cost, less estimated residual value, of assets, on a straight line basis over the expected useful economic lives to the Group over the following periods:

Leasehold property	20 years or the length of the lease if shorter
Fixtures and fittings	10 years
Computer equipment	3 - 5 years
Motor Vehicles	4 years

Residual values, where applicable are reviewed annually against prevailing market rates at the balance sheet date for equivalent aged assets and depreciation rates adjusted accordingly on a prospective basis. A review of the estimated useful economic life of each asset is carried out annually to ensure depreciation rates are adequate.

Impairment of assets

Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events indicate that the carrying value may not be recoverable. An impairment loss is recognised to the extent that the carrying value exceeds the higher of the asset's fair value less cost to sell and its value in use. An asset's value in use is calculated by discounting an estimate of future cash flows by Centaur's pre tax weighted average cost of capital.

Taxation including deferred tax

The tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on the taxable profit for the year. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further includes items that are never taxable or deductible. Centaur's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is the tax accounted for in respect of temporary differences between the carrying amounts of assets and liabilities in the financial statements, and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited to the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the first in, first out method. For raw materials, cost is the purchase price. Work in progress comprises costs incurred relating to publications, exhibitions and conferences prior to the publication date or the date of the event. For goods for resale, cost is the purchase price, or, in the case of publications, the direct cost of production.

Net realisable value is based on estimated future selling price less all the further costs to completion and all relevant marketing, selling and distribution costs.

Inventories are reviewed regularly and full provision is made for obsolete, slow moving or defective stock.

Leases

All leases held by Centaur are considered to be operating leases. Rental charges on operating leases are charged to the income statement on a straight line basis over the life of the lease.

Employee benefit cost

Centaur contributes to a defined contribution pension scheme for the benefit of employees. The assets of the scheme are held separately from those of the Group in an independently administered fund. Contributions to defined contribution schemes are charged to the income statement at the time that the related service is provided.

The expected cost of compensated holidays is recognised at the time that the related service is provided.

Share-based payment

Centaur has equity settled share based payment compensation plans. The fair value of equity settled share based payments is measured at the date of the grant using the stochastic option pricing model. The fair value of the estimate of the number of options or shares that are expected to be exercised is expensed on a straight line basis over the vesting period.

Provisions
Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, when it is more likely than not that an outflow of resources will be required to settle the obligation and where a reliable estimate can be made of the amount of the obligation.

Segmental reporting
A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is a group of assets and operations engaged in providing products or services within a particular economic environment and that is subject to risks and returns that are different from those components operating in other economic environments.

Substantially all of Centaur's net assets are located and all turnover and profit are generated in the United Kingdom and therefore the primary reporting format is by business segment based on the Group's management and internal reporting structure.

Financial instruments
(i) 2005 comparative financial statements
Within the 2005 comparative financial statements, Centaur has applied UK GAAP in accounting for and disclosing financial instruments.

Financial assets and financial liabilities are recognised on the balance sheet when Centaur becomes a party to the contractual provisions of the relevant instrument and derecognised when it ceases to be a party to such provisions.

Financial instruments are used by Centaur to hedge interest rate and foreign currency exposure where these circumstances arise. Discounts and premiums are charged or credited to the income statement over the life of the asset or liability to which they relate. Centaur does not hold or issue derivative financial instruments for trading purposes.

Income and expenditure arising on financial instruments is recognised on the accruals basis and credited or charged to the income statement in the financial period to which it relates.

(ii) 2006 financial statements
Within the 2006 financial statements, Centaur has applied IAS 32, *Financial Instruments: Disclosure and Presentation*, and IAS 39, *Financial Instruments: Recognition and Measurement*, as outlined below.

- **Derivative financial instruments**
  Derivative financial instruments are used by Centaur to hedge interest rate and foreign currency exposure where these circumstances arise. Discounts and premiums are charged or credited to the income statement over the life of the asset or liability to which they relate. Centaur does not hold or issue derivative financial instruments for trading purposes.

  Derivative financial assets and liabilities are stated at fair value. Changes to fair value are recognised directly in equity, to the extent that they are effective, with the ineffective portion being recognised in the income statement in the financial period to which it relates.

- **Trade receivables**
  Trade receivables do not carry any interest and are stated at their fair value measured on an amortised cost basis, as reduced by appropriate allowances for estimated irrecoverable amounts incurred up the balance sheet date.

- **Trade payables**
  Trade payables are non interest bearing and are stated at their fair value.

- **Loan notes**
  Loan notes are recorded at the proceeds received, net of issue costs. The carrying value of loan notes includes accrued interest payable. Finance charges are accounted for on an accruals basis and charged to the income statement using the effective interest method.

- **Cash and cash equivalents**
  Cash and cash equivalents includes cash in hand and deposits repayable on demand or maturing within three months of the balance sheet date, less any overdrafts repayable on demand.

Share capital and share premium
Ordinary shares are classified as equity. The excess of consideration received in respect of shares issued over the nominal value of those shares is held in the share premium account.

Centaur also holds a non-distributable reserve representing the fair value of share options.

Dividends are recognised as a liability in the period in which they are paid or approved by the shareholders in general meeting.

Key accounting assumptions, estimates and judgements
The preparation of financial statements under IFRS requires the use of certain key accounting assumptions and requires management to exercise its judgement and to make estimates. The areas where assumptions and estimates are significant to the consolidated financial statements are as follows:

(i) Intangible fixed assets
In assessing whether goodwill and other intangible fixed assets are impaired, the Group uses a discounted cash flow model which includes forecast cash flow information and estimates of future growth. If the results of operations in future periods are lower than included in the cash flow model, impairment may be triggered.

(ii) Deferred consideration
Provisions for deferred consideration are made on the basis of the Directors' best estimates of the future relevant measures of profits of the subsidiaries and businesses acquired. If the profits of the subsidiaries and businesses acquired differ from the estimates, the actual consideration will differ from the estimates used.

Notes to financial statements

1 Segmental reporting

Primary reporting format business segments.
The group is currently organised into five main business segments:

Year ended 30 June 2006	Legal and Financial £m	Marketing Creative and New Media £m	Construction and Engineering £m	Perfect Information £m	Other £m	Unallocated £m	Eliminations £m	Group £m
Sales to external customers	24.5	23.5	16.5	6.4	11.4	-	-	82.3
Sales to other segments	0.3	0.8	0.2	-	0.3	-	(1.6)	-
Revenue	**24.8**	**24.3**	**16.7**	**6.4**	**11.7**	**-**	**(1.6)**	**82.3**
Adjusted EBITDA	7.1	3.3	3.4	1.4	0.5			15.7
Depreciation of property, plant and equipment	(0.1)	(0.2)	(0.2)	(0.1)	(0.1)	-	-	(0.7)
Amortisation of intangibles	(0.4)	(0.3)	(0.3)	(0.8)	(0.3)	-	-	(2.1)
Share based payments	-	-	-	-		(0.4)	-	(0.4)
Exceptional administrative credit	-	-	-	2.2	-	-	-	2.2
Segment result	**6.6**	**2.8**	**2.9**	**2.7**	**0.1**	**(0.4)**	**-**	**14.7**
Interest receivable	-	-	-	-	-	0.3	-	0.3
Share of post tax profit of associates	0.1	-	-	-	-	-	-	0.1
Profit before tax	6.7	2.8	2.9	2.7	0.1	(0.1)	-	15.1
Taxation	-	-	-	-	-	(3.7)	-	(3.7)
Profit for the year attributable to equity shareholders	**6.7**	**2.8**	**2.9**	**2.7**	**0.1**	**(3.8)**	**-**	**11.4**
Segment assets	68.6	51.9	40.7	15.1	11.2	-	-	187.5
Consolidated total assets	**68.6**	**51.9**	**40.7**	**15.1**	**11.2**	**-**	**-**	**187.5**
Segment liabilities	4.7	5.5	6.9	2.8	3.7	-	-	23.6
Corporate liabilities		-	-	-	-	6.0	-	6.0
Consolidated total liabilities	**4.7**	**5.5**	**6.9**	**2.8**	**3.7**	**6.0**	**-**	**29.6**
Other items:								
Capital expenditure	1.6	0.5	7.9	1.2	4.9	-	-	16.1
Impairment of trade receivables	0.2	0.2	0.1	-	0.1	-	-	0.6

Corporate costs are allocated to business segments on an appropriate basis depending on the nature of the cost. Inter-segment pricing is determined on an arm's length basis. Segment assets consist primarily of property, plant and equipment, intangible assets including goodwill, inventories, trade receivables and cash and cash equivalents. Segment liabilities comprise trade payables, accruals and deferred income. Corporate assets and liabilities comprise current and deferred tax balances, cash and cash equivalents and borrowings. Capital expenditure comprises additions to property, plant and equipment, intangible assets and goodwill and includes additions resulting from acquisitions through business combinations.

1 Segmental reporting
(continued)

Year ended 30 June 2005	Legal and Financial £m	Marketing Creative and New Media £m	Construction and Engineering £m	Perfect Information £m	Other £m	Unallocated £m	Eliminations £m	Group £m
Sales to external customers	20.7	24.0	13.3	5.9	8.3	-	-	72.2
Sales to other segments	0.2	0.8	0.2	0.1	0.2	-	(1.5)	-
Revenue	**20.9**	**24.8**	**13.5**	**6.0**	**8.5**	**-**	**(1.5)**	**72.2**
Adjusted EBITDA	5.4	4.9	2.1	0.4	(0.6)	-	-	12.2
Depreciation of property, plant and equipment	(0.1)	(0.1)	(0.1)	(0.2)	(0.1)	-	-	(0.6)
Amortisation of intangibles	(0.5)	(0.3)	(0.2)	(0.6)	(0.2)	-	-	(1.8)
Share based payments	-	-	-	-	-	(0.4)	-	(0.4)
Exceptional administrative costs	-	-	-	-	-	(0.5)	-	(0.5)
Segment result	**4.8**	**4.5**	**1.8**	**(0.4)**	**(0.9)**	**(0.9)**	**-**	**8.9**
Interest receivable	-	-	-	-	-	0.3	-	0.3
Profit before tax	4.8	4.5	1.8	(0.4)	(0.9)	(0.6)	-	9.2
Taxation	-	-	-	-	-	(2.8)	-	(2.8)
Profit for the year attributable to equity shareholders	**4.8**	**4.5**	**1.8**	**(0.4)**	**(0.9)**	**(3.4)**	**-**	**6.4**
Segment assets	60.9	49.2	35.3	15.1	10.8	-	-	171.3
Corporate assets	-	-	-	-	-	4.2	-	4.2
Consolidated total assets	**60.9**	**49.2**	**35.3**	**15.1**	**10.8**	**4.2**	**-**	**175.5**
Segment liabilities	3.6	5.6	4.4	5.5	3.2		-	22.3
Corporate liabilities	-	-	-	-	-	4.6	-	4.6
Consolidated total liabilities	**3.6**	**5.6**	**4.4**	**5.5**	**3.2**	**4.6**	**-**	**26.9**
Other items:								
Capital expenditure	0.6	0.4	0.2	1.2	0.7	-	-	3.1
Impairment of trade receivables	-	-	-	0.1	-	-	-	0.1

Secondary reporting format – geographical segments
Substantially all of Centaur's net assets are located and all revenue and profit are generated in the United Kingdom. The Directors consider that the group operates in a single geographical segment, being the United Kingdom, and therefore secondary format segmental reporting is not required.

Notes to financial statements

2 Exceptional administrative (credit) / costs

	2006 £m	2005 £m
Release of contingent consideration	(2.5)	-
Goodwill disposal	0.3	-
Fees in relation to admission to official list of London Stock Exchange	-	0.5
Total	**(2.2)**	0.5

Centaur Media plc acquired the Centaur Communications Group in March 2004. The net assets acquired included a contingent consideration payable to the previous shareholders of the Synergy Group ('Synergy') which is based on the profits of Synergy to 30 June 2007. At 30 June 2006 the provision for this consideration has been reassessed, resulting in a release to the profit and loss account of £2.5 million. The release of this provision has been treated as an exceptional item.

During the year ended 30 June 2006 shares were issued to a minority interest in a subsidiary, Perfect Information Limited, reducing Centaur's interest in this company and its subsidiaries (the "PI group") by 3.94%. This has resulted in a reduction of Centaur's share of the goodwill relating to the PI group and a charge to the income statement of £0.3m.

The exceptional cost of £0.5m in the year ended 30 June 2005 relates to fees in respect of the admission of Centaur Media plc to the official list of the London Stock Exchange on 17 December 2004.

3 Net finance costs

	2006 £m	2005 £m
Interest receivable on bank deposits	0.3	0.3
Finance costs – net	**0.3**	0.3

4 Profit before taxation

Profit on ordinary activities before taxation is stated after charging:

	2006 £m	2005 £m
Employee benefit expense (note 5)	**29.6**	26.2
Exceptional administrative (credit) / costs (note 2)	**(2.2)**	0.5
Inventories		
- Cost of inventories recognised as an expense (included in cost of sales)	**10.0**	9.7
Depreciation of owned property, plant and equipment (note 10)	**0.7**	0.6
Amortisation of intangibles (included in administrative expenses) (note 9)	**2.1**	1.8
Operating lease rentals		
- Minimum lease payments	**2.9**	2.4
- Subleases	**(0.6)**	-
Repairs and maintenance expenditure on property, plant and equipment	**0.2**	0.1
Trade receivables impairment	**0.6**	0.1
Services provided by the group's auditor		
Auditor's remuneration:	**£'000**	£'000
- Audit services – statutory audit	**148**	125
- Other assurance services		
- IFRS	**65**	-
- Other	**31**	25
- Tax services - compliance	**32**	13
- Tax services - advisory	**24**	17
- Non-audit services	**13**	29
	313	209

Notes to financial statements

5 Directors and employees

	Group 2006 £m	Group 2005 £m	Company 2006 £m	Company 2005 £m
Wages and salaries	**25.8**	22.6	**1.0**	1.0
Social security costs	**2.8**	2.7	**0.2**	0.2
Other pension costs (note 29)	**0.6**	0.5	-	-
Equity settled share-based payments (note 22)	**0.4**	0.4	**0.1**	0.1
	29.6	26.2	**1.3**	1.3

The average monthly number of persons employed during the year, including Executive Directors, was:

	Number	Number	Number	Number
Editorial	**177**	165	**-**	-
Production	**66**	63	**-**	-
Sales	**182**	176	**-**	-
Product management and support	**164**	163	**6**	6
Central services	**143**	150	**-**	-
	732	717	**6**	6

All employees are based in the UK.

Key management compensation	**2006 £m**	2005 £m
Salaries and short term employee benefits	**3.3**	3.0
Other pension costs	**0.2**	0.2
Share based payments	**0.3**	0.3
	3.8	3.5

The key management figures include Directors, members of the management executive board and all other employees deemed to have authority and responsibility for planning, directing and controlling activities of Centaur and its subsidiaries.

Details of Directors' remuneration is included in the Directors' remuneration report on page 34.

6 Taxation

(a) Analysis of charge in period

	2006 £m	2005 £m
Current tax		
- Current period	**3.3**	1.7
- Adjustment in respect of prior period	**0.6**	0.2
	3.9	1.9
Deferred tax (note 20)		
- Current period	**0.5**	1.1
- Adjustment in respect of prior period	**(0.7)**	(0.2)
	(0.2)	0.9
Taxation	**3.7**	2.8

(b) Tax on items charged to equity

Deferred tax (credit) on share based payments	**(0.2)**	(0.1)

(c) Factors affecting tax charge for the period

The tax assessed for the period is lower (2005: lower) than the standard rate of corporation tax in the UK (30%). The differences are explained below:

	2006 £m	2005 £m
Profit on ordinary activities before tax	**15.1**	9.2
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2005: 30%)	**4.5**	2.8
Effects of:		
Non taxable release of deferred consideration provision	**(0.8)**	-
Expenses not deductible for tax purposes	**0.2**	0.2
Statutory deduction in respect of non-capital research and development expenditure	**-**	(0.2)
Deferred tax credit on share based payments taken to income statement	**(0.1)**	-
Adjustments to tax charge in respect of previous periods	**(0.1)**	-
Total taxation	**3.7**	2.8

Notes to financial statements

7 Earnings per share

The calculation of the basic earnings per share (EPS) is calculated by dividing the earnings attributed to ordinary shareholders by the weighted average number of shares in issue during the year. For diluted earnings per share the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares. The Company has two classes of dilutive potential ordinary shares: share options granted to Directors and employees where the exercise price is less than the average market price of the Company's ordinary shares during the year; and the contingently issuable shares under the Company's long term incentive plan to the extent that the conditions are met at the period end.

An alternative measure of adjusted earnings per share has been provided as the Directors believe that this measure is more reflective of the ongoing trading of the Group.

	Earnings £m	2006 Weighted average number of shares millions	Per share amount Pence	Earnings £m	2005 Weighted average number of shares millions	Per share amount Pence
Basic EPS	**11.4**	**149.3**	**7.6**	6.4	148.3	4.4
Effect of dilutive securities						
Options		**0.7**			1.2	
Contingently issuable shares		**0.1**			-	
Diluted basic EPS	**11.4**	**150.1**	**7.6**	6.4	149.5	4.3
Adjusted EPS						
Earnings attributable to ordinary shareholders	**11.4**	**149.3**	**7.6**	6.4	148.3	4.4
Amortisation of acquired intangibles (note 9)	**0.3**	**-**	**0.2**	-	-	-
Exceptional administrative (credit) / costs (note 2)	**(2.2)**	**-**	**(1.5)**	0.5	-	0.3
Tax effect of above adjustments	**(0.2)**	**-**	**(0.1)**	-	-	-
Adjusted EPS	**9.3**	**149.3**	**6.2**	6.9	148.3	4.7
Effect of dilutive securities						
Options		**0.7**			1.2	
Contingently issuable shares		**0.1**			-	
Diluted adjusted EPS	**9.3**	**150.1**	**6.2**	6.9	149.5	4.6

8 Goodwill

	Total £m
Cost	
At 1 July 2005	138.4
Additions (note 26)	3.9
Disposal	(0.3)
At 30 June 2006	142.0
Net book amount	
At 30 June 2006	**142.0**
At 30 June 2005	138.4

The majority of the Group's goodwill arose from the acquisition of the Centaur Communications group in 2004.

Acquisitions
During the year ended 30 June 2006, the Group made several acquisitions as detailed in note 26.

Disposal
During the year ended 30 June 2006 shares were issued to a minority interest in a subsidiary, Perfect Information Limited, reducing Centaur's interest in this company and its subsidiaries (the "PI group"), by 3.94%. This has resulted in a reduction of Centaur's share of the goodwill relating to the PI group and a charge to the income statement of £0.3m. No minority interest has been recognised by the Group as the PI group has net liabilities at 30 June 2006.

Goodwill by segment
Each individual magazine and online title is deemed to be a Cash Generating Unit (CGU) as each title generates profits and cash flows that are largely independent from other communities. Goodwill is attributed to individual CGUs but is grouped together at segmental level for the purposes of the annual impairment review of goodwill, being the lowest level that management monitors goodwill.

The following table shows the allocation of goodwill to segments at 30 June 2006:

	Legal and Financial £m	Marketing Creative and New Media £m	Construction and Engineering £m	Perfect Information £m	Other £m	Total £m
At 30 June 2005	53.2	40.5	28.7	8.9	7.1	138.4
Additions	-	-	3.3	-	0.6	3.9
Disposal	-	-	-	(0.3)	-	(0.3)
At 30 June 2006	**53.2**	**40,5**	**32.0**	**8.6**	**7.7**	**142.0**

Impairment testing of goodwill
During the year goodwill was tested for impairment in accordance with IAS 36. In assessing whether a write-down of goodwill is required in the carrying value of the related asset, the carrying value of the CGU or group of CGUs is compared with its recoverable amount. The recoverable amount for each CGU and collectively for groups of CGUs that make up the segments of the Group's business has been measured based on value in use.

The Group estimates the value in use of its CGUs using a discounted cash flow model (DCF), which adjusts the cash flows for risks associated with the assets and discounts these using a pre-tax rate of 14.4% (2005: 14.4%). The discount rate used is consistent with the Group's weighted average cost of capital and is used across all segments.

No impairment was noted following the annual impairment review.

The key assumptions used in calculating value in-use are sales growth, EBITDA, working capital movements and capital expenditure. The group has used formally approved budgets for the first 3 years of the value in use calculation, and estimated revenue growth rates of between 3% and 10% and EBITDA growth rates of between 3% and 17% for year 4 and 5. Terminal values assuming growth rates of 3% have been calculated from estimated year 5 cash flows.

The assumptions used in the calculations of value-in-use for each segment have been derived from past experience. Management believe that no reasonably possible change in assumptions would cause the carrying amount of goodwill to exceed its recoverable amount.

Notes to financial statements

9 Other intangible assets

2006	Computer software £m	Brands and publishing rights £m	Customer relationships £m	Websites and content £m	Total £m
Cost					
At 1 July 2005	8.3	0.7	-	-	9.0
Acquisitions - through business combinations	-	4.4	3.0	0.4	7.8
Acquisitions - separately	1.0	1.3	-	-	2.3
Additions - internally generated	1.0	-	-	-	1.0
At 30 June 2006	10.3	6.4	3.0	0.4	20.1
Amortisation					
At 1 July 2005	4.9	-			4.9
Charge for the period	1.8	0.3	-	-	2.1
At 30 June 2006	6.7	0.3	-	-	7.0
Net book amount					
At 30 June 2006	**3.6**	**9.5**	**3.0**	**0.4**	**13.1**

2005	Computer software £m	Brands and publishing rights £m	Customer relationships £m	Websites and content £m	Total £m
Cost					
At 1 July 2004	8.1	0.2	-	-	8.3
Acquisitions - separately	0.7	0.5	-	-	1.2
Additions - internally generated	1.2	-	-	-	1.2
Disposals	(1.7)	-	-	-	(1.7)
At 30 June 2005	8.3	0.7	-	-	9.0
Amortisation					
At 1 July 2004	3.1	-	-	-	3.1
Charge for the period	1.8	-	-	-	1.8
Disposals	(1.7)	-	-	-	(1.7)
At 30 June 2005	4.9	-	-	-	4.9
Net book amount					
At 30 June 2005	**3.4**	**0.7**	**-**	**-**	**4.1**

Amortisation charges in the year and the previous year have been charged to administrative expenses.

The additions to brands and publishing rights, customer relationships and websites and content in 2006 arose mainly as a result of the business combinations as detailed in note 26. In addition, the group acquired the intellectual property rights in the headlinemoney.com website for £1.2m, and the ABTN brand name and website for £0.1m.

The additions to brands / publishing rights in 2005 relate to the purchase of the magazine title Logistics Manager and two associated trade exhibitions in February 2005 for a total consideration of £0.5m.

Computer software capitalised in 2005 and 2006 principally relates to the development of websites and online products, and also to the development of new products in the Perfect Information segment.

10 Property, plant and equipment

2006	Leasehold Improvements £m	Fixtures and Fittings £m	Computer Equipment £m	Motor Vehicles £m	Total £m
Cost					
As at 1 July 2005	1.2	1.8	1.4	0.1	4.5
Additions	0.3	0.1	0.6	-	1.0
At 30 June 2006	1.5	1.9	2.0	0.1	5.5
Depreciation					
As at 1 July 2005	0.5	1.0	0.7	0.1	2.3
Charge for the year	0.1	0.2	0.4	-	0.7
At 30 June 2006	0.6	1.2	1.1	0.1	3.0
Net book amount					
At 30 June 2006	**0.9**	**0.7**	**0.9**	**-**	**2.5**

2005	Leasehold Improvements £m	Fixtures and Fittings £m	Computer Equipment £m	Motor Vehicles £m	Total £m
Cost					
As at 1 July 2004	1.0	1.8	1.3	0.2	4.3
Additions	0.2	0.1	0.5	-	0.8
Disposals	-	(0.1)	(0.4)	(0.1)	(0.6)
At 30 June 2005	1.2	1.8	1.4	0.1	4.5
Depreciation					
As at 1 July 2004	0.4	0.9	0.8	0.2	2.3
Charge for the year	0.1	0.2	0.3	-	0.6
Disposals	-	(0.1)	(0.4)	(0.1)	(0.6)
At 30 June 2005	0.5	1.0	0.7	0.1	2.3
Net book amount					
At 30 June 2005	**0.7**	**0.8**	**0.6**	**-**	**2.1**

Notes to financial statements

11 Investments

Group	Share of assosiated company net assets £m
At 1 July 2005	0.2
Share of associated company profits for the year ended 30 June 2006	0.1
At 30 June 2006	**0.3**

Centaur Communications Limited holds 34% of the ordinary share capital of IPE International Publishers Limited (IPE). The summarised income statement and balance sheet for IPE is as follows:

Income statement	2006 £m	2005 £m
Revenue	**3.5**	2.7
Operating profit and profit before taxation	**0.3**	0.1
Profit for the year	**0.2**	0.1
Balance sheet		
Assets	**2.1**	1.4
Liabilities	**1.4**	0.9
Net assets	**0.7**	0.5

11 Investments
(continued)

Company	Investments in subsidiary undertakings £m
At 1 July 2005	145.0
Additions	0.4
At 30 June 2006	**145.4**

The increase in investments in subsidiaries of £0.4m represents the expense in relation to share options granted to employees of subsidiary companies.

The following table shows the principal subsidiary undertakings as at 30 June 2006:

Name	Class of share capital	Proportion held %	Principal activity
Centaur Communications Limited *	Ordinary	100.00	Holding company and agency services
Chiron Communications Limited	Ordinary	100.00	Magazine publishing
Hali Publications Limited	Ordinary	100.00	Magazine publishing
Ascent Publishing Limited	Ordinary	100.00	Magazine publishing
Centaur Publishing Limited	Ordinary	100.00	Exhibitions
Perfect Information Limited	Ordinary	96.05	Financial information services
Pro-Talk Limited	Ordinary	100.00	Online publisher
Synergy Software Solutions Limited	Ordinary	96.05	Software consulting

* Directly owned by Centaur Media plc.

All the above subsidiary undertakings are incorporated in England and Wales. The reporting date of Pro-Talk Limited is 30 September. The consolidated financial statements incorporate the financial statements of all entities controlled by the Company at 30 June each year.
No minority interest has been recognised by the Group in relation to Perfect Information Limited or Synergy Software Solutions Limited, as these subsidiaries have net liabilities at 30 June 2006.

12 Inventories

	Group 2006 £m	Group 2005 £m
Work in progress	**1.4**	1.2
Finished goods	**0.1**	0.1
	1.5	1.3

In the Directors' view there is no difference between the book value and the replacement cost of inventories.

Notes to financial statements

13 Trade and other receivables

	Group 2006 £m	Group 2005 £m	Company 2006 £m	Company 2005 £m
Amounts falling due within one year:				
Trade receivables	**13.4**	12.2	**-**	-
Less: provision for impairment of receivables	**(0.3)**	(0.3)	**-**	-
Trade receivables – net	**13.1**	11.9	**-**	-
Receivables from subsidiaries	**-**	-	**4.8**	-
Amounts due on sale of subsidiary	**-**	0.4	**-**	-
Other receivables	**1.5**	0.3	**-**	-
Prepayments and accrued income	**4.1**	3.1	**-**	-
	18.7	15.7	**4.8**	-

Concentrations of credit risk with respect to trade receivables are limited due to the group's customer base being large and predominantly UK based. Due to this, management believe there is no further credit risk provision required in excess of the normal provision for doubtful receivables.

The amount due on sale of subsidiary in 2005 represents a deferred payment due from Thomson Legal and Regulatory Europe Limited in respect of the purchase of Lawtel Ltd and Consultancy Europe Associates Limited from the Centaur Communications Group in August 2002.

14 Cash and cash equivalents

	Group 2006 £m	Group 2005 £m	Company 2006 £m	Company 2005 £m
Cash at bank and in hand	**7.4**	9.5	**2.0**	4.7
Short-term bank deposits	**0.4**	3.0	**0.4**	-
	7.8	12.5	**2.4**	4.7

Total cash at bank and in hand at 30 June 2006 includes an amount of £1.6m (2005: £2.5m) held on behalf of the holders of loan notes in Centaur Media plc (see note 15). This amount is therefore a restricted balance and is not available for use by the Group in its day to day operations.

The unrestricted cash available for use in the day to day operations of the Group at 30 June 2006 was £6.2m (2005: £10.0m).
The effective interest rate on short-term deposits was 4.3% (2005: 4.1 %) and the deposits have an average maturity of 1 day (2005: 158 days).

15 Financial liabilities - borrowings

	Group 2006 £m	Group 2005 £m	Company 2006 £m	Company 2005 £m
Loan notes	**1.6**	2.5	**1.6**	2.5

The loan notes in the Company have been issued in amounts and multiples of £1 with a variable rate of interest of 0.75% below LIBOR for each relevant interest period. Unless previously redeemed or purchased the loan notes will be redeemed in full at par on 31 March 2011. The loan notes are redeemable at the option of each note holder on 30 June and 31 December in each year up to 31 March 2011 by giving not less than 30 days notice.

16 Trade and other payables - current

	Group 2006 £m	Group 2005 £m	Company 2006 £m	Company 2005 £m
Trade payables	**2.8**	3.0	**-**	-
Payables to subsidiaries	**-**	-	**8.2**	5.6
Social security and other taxes	**2.8**	2.4	**-**	-
Other payables	**0.2**	-	**-**	-
Accruals	**5.5**	5.0	**0.2**	0.2
	11.3	10.4	**8.4**	5.8

17 Deferred income - current

	Group 2006 £m	Group 2005 £m
Deferred income	**10.5**	9.9

18 Current tax liabilities

	Group 2006 £m	Group 2005 £m
Corporation tax	**2.6**	0.5

Notes to financial statements

19 Provisions

	Contingent consideration £m	Group Total £m
At 1 July 2005	2.5	**2.5**
Released	(2.5)	**(2.5)**
Contingent consideration (recognised within the cost of acquisition):		
Pro-Talk Limited	2.0	**2.0**
Headline Money	0.5	**0.5**
At 30 June 2006	2.5	**2.5**
Current	0.6	**0.6**
Non-current	1.9	**1.9**
At 30 June 2006	2.5	**2.5**

In October 2003 the Centaur Communications Group acquired 100% of the share capital of the Synergy Software Group ("Synergy") for a total consideration of £3.7m. The total consideration included a deferred element that is payable based on profits of Synergy up to 30 June 2007. At 30 June 2006 the provision for this consideration has been reassessed, resulting in a release to the profit and loss account of £2.5 million. The release of this provision has been treated as an exceptional item.

In May 2006 Centaur Communications Limited acquired 100% of the share capital of Pro-Talk Limited for a total estimated consideration of £6.0m. The total estimated consideration includes a contingent element that is payable on the profits of Pro-Talk Limited up to 30 September 2007. At 30 June 2006 the provision represents the Directors' best estimate of the amount to be paid.

In March 2006 Centaur Communications Limited purchased intellectual property rights relating to Headline Money for a total consideration of up to £1.2m. The total consideration includes a contingent element that is payable on the profits of Headline Money up to 30 June 2006. At 30 June 2006 the provision represents the Directors' best estimate of the amount to be paid.

Notes to financial statements

20 Deferred Tax

The movement on the deferred tax account is shown below:

	Group 2006 £m	Group 2005 £m
At 1 July	**(0.1)**	(1.0)
Recognised in income statement	**(0.2)**	1.0
Taken directly to equity – share options	**(0.2)**	(0.1)
At 30 June	**(0.5)**	(0.1)

Deferred tax assets have been recognised in respect of all tax losses and other temporary differences giving rise to deferred tax assets where it is probable that these assets will be recovered.

The movements in deferred tax assets and liabilities during the period (prior to the offsetting of balances within the same jurisdiction as permitted by IAS 12) are shown below. Deferred tax assets and liabilities are only offset where there is a legally enforceable right of offset and there is an intention to settle the balances net.

Deferred tax liabilities	Other temporary differences £m	Group Total £m
At 1 July 2005 and 30 June 2006	1.1	**1.1**

Deferred tax assets	Accelerated capital allowances £m	Tax losses carried forward £m	Other temporary differences £m	Group Total £m
At 1 July 2005	(0.8)	(0.5)	0.1	**(1.2)**
Recognised in income statement	(0.1)	-	(0.1)	**(0.2)**
Taken directly to equity – share options	-	-	(0.2)	**(0.2)**
At 30 June 2006	(0.9)	(0.5)	(0.2)	**(1.6)**

Net deferred tax asset	
At 30 June 2006	**(0.5)**
At 30 June 2005	(0.1)

An asset of £0.3m (2005: £0.1m) relating to tax losses arising in Centaur Media plc has not been recognised by the Company. This asset will be recognised if it becomes deemed to be recoverable against the generation of suitable taxable profits in the Company in the future.

Notes to financial statements

21 Share capital

	Group and Company 2006 £m	Group and Company 2005 £m
Authorised:		
200,000,000 (2005: 200,000,000) ordinary shares of 10p each	**20.0**	20.0
Issued and fully paid:		
Ordinary shares of 10p each		
Shares at 1 July 2005: 149,316,858 (1 July 2004: 147,994,118)	**14.9**	14.8
Shares allotted under share option schemes: 20,000 (2005: 1,322,740)	**-**	0.1
As at 30 June 2006: 149,336,858 shares (2005: 149,316,858)	**14.9**	14.9

Potential issues of ordinary shares
Certain senior executives hold options to subscribe for shares in the Company at prices ranging from 11.58p to 100.00p under the Share Option Plan and the Rollover Plan. Options on 20,000 shares were exercised during 2006. The number of shares subject to options, the periods in which they were granted and the periods in which they may be exercised are given below.

Year of grant	Exercise price (pence)	Exercise period	2006 Number of options	2005 Number of options
30 June 2004	11.58	10 March 2005 to 9 March 2014	**419,021**	419,021
30 June 2004	41.67	10 March 2005 to 9 March 2014	**172,777**	172,777
30 June 2004	57.87	10 March 2005 to 9 March 2014	**194,349**	194,349
30 June 2004	100.00	10 March 2007 to 9 March 2014	**3,438,692**	3,438,692
30 June 2005	88.50	29 September 2007 to 29 September 2014	**1,500,000**	1,540,000
			5,724,839	5,764,839

In addition, under the group's long-term incentive plan for senior managers and Executive Directors, such individuals hold rights over ordinary shares that may result in the issue of up to 375,000 10p ordinary shares on 13 June 2009.

22 Share based payments

Centaur had three share-based payment arrangements during the period.

Share option plan

Share options have been granted to members of senior management on 9 March 2004 and 29 September 2004. Options will become exercisable on the third anniversary of the date of grant, subject to achievement of future corporate performance targets, based on Earnings before taxation & amortisation (EBTA), which are common to all Executive Directors and senior management. Exercise of an option is subject to continued employment. The maximum term of an option is 10 years from grant date. The options are equity settled over the ordinary shares of 10p in Centaur Media plc.

The Rollover plan

Centaur Media plc Executive Directors and certain senior employees elected to rollover existing ("old") Centaur Communications Ltd share options into new "rollover" share options in Centaur Media plc. The options were exchanged for options each at various exercise prices in Centaur Media plc. In addition, for each share option held in Centaur Communications Ltd, the employee (other than Graham Sherren) received matching options in Centaur Media plc. The exercise price for the matching options is set equal to the market value at date of listing, 10 March 2004. Rollover options were able to be exercised from 9 March 2005. Exercise of an option is subject to continued employment. The maximum term of an option is 10 years from grant date. The options are equity settled over the ordinary shares of 10p in Centaur Media plc.

At 30 June 2006, the following options were outstanding over the shares of Centaur Media plc:

Plan	Exercise price (pence)	2006 Number	2006 Contractual remaining life (years)	2005 Number	2005 Contractual remaining life (years)
Rollover plan	11.58	419,021	7.70	419,021	8.70
Rollover plan	41.67	172,777	7.70	172,777	8.70
Rollover plan	57.87	194,349	7.70	194,349	8.70
Share Option Plan	100.00	3,438,692	7.70	3,438,692	8.70
Share Option Plan	88.50	1,500,000	8.25	1,540,000	9.25
		5,724,839	7.84	5,764,839	8.85

The movements in the year for the plans over the shares of Centaur Media plc can be analysed as follows:

	2006 Number (pence)	2006 Weighted average excercise price (pence)	2005 Number (pence)	2005 Weighted average excercise price (pence)
Outstanding at 1 July	5,764,839	87.33	5,807,266	74.93
Granted during the year	-	-	1,540,000	88.50
Exercised during the year	(20,000)	88.50	(1,322,740)	31.75
Forfeited during the period	(20,000)	88.50	(259,687)	100.00
Outstanding at 30 June	5,724,839	87.32	5,764,839	87.33
Exercisable at 30 June	786,147	29.64	786,147	29.64

The weighted average share price at the date of exercise for options exercised during the year was 104.50p (2005: 91.20p).

Notes to financial statements

22 Share based payments
(continued)

Long term incentive plan
The Long-Term Incentive Plan 2006 (the "LTIP") was approved at an Extraordinary General Meeting of the Company on 4 May 2006, and awards were made on 13 June 2006.

The initial awards on 13 June 2006 ("2006 LTIP awards") took the form of conditional grants of free ordinary shares of 10p each in Centaur Media plc. The 2006 awards will vest three years after grant date, subject to continuing employment and the achievement of performance conditions as detailed in the Directors' remuneration report (pages 31 and 32).

The following awards were granted over the shares of Centaur Media plc under the LTIP during the period and were outstanding at 30 June 2006.

Plan	Number	Contractual remaining life
2006 LTIP Awards:	**375,000**	2.96

In accordance with transitional provisions, IFRS 2 has been applied to all grants of equity instruments after 7 November 2002 that were unvested at 1 January 2005. IFRS 2 has not been applied to the Rollover options as these were issued in consideration of a business combination and are therefore outside the scope of IFRS 2.

Options and 2006 LTIP awards were valued using the stochastic option pricing model. The fair value per option granted and the assumptions used in the calculation are as follows:

Plan	Date of grant	Estimated fair value at grant date Pence	Share price at grant date Pence	Exercise price Pence	Expected volatility %	Expected dividend growth %	Risk free interest rate %
Share Option plan	9.3.04	24.50	100.00	100.00	22.1%	1.5%	4.6%
Share Option plan	29.9.04	21.40	88.50	88.50	22.1%	1.7%	4.8%
2006 LTIP awards	13.06.06	65.85	105.25	n/a	22.5%	n/a	n/a

For options, the expected volatility is based on historical volatility over a 20 month period from the date of listing to November 2005, For the 2006 LTIP awards, expected volatility is used only to assess the likelihood of meeting the TSR performance condition and is based on historical volatility for a 24.5 month period to the date of grant (commensurate with the remaining performance period at that date).

The risk-free rate of return is the yield on UK Gilts consistent with the option life.
The total charge for the year relating to employee share based payment plans was £0.4m (2005 £0.4m), all of which related to equity-settled share based payment transactions. After deferred tax, the total charge was £0.3m (2005: £0.4m).

23 Shareholders' funds and statement of changes in shareholders' equity

Group	Share Capital £m	Share Premium £m	Retained earnings £m	Reserve for shares to be issued £m	Deferred shares £m	Total £m
At 1 July 2004	14.8	127.0	0.1	1.5	0.1	143.5
Net profit	-	-	6.4	-	-	6.4
Dividends			(2.2)			(2.2)
Transfer from share premium to retained earnings	-	(127.0)	127.0	-	-	-
Share options:						
- Proceeds from shares allotted under share option schemes	0.1	0.3	-	-	-	0.4
- Value of employee services	-	-	-	0.4	-	0.4
- Deferred tax on share options taken directly to equity	-	-	0.1	-	-	0.1
As at 30 June 2005	**14.9**	**0.3**	**131.4**	**1.9**	**0.1**	**148.6**
Net profit	-	-	11.4	-	-	11.4
Dividends	-	-	(2.7)	-	-	(2.7)
Share options:						
- Value of employee services	-	-	-	0.4	-	0.4
- Deferred tax on share options taken directly to equity	-	-	0.2	-	-	0.2
As at 30 June 2006	**14.9**	**0.3**	**140.3**	**2.3**	**0.1**	**157.9**

During the previous year the Directors proposed a cancellation of the share premium account to facilitate a more efficient use of the Company's reserves. At the Annual General Meeting on 25 November 2004 a special resolution was passed by the shareholders confirming this proposal and as a result on 12 January 2005 the Company received high court confirmation of this cancellation, subject to appropriate undertakings provided by the Company for the protection of the Company's creditors. The order of the court was registered at Companies House on 12 January 2005.

The 800,000 deferred shares of 10 pence each carry restricted voting rights and carry no right to receive a dividend payment in respect of any financial year.

At 1 July 2004, the reserve for shares to be issued represents the fair value, calculated using the Black-Scholes model, of share options in Centaur Communications Limited that were "rolled over" into options in Centaur Holdings Plc at the time that the Centaur Communications Group was acquired. This has not been restated as the Group has taken the exemption available in IFRS 1 not to restate business combinations affected prior to the transition date to IFRS. The additions to this reserve during the year ended 30 June 2005 and 30 June 2006 represent the total charge for the year relating to equity-settled share based payment transactions with employees as accounted for under IFRS 2 (see note 22).

Notes to financial statements

23 Shareholders' funds and statement of changes in shareholders' equity
(continued)

Company	Share Capital £m	Share Premium £m	Retained earnings £m	Reserve for shares to be issued £m	Deferred shares £m	Total £m
At 1 July 2004	14.8	127.0	(0.1)	1.5	0.1	143.3
Net profit	-	-	(0.5)	-	-	(0.5)
Dividends			(2.2)			(2.2)
Transfer from share premium to retained earnings	-	(127.0)	127.0	-	-	-
Share options:						
- Proceeds from shares allotted under share option schemes	0.1	0.3	-	-	-	0.4
- Value of employee services	-	-	-	0.4	-	0.4
As at 30 June 2005	**14.9**	**0.3**	**124.2**	**1.9**	**0.1**	**141.4**
Net profit	-	-	3.5	-	-	3.5
Dividends	-	-	(2.7)	-	-	(2.7)
Share options:						
- Value of employee services	-	-	-	0.4	-	0.4
As at 30 June 2006	**14.9**	**0.3**	**125.0**	**2.3**	**0.1**	**142.6**

The Company has taken advantage of the exemption available under section 230 of the Companies Act 1985 and has not presented its own profit and loss account in these financial statements. The parent Company's profit, before the payment of dividends for the financial year amounted to £3.3m (2005 loss: £0.5m).

24 Dividends

	2006 £m	2005 £m
Equity dividends		
Final dividend paid for 2005: 1.2 pence per 10p ordinary share (2005: 1 pence paid for 2004)	**1.8**	1.5
Interim paid for 2006: 0.6 pence per 10p ordinary share (2005: 0.5 pence paid for 2004)	**0.9**	0.7
	2.7	2.2

A final dividend of 2.4 pence per share is proposed by the Directors, and subject to shareholder approval at the Annual General Meeting, will be paid on 1 December 2006.

25 Notes to the cash flow statement

Reconciliation of operating profit to net cash inflow / (outflow) from operating activities:

Cash generated from operations	Group 2006 £m	Group 2005 £m	Company 2006 £m	Company 2005 £m
Net profit / (loss)	**11.4**	6.4	**3.5**	(0.5)
Adjustments for:				
Tax	**3.7**	2.8	**-**	-
Depreciation	**0.7**	0.6	**-**	-
Loss on disposal of goodwill	**0.3**	-	**-**	-
Amortisation of intangibles	**2.1**	1.8	**-**	-
Interest income	**(0.3)**	(0.3)	**(0.3)**	(0.1)
Interest expense	**-**	-	**0.5**	0.3
Dividends received from subsidiaries	**-**	-	**(5.0)**	(2.0)
Share of associate's profit	**(0.1)**	-	**-**	-
Share option charge	**0.4**	0.4	**0.1**	0.1
Changes in working capital (excluding effects of acquisitions and disposals of subsidiaries)				
Increase in inventories	**(0.2)**	(0.1)	**-**	-
(Increase) / decrease in trade and other receivables	**(2.0)**	(2.6)	**(4.8)**	0.2
Increase / (decrease) in trade and other payables	**0.9**	1.4	**2.5**	(1.0)
Release of provisions	**(2.5)**	(0.8)	**-**	-
Cash generated from operations	**14.4**	9.6	**(3.5)**	(3.0)

The outflow of cash and cash equivalents from acquisitions of subsidiaries during the year can be analysed as follows:

Group	Cash consideration £m	Cash acquired £m	Total £m
Pro-Talk Limited	**(5.0)**	**0.2**	**(4.8)**

Notes to financial statements

26 Acquisitions

The group made the following acquisitions during the year

Name	Entity or business	Description of entity/business	Note	Acquisition date	Percentage of equity voting instruments acquired
UK Logistics	Business	Acquisition of Supply Chain Business and Logistics Europe magazines and the European Supply Chain Excellence Awards	Not material	October 2005	-
Recruiter	Business	Acquisition of Recruiter magazine, its web site and its annual awards	26 (i)	December 2005	-
Period Living	Business	Period Living & Traditional Homes magazine and web site (PL)	26 (ii)	January 2006	-
Pro-Talk Limited	Entity	Acquisition of Pro-Talk Limited including its 13 web sites serving specific vertical business sectors, mainly in the engineering, construction and technical products areas	26 (iii)	May 2006	100%

All intangible assets were recognised at their respective fair values. The residual excess over the net assets acquired is recognised as goodwill in the financial statements. The following tables set out, at the date of acquisition, the carrying value and the provisional fair value of the assets and liabilities acquired for each material acquisition:

(i) Recruiter

	Carrying values pre acquisition £m	Fair value £m
Intangible fixed assets (excluding goodwill)	-	**3.4**
Trade and other payables	(0.1)	**(0.1)**
Net (liabilities) / assets acquired	(0.1)	**3.3**
Goodwill		**0.6**
Consideration		**3.9**
Consideration satisfied by:		
Cash		**3.9**

Goodwill represents the value of synergies and assembled work force.

26 Acquisitions
(continued)

(ii) Period Living

	Carrying values pre acquisition £m	Fair value £m
Intangible fixed assets (excluding goodwill)	-	**1.4**
Trade and other payables	(0.2)	**(0.2)**
Net (liabilities) / assets acquired	(0.2)	**1.2**
Goodwill		**0.1**
Consideration		**1.3**
Consideration satisfied by:		
Cash		**1.3**

Goodwill represents the value of synergies and assembled work force.

(iii) Pro-Talk Limited

	Carrying values pre acquisition £m	Fair value £m
Intangible fixed assets (excluding goodwill)	-	**2.7**
Trade and other receivables	0.3	**0.3**
Trade and other payables	(0.3)	**(0.3)**
Cash and cash equivalents	0.2	**0.2**
Net assets acquired	0.2	**2.9**
Goodwill		**3.2**
Consideration		**6.1**
Consideration satisfied by:		
Cash		**4.0**
Deferred consideration		**2.0**
Expenses		**0.1**
		6.1

Goodwill is principally attributable to the workforce, anticipated operating synergies and certain customer relationships that do not meet the criteria for separate recognition as an intangible asset.

The maximum consideration payable is based on a multiple of six times the operating profit of Pro-Talk Limited in the twelve month periods ending 30 September 2006 and 30 September 2007 and is capped at £14.0m. The amount provided for as deferred consideration at 30 June 2006 represents the Directors’ best estimate of the amount to be paid.

Notes to financial statements

26 Acquisitions
(continued)

From the dates of acquisition to 30 June 2006, the acquisitions contributed £2.3m to revenue, £0.2m to operating profit and £0.1m to net profit.

The results of operations, as if the above acquisitions had been made as at the beginning of the period is as follows:

	Pro forma 2006 £m
Revenue	85.6
Profit before tax	**15.0**

The pro forma consolidated operating profits include adjustments to give effect to amortisation of acquired intangible assets and certain other adjustments. This information is not necessarily indicative of the results of operations that would have occurred had the purchase been made at the beginning of the period presented or the future results of the combined operations.

27 Financial instruments

Treasury policy
The following note describes the role that financial instruments have had during the year ended 30 June 2006 in the management of the Group's funding and liquidity risks and interest and foreign exchange rate risks.

Funding and liquidity risk
The day to day operations of the Group for the period have been financed primarily by cash and at 30 June 2006 cash at bank and in hand amounted to £7.8m (2005: £12.5m). This includes an amount of £1.6m (2005: £2.5m) held on deposit on behalf of the holders of Centaur Media plc loan stock which represents a restricted balance and therefore cannot be used in the day to day operations of the business.

Unrestricted cash balances at 30 June 2006 were £6.2m (2005: £10.0m).

Surplus working capital funds are placed daily on the London money markets using variable maturity dates depending on future cash requirements. Cash pooling arrangements have been made in respect of all GB Sterling, Euro and US dollar bank accounts to maximise the interest receivable on these surplus funds.

Interest rate risk
At 30 June 2006 the Group has no overdrafts or short term or long term borrowings (other than cash held on behalf of the holders of Centaur Media plc loan stock) and therefore also has only limited exposure to interest rate risk.

Foreign exchange risk
Substantially all the Group's net assets are located and all turnover and EBITDA are generated in the United Kingdom and consequently foreign exchange risk is limited. However the Group does have Euro, Hong Kong $ and US $ denominated bank accounts to minimise any recognised losses arising from currency fluctuations.

27 Financial Instruments
(continued)

Fair values of non-derivative financial assets and liabilities
The fair value is defined as the amount at which a financial instrument could be exchanged in an arm's length transaction between informed and willing parties and is calculated by reference to market rates discounted to current value. Where market rates are not available fair values have been calculated by discounting cash flows at prevailing interest rates.

The fair value of financial instruments at 30 June 2006 was:

Primary financial instruments held or issued to finance the Group's operations	2006 Book Value £m	Fair Value £m	2005 Book Value £m	Fair Value £m
Variable rate unsecured loan notes	**(1.6)**	**(1.6)**	(2.5)	(2.5)
Trade and other payables (note 16)	**(11.5)**	**(11.5)**	(10.4)	(10.4)
Trade and other receivables (note 13)	**18.9**	**18.9**	15.7	15.7
Short term deposits (note 14)	**0.4**	**0.4**	3.0	3.0
Cash at bank and in hand (note 14)	**7.4**	**7.4**	9.5	9.5
Other current liabilities (note 19)	**(0.6)**	**(0.6)**	-	-
Other non current liabilities (note 19)	**(1.9)**	**(1.7)**	(2.5)	(2.3)

The book value of primary financial instruments approximates to fair value where the instrument is on a short maturity or where they bear interest at rates approximate to market. In respect of the loan notes this rate of interest is equal to a rate 0.75 per cent below LIBOR for the relevant interest period.

Maturity of financial liabilities
The Maturity profile of the Group's financial liabilities at 30 June 2006 was as follows:

	2006 £000	2005 £000
In one year or less or on demand	**(2.2)**	(2.5)
In more than one year but not more than two years	**(1.9)**	-
In more than two years but not more than five years	**-**	(2.5)
	(4.1)	(5.0)

Unless previously redeemed or purchased the loan notes will be redeemed in full at par on 31 March 2011. The loan notes are redeemable at the option of each note holder on 30 June and 31 December in each year up to 31 March 2011 by giving not less than 30 days notice.

Borrowing facilities
The undrawn facilities available at 30 June 2006 were as follows:

	2006 £000	2005 £000
Expiring in one year or less	**4.0**	-
Expiring in more than one year but not more than two years	**-**	-
Expiring in more than two years	**-**	4.0

Notes to financial statements

28 Operating lease commitments – minimum lease payments

	Property		Vehicles, plant and equipment	
	2006 £m	2005 £m	2006 £m	2005 £m
Commitments under non-cancellable operating leases expiring:				
- Within 1 year	**2.7**	2.7	**0.2**	0.2
- Later than one year and less than 5 years	**10.1**	10.3	**0.3**	0.4
- After 5 years	**7.7**	10.2	**-**	-
	20.5	23.2	**0.5**	0.6

29 Pension schemes

The Group contributes to individual and collective money purchase pension schemes in respect of Directors and employees once they have completed the requisite period of service. The charge for the year in respect of these pension schemes, which are defined contribution schemes, is shown in note 5. Included within other creditors is an amount of £0.1m (2005: £0.1m) payable in respect of the money purchase pension schemes.

30 Capital commitments

The Group had no capital commitments at 30 June 2006 or 30 June 2005.

31 Related party transactions

Group
Key management compensation is disclosed in note 5.

Company
During the year, administrative expenses and interest were recharged from/to subsidiary companies as follows:

	2006 £m	2005 £m
Recharge of administrative expenses	**1.3**	1.2
Recharge of exceptional costs	**-**	0.5
Interest payable	**0.5**	0.3
Interest receivable	**(0.3)**	-

The balances outstanding with subsidiary companies are disclosed in notes 13 and 16.

32 Events after the balance sheet date

In July 2006, the Centaur Employees' Benefit Trust (the "Trust") acquired 375,000 ordinary shares in Centaur Media plc of 10 pence each. The shares were acquired by the trustees to satisfy awards granted under the Centaur Long Term Incentive Plan 2006 on 13 June 2006 and any future awards granted under the LTIP or any other employees' share scheme established by the Company from time to time.

33 Explanation of transition to IFRS

Centaur Media plc reported under UK GAAP in its previously published financial statements for the year ended 30 June 2005. The analysis below shows a reconciliation of net assets and profit as reported under UK GAAP as at 30 June 2005 to the revised net assets and profit under IFRS as reported in these financial statements. In addition there is a reconciliation of net assets under UK GAAP to IFRS at the transition date for this group, being 1 July 2004.

Reconciliation of profit for the year ended 30 June 2005	Note	Group UK GAAP £m	Group Effect of transition to IFRS £m	Group IFRS £m	Company UK GAAP £m	Company Effect of transition to IFRS £m	Company IFRS £m
Revenue		**72.2**	**-**	**72.2**	-	-	-
Cost of sales		(39.2)	-	(39.2)	-	-	-
Gross Profit		**33.0**	**-**	**33.0**	**-**	**-**	**-**
Distribution costs		(4.2)	-	(4.2)	-	-	-
Administrative expenses	b ,c	(26.5)	6.6	(19.9)	(2.2)	(0.1)	(2.3)
Adjusted EBITDA		**12.2**	**-**	**12.2**	**(2.2)**	**-**	**(2.2)**
Depreciation of property, plant and equipment	a (i)	(2.4)	1.8	(0.6)	-	-	-
Amortisation of intangibles	a (i), c	(7.0)	5.2	(1.8)	-	-	-
Share based payments	b	-	(0.4)	(0.4)	-	(0.1)	(0.1)
Exceptional administrative costs		(0.5)	-	(0.5)	-	-	-
Operating profit / (loss)		**2.3**	**6.6**	**8.9**	**(2.2)**	**(0.1)**	**(2.3)**
Interest payable and similar charges		-	-	-	(0.3)	-	(0.3)
Interest receivable		0.3	-	0.3	0.1	-	0.1
Dividends received from subsidiaries		-	-	-	5.0	(3.0)	2.0
Profit / (loss) before tax		2.6	6.6	9.2	2.6	(3.1)	(0.5)
Taxation	b	(2.8)	-	(2.8)	-	-	-
Profit / (Loss) attributable to equity shareholders		**(0.2)**	**6.6**	**6.4**	**2.6**	**(3.1)**	**(0.5)**

Notes to financial statements

33 Explanation of transition to IFRS
(continued)

Reconciliation of equity at 30 June 2004 (date of transition to (IFRS)	Note	Group UK GAAP £m	Group Effect of transition to IFRS £m	Group IFRS £m	Company UK GAAP £m	Company Effect of transition to IFRS £m	Company IFRS £m
Assets							
Non-current assets							
Goodwill	a (ii)	-	138.5	138.5	-	-	-
Other intangible assets	a (i), a (ii)	138.7	(135.1)	3.6	-	-	-
Property, plant and equipment	a (i)	5.3	(3.4)	1.9	-	-	-
Investments in subsidiaries		-	-	-	147.8	-	147.8
Investments accounted for using the equity method		0.2	-	0.2	-	-	-
Deferred tax assets	a (viii)	-	2.1	2.1	-	-	-
		144.2	**2.1**	**146.3**	**147.8**	**-**	**147.8**
Current assets							
Inventories		1.2	-	1.2	-	-	-
Trade and other receivables	a (viii)	14.8	(1.0)	13.8	0.2	-	0.2
Cash and cash equivalents		9.1	-	9.1	5.6	-	5.6
		25.1	**(1.0)**	**24.1**	**5.8**	**-**	**5.8**
Liabilities							
Current liabilities							
Financial liabilities – borrowings	a (vi)	-	(3.4)	(3.4)	-	(3.4)	(3.4)
Trade and other payables	a (vi), d, e	(23.4)	4.5	(18.9)	(6.8)	(0.1)	(6.9)
Current tax liabilities		-	-	-	-	-	-
Provisions	a (iii)		(0.9)	(0.9)	-	-	-
		(23.4)	**0.2**	**(23.2)**	**(6.7)**	**(3.5)**	**(10.2)**
Net current assets / (liabilities)		1.7	(0.8)	0.9	(1.0)	(3.5)	(4.5)
Non- current liabilities							
Provisions	a (iii)	(3.4)	0.9	(2.5)	-	-	-
Deferred tax liabilities	a (viii)	-	(1.1)	(1.1)	-	-	-
		(3.4)	**(0.2)**	**(3.6)**	**-**	**-**	**-**
Net assets		142.5	1.1	143.6	146.8	(3.5)	143.3
Capital and reserves							
Share capital	a (vii)	14.9	(0.1)	14.8	14.9	(0.1)	14.8
Share premium account		127.0	-	127.0	127.0	-	127.0
Other reserves	a (vii)	1.5	0.1	1.6	1.5	0.1	1.6
Retained earnings		(0.9)	1.1	0.2	3.4	(3.5)	(0.1)
Total shareholders' equity		**142.5**	**1.1**	**143.6**	**146.8**	**(3.5)**	**143.3**

33 Explanation of transition to IFRS
(continued)

Reconciliation of equity at 30 June 2005	Note	Group UK GAAP £m	Group Effect of transition to IFRS £m	Group IFRS £m	Company UK GAAP £m	Company Effect of transition to IFRS £m	Company IFRS £m
Assets							
Non-current assets							
Goodwill	a (ii), c	-	138.4	138.4	-	-	-
Other intangible assets	a (i), a (ii)	132.1	(128.0)	4.1	-	-	-
Property, plant and equipment	a (i)	5.5	(3.4)	2.1	-	-	-
Investments in subsidiaries	b, f	-	-	-	147.7	(2.7)	145.0
Investments accounted for using the equity method		0.2	-	0.2	-	-	-
Deferred tax assets	a (viii)	-	1.2	1.2	-	-	-
		137.8	**8.2**	**146.0**	**147.7**	**(2.7)**	**145.0**
Current assets							
Inventories		1.3	-	1.3	-	-	-
Trade and other receivables	a (viii)	15.8	(0.1)	15.7	4.7	(4.7)	-
Cash and cash equivalents		12.5	-	12.5	4.7	-	4.7
		29.6	**(0.1)**	**29.5**	**9.4**	**(4.7)**	**4.7**
Liabilities							
Current liabilities							
Financial liabilities – borrowings	a (vi)	-	(2.5)	(2.5)			
Trade and other payables	a (vi), d, e	(24.7)	4.4	(20.3)	(9.8)	1.5	(8.3)
Current tax liabilities	a (v)	-	(0.5)	(0.5)	-	-	-
Provisions	a (iii)	-	-	-	-	-	-
		(24.7)	**1.4**	**(23.3)**	**(9.8)**	**1.5**	**(8.3)**
Net current assets / (liabilities)		4.9	1.3	6.2	(0.4)	(3.2)	(3.6)
Non- current liabilities							
Provisions	a (iii)	(2.5)	-	(2.5)	-	-	-
Deferred tax liabilities	a (viii)	-	(1.1)	(1.1)	-	-	-
		(2.5)	**(1.1)**	**(3.6)**	**-**	**-**	**-**
Net assets		140.2	8.4	148.6	147.3	(5.9)	141.4
Capital and reserves							
Share capital	a (vii)	15.0	(0.1)	14.9	15.0	(0.1)	14.9
Share premium account		0.3	-	0.3	0.3	-	0.3
Other reserves	a (vii), b	1.5	0.5	2.0	1.5	0.5	2.0
Retained earnings		123.4	8.0	131.4	130.5	(6.3)	124.2
Total shareholders' equity		**140.2**	**8.4**	**148.6**	**147.3**	**(5.9)**	**141.4**

Notes to financial statements

33 Explanation of transition to IFRS
(continued)

Explanation of reconciling items between UK GAAP and IFRS

(a) The financial information is in IFRS format and reflects a number of differences in presentation between UK GAAP and IFRS as follows:

The classification of software that is not an integral part of operating hardware, including website development costs, as an intangible asset separate from property, plant and equipment on the balance sheet and the classification of the related depreciation as amortisation.

(i) The disclosure of goodwill as separate from intangible assets on the balance sheet.

(ii) The reclassification of provisions as current or non current liabilities.

(iii) The classification of dividends as a movement in equity.

(iv) The disclosure of current tax liabilities as separate from creditors falling due within one year.

(v) The disclosure of loan notes as separate from creditors falling due within one year.

(vi) The disclosure of deferred shares as other reserves.

(vii) The separate disclosure of deferred tax assets and liabilities.

(b) Share-based payments

IFRS 2 requires a charge to be made to the income statement for the cost of providing share options to employees. The expense is calculated as the fair value of the award on the date of the grant, and is recognised over the vesting period of the scheme. A stochastic model has been used to calculate the fair value of options on their grant date. Centaur has applied IFRS 2 to share options that were granted after 7 November 2002 that were unvested at 1 January 2005 in accordance with the transitional provisions of IFRS 2. There was no net impact on the balance sheet at 1 July 2004 as a result of adopting IFRS 2. In the year to 30 June 2005, the application of IFRS 2 results in pre tax charges to the income statement of £0.4m.

In the financial statements of the Company, the application of IFRS 2 results in pre tax charges to the income statement of £0.1m and an increase in investments in subsidiaries of £0.3m representing the expense in relation to share options granted to employees of subsidiary companies.

(c) Business combinations
Under UK GAAP, goodwill arising on business combinations is amortised over a period not exceeding 20 years. Under IFRS 3, regular amortisation of goodwill is prohibited. Instead, an annual impairment test is required to support the carrying value of goodwill. This test was carried out at 30 June 2004 and 30 June 2005. No impairment of goodwill was noted at either of these dates.

Amortisation of goodwill arising on the acquisition of the Centaur Communications Group in March 2004 ceased on 1 July 2004, resulting in an increase of pre tax profits of £7.0m for the year to 30 June 2005.

(d) Employee benefits
Under UK GAAP, no provision was made for annual leave accrued. Under IAS 19, the expected cost of compensated short term absences should be recognised at the time the related service is provided. As a result, on transition, a provision of £0.4m has been recognised.

33 Explanation of transition to IFRS
(continued)

(e) Dividends

Interim dividends declared are not considered a liability under IFRS until they are paid. Final dividends declared are recognised as a liability under IFRS in the period in which they are approved by the shareholders in general meeting.

Centaur has restated its liabilities in respect of dividend payments on transition and in the year to 30 June 2005.

The Company has also restated its liabilities in respect of dividends receivable from subsidiaries which were previously recorded as a reduction in amounts due from subsidiaries.

(f) Dividends from pre-acquisition profits

Dividends received from subsidiary undertakings that are paid from pre-acquisition profits are treated as a reduction in the cost of investment under IFRS. The cost of investment in subsidiaries has been reduced by £3.0m in the year ending 30 June 2005 in the financial statements of the Company.

Explanation of material adjustments to the Cash Flow Statement for 2005
Income taxes of £1.1m paid in the year ended 30 June 2005 are classified as part of operating cash flows under IFRS, but were included in a separate category of tax cash flows under UK GAAP.

Net interest income of £0.3m (Company: £0.1m) received in the year ended 30 June 2005 is classified as part of investing cash flows under IFRS, but were included in a separate category of returns on investment and servicing of finance cash flows under UK GAAP.

Proceeds from the disposal of subsidiaries of £0.4m received in the year ended 30 June 2005 are classified as part of investing cash flows under IFRS, but were included in separate category of acquisitions and disposals cash flows under UK GAAP.

Purchases of computer software of £1.8m paid in the year ended 30 June 2005 are classified as purchases of intangible assets under IFRS, but were included in amounts paid for purchases of tangible assets under UK GAAP.

Equity dividends of £2.2m paid in the year ended 30 June 2005 are classified as part of financing cash flows under IFRS, but were included in separate category of equity dividends cash flows under UK GAAP.

There are no other material differences between the cash flow statement presented under IFRS and the cash flow statement presented under UK GAAP.

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