

# ANNUAL REPORT 2012

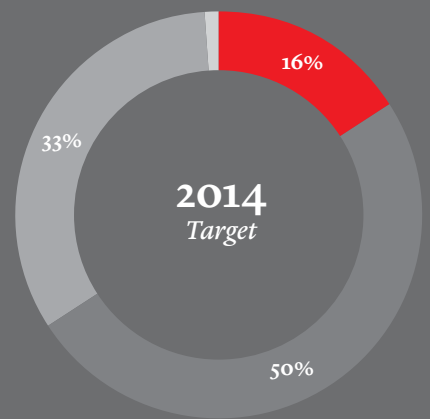
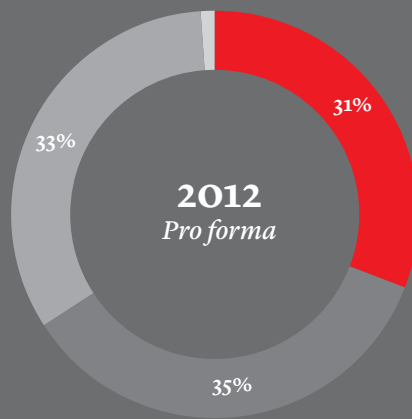
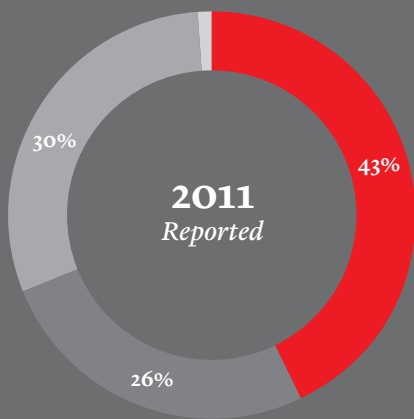


*Designed by* Simon Ford, Centaur Media plc

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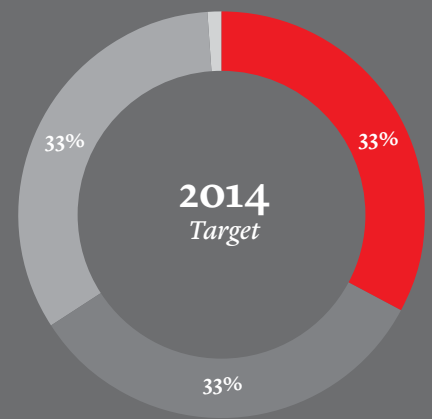
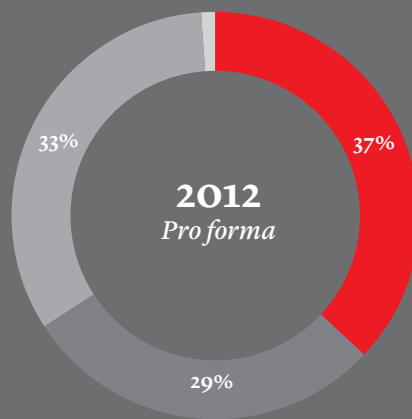
# DIGITAL & EV



Revenue by type

■ Print ■ Digital ■ Events ■ Other

# ENTS FOCUS



Revenue by source

■ Advertising ■ Paid for Content ■ Events ■ Other

06

# HIGHLIGHTS

## Notes

1. Adjusted results exclude adjusting items as detailed in the Basis of Preparation section of the Statement of Accounting Policies (page 55).
2. Cash conversion rate is operating cash flow expressed as a percentage of adjusted operating profit. Adjusted operating profit is as calculated in the Basis of Preparation section of the Statement of Accounting Policies (page 55) and operating cash flow is as calculated in the Financial Review (page 21).
3. Underlying growth rates adjust for the impact of acquisitions, disposals and discontinued activities by excluding them from both the reported 2012 and 2011 results.
4. Pro-forma metrics are based on reported results, adjusted in 2011 and 2012 to exclude the impact of disposals and discontinued activities, and in 2012 to reflect a full year contribution from acquisitions completed since 1 July 2011. Further detail is included in the Financial Review.

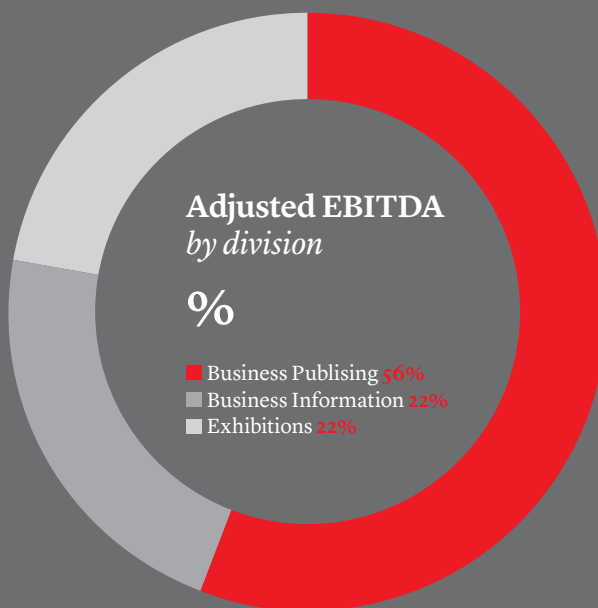
# Financial

- Adjusted EBITDA up 18% to £11.7m (2011: £9.9m)
- Adjusted EBITDA margins increased to 18% (2011: 14%)
- Adjusted profit before tax up 23% to £8.0m (2011: £6.5m)
- Adjusted basic EPS up 24% to 4.2p (2011: 3.4p)
- Proposed full year dividend up 12.5% to 2.25p (2011: 2.0p)
- Cash conversion remains strong at 120%(2011: 125%)



# Operational

- Significant progress achieved and building strong momentum towards medium term financial targets, despite challenging economic environment
- Five acquisitions completed since 1 July 2011, including Econsultancy in July 2012
- All three divisions benefiting from new operating structure
- Pro-forma<sup>4</sup> revenues increased by 25%, with digital revenues increased to 35% and print revenues reduced to 31% of total pro-forma<sup>4</sup> revenues.



	Year to 30 June 2012 £m	Year to 30 June 2011 £m	Reported Growth %	Underlying Growth <sup>3</sup> %	Pro-forma Growth <sup>4</sup> %
Revenue	65.6	68.3	-4%	2%	25%
Adjusted EBITDA <sup>1</sup>	11.7	9.9	18%	18%	
Adjusted EBITDA margin	18%	14%			
Adjusted profit before tax <sup>1</sup>	8.0	6.5	23%		
Profit / (loss) before tax	2.7	(30.3)			
Basic EPS / (LPS) (pence)	0.9	(21.2)			
Adjusted basic EPS (pence) <sup>1</sup>	4.2	3.4	24%		
Dividend per share (pence)	2.25	2.0	12.5%		
Operating cash flow	10.3	8.4	23%		
Cash conversion <sup>2</sup>	120%	125%			

**A considerable amount  
has been achieved, we  
have made excellent  
progress against each of  
these objectives and we  
have good momentum  
as we head into the new  
financial year.**

**Patrick Taylor**

*Chairman*



# Chairman's Statement

I am pleased to report a strong set of results, delivered in difficult economic circumstances and at a time when the Group is going through a period of substantial change and development. Adjusted EBITDA increased by 18% to £11.7m (2011: £9.9m). Adjusted profit before tax increased by 23% to £8.0m (2011: £6.5m) with adjusted EPS up 24% to 4.2p (2011: 3.4p). Cash flow has also been strong with operating cash flow increasing by 23% to £10.3m (2011: £8.4m).

Following last summer's major restructuring, the principal focus of the management team has been to continue to re-engineer the business, and to execute a series of targeted acquisitions designed to accelerate the Group's delivery of our strategic objectives. These objectives are to build market-leading positions in high growth markets, to increase the quality of our revenue streams by expanding revenues from digital, content and events, and to leverage scale to deliver sustainable growth in adjusted EBITDA margins and cash flow. A considerable amount has been achieved, we have made excellent progress against each of these objectives and we have good momentum as we head into the new financial year.

This momentum is reflected in the four-point improvement in adjusted EBITDA margins to 18%, a successful restructuring of the Business Publishing division and in the completion of five acquisitions since 1 July 2011. These acquisitions all provide an excellent fit with Centaur and are in line with our strategy of investing in digital information and events businesses. They are all performing in line with expectations.

## Dividend

A combination of the Group's strong financial position and the growth in adjusted EPS provides the context for the Board's recommendation of a final dividend of 1.5p per share, giving a full year dividend of 2.25p (2011: 2.0p). This 12.5% increase in full year dividend reflects the Board's continuing confidence in the future prospects for the Group.

The level of dividend cover against adjusted EPS at 1.9 times (2011: 1.7 times) remains below our target level of between 2 to 3 times across an economic cycle. The Board's view is that this remains appropriate as we begin to see the benefits from the restructuring and investment initiatives we have undertaken.

## Board and staff

The last twelve months have seen a considerable amount of change across the business, which by necessity has resulted in tough decisions being taken, and the inevitable disruption that this creates. These changes have been extremely challenging for many of our staff, but they have managed the change process with exemplary professionalism and have responded with energy and enthusiasm to the new opportunities brought by our recent investments and our new organisational focus.

The entrepreneurial culture across the business has for many years enabled us to retain and attract talented, ambitious and motivated people, and the changes over the last year will not in any way dilute this culture. I would like to take this opportunity to express my thanks to all our staff for their commitment and to congratulate them for an excellent performance in challenging circumstances. As a result of their efforts, I believe that Centaur is now well placed to deliver strong growth over the next few years.

As previously reported, Mike Lally resigned from the Board on 11 October 2011, due to ill health and sadly passed away two months later. Mike was highly regarded by all his colleagues at Centaur and our thoughts are with his family as we approach the anniversary of his death.

## Current trading and outlook

The Group ends the year with a higher quality revenue and earnings profile, with a more scalable and flexible cost base, with a strong balance sheet, with the capacity to fund further growth, and with more opportunity to drive scale benefits and margin improvement.

The Group has experienced continued growth in its operations in the new financial year, although July and August are traditionally a quieter period across all three divisions and the economic backdrop remains uncertain. Centaur continues to see the benefits of the restructuring flowing through, particularly in the Business Publishing division. The Group's most recent acquisition, Econsultancy, is trading in line with expectations and provides transformational potential across the Group as a whole.

Centaur's business is now more focused, higher margin, better balanced and more commercially resilient. With an experienced and ambitious management team now firmly in place, the Board is confident that the Group is well positioned to build on its momentum in revenue and margin growth.

The Board's primary focus is on leveraging Centaur's brands and organisation to accelerate organic and new product growth, while continuing to look for appropriate acquisition opportunities.

Patrick Taylor  
Chairman  
12 September 2012

**This has been a transformational year for Centaur and we have made excellent progress towards the achievement of our ambitious three year targets.**

**Geoff Wilmot**

*Chief Executive Officer*

# Chief Executive Review

## Strategic review

Centaur is a leading provider of business information and marketing solutions to high value professional and commercial markets. The Group delivers its services through market-leading brands operating across three principal media formats: digital, events and print.

The Group's strategic objectives are:

- To deliver rapid growth by taking full advantage of the many opportunities to expand and to build market-leading positions in high growth markets.
- To improve the quality of our revenues by increasing the proportion of revenues generated from digital media, high value subscriptions and events.
- To leverage scale to deliver sustainable growth in adjusted EBITDA margins and cash flow.

Centaur aims to achieve these objectives through a combination of strong organic growth, new product development and selected acquisitions.

In October 2011 the group announced ambitious headline target measures for the three financial years to 30 June 2014. These are to double underlying revenues, double the digital share of those revenues to at least 50% and double adjusted EBITDA margins to at least 25%.

The year to 30 June 2012 was the first year of the three-year plan and we have already made excellent progress towards these targets. On a pro-forma basis<sup>1</sup>, revenues have increased 25% with pro-forma adjusted EBITDA margins at 18%, the percentage of pro-forma digital revenues increased from 30% to 35% and the % of pro-forma print revenues reduced from 40% to 31%. These metrics demonstrate the strong momentum that we have heading into the 2013 financial year in growing revenues, in re-balancing our revenue profile and in growing margins.

Highlights since 1 July 2011 include:

- We have acquired five businesses. The largest and most significant, Econsultancy, the digital marketing and information business, was completed just after the year-end in July 2012. All of the acquired businesses are being progressively integrated within Centaur and are benefiting from significant synergies with the Group. In aggregate, they have already effected a transformation of the scale and balance of the Group, as reflected in the pro-forma numbers referred to above.
- We have continued the restructuring process of our Business Publishing division to position it as a digital first operation, operating from an efficient and scalable common systems platform and audience database.
- We have begun to build a strong pipeline of new products within the new divisional structure, which further reinforces our focus on digital solutions and events.

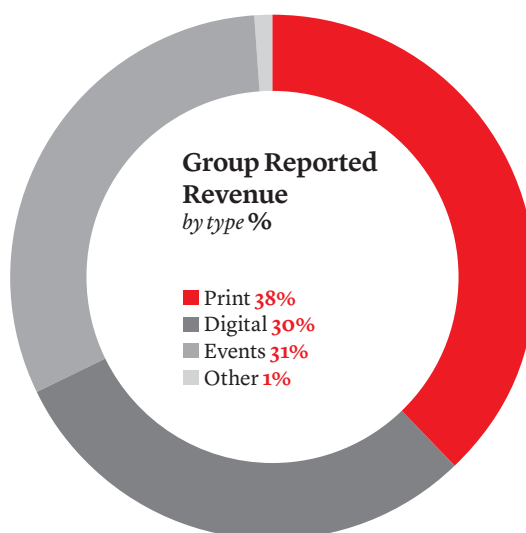
<sup>1</sup>Pro-forma metrics are based on reported results, adjusted in 2011 and 2012 to exclude the impact of disposals and discontinued activities, and in 2012 to reflect a full year contribution from acquisitions completed since 1 July 2011. Further detail is included in the Financial Review.

## Operational review

Trading conditions in our markets were broadly positive in the seasonally weakest first quarter of our financial year. Thereafter, conditions rapidly deteriorated, as uncertainty in the Eurozone escalated. Against this difficult backdrop, the Group demonstrated its growing resilience with a strong performance across all three divisions. Despite the proportion of Group revenue coming from cyclical advertising, which reduced from 49% in 2011 to 43% in 2012, total underlying revenues grew by 2%, with digital and events revenues delivering underlying growth of 7% and 6% respectively, offsetting the continued decline in print. For 2012 as a whole, reported digital revenues increased to a 30% share of total revenues (2011: 26%) but this does not reflect the impact of the recent acquisition of the digital marketing information business, Econsultancy, in July 2012, nor the full year effect of our 2012 acquisitions. As noted above, adjusted for these acquisitions, digital revenues have increased to 35% of pro-forma revenues.

We have continued to manage our cost base rigorously and increased adjusted EBITDA margins by four percentage points to 18% (2011: 14%), delivering a 23% increase in adjusted profit before tax. The most significant improvement in adjusted EBITDA margins came in the Business Publishing division, which rose by a third to 16%. The overall adjusted EBITDA margin improvement was achieved despite further investment in divisional management and shared service infrastructure resources during the year. The improvement in adjusted EBITDA margins is also reflected in a strong increase in productivity, with revenues per employee increasing by 11% to £122,000.

Finally, cash flow was also strong, with 120% of adjusted operating profits converting into operating cash flow. During the year, we secured a £40m financing facility with RBS and Barclays to support our strategic development plans. We have invested £11.5m in acquisitions, with net debt at 30 June 2012 of £7.2m. The acquisition of Econsultancy, completed in July 2012 for an initial consideration of £12m, was also financed through this facility, but our ratio of net debt to EBITDA following this transaction remains at what we consider to be an efficient and manageable level of less than 2 times EBITDA.



## Operating divisions

Centaur operates through three operating divisions, Business Publishing, Business Information and Exhibitions, each supported by a central shared services infrastructure. Each division operates with its own distinct commercial and operational focus, but also benefits significantly through collaboration with the other divisions.

### Business Publishing

This division comprises the digital, print and related events activities for the portfolio of leading B2B publications in the Marketing, Creative, Legal, Financial, HR and Engineering communities. Leading brands include Marketing Week, Creative Review, The Lawyer, Money Marketing, Employee Benefits, The Engineer, FEM and The Platform.

On an underlying basis, adjusting for the impact of acquisitions, disposals and discontinued activities, Business Publishing revenues declined by 1%. Reported revenues were down 11%, largely due to the impact of closures and disposals implemented as part of the restructuring of this division in Q1 2012.

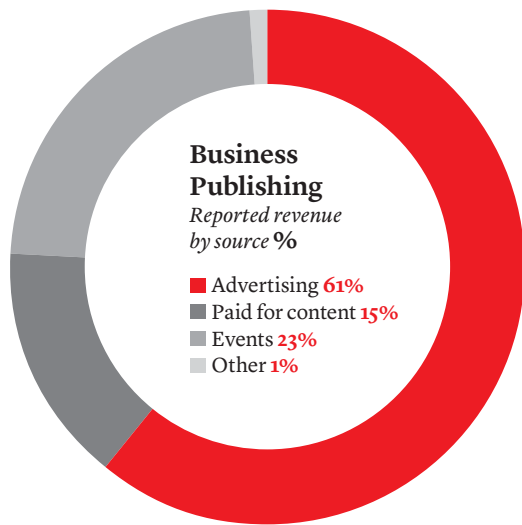
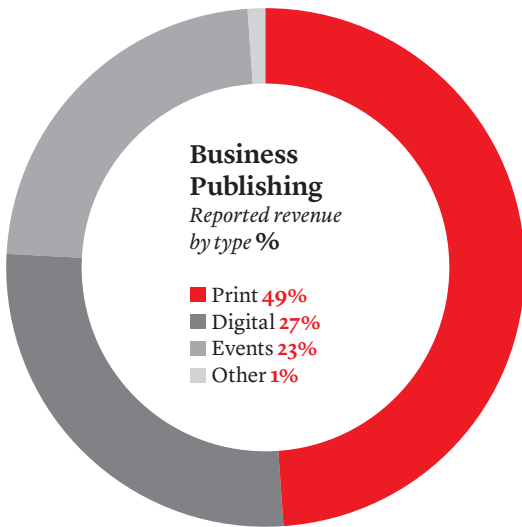
The impact of rigorous management focus and further restructuring was evident in Business Publishing adjusted EBITDA margins, which increased to 16% (2011: 12%), resulting in a 20% increase in divisional adjusted EBITDA to £6.5m.

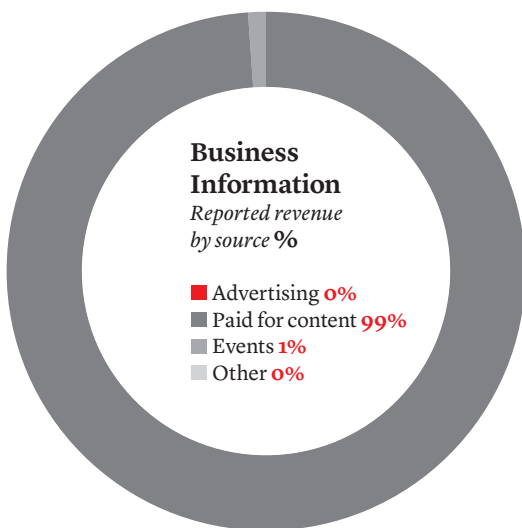
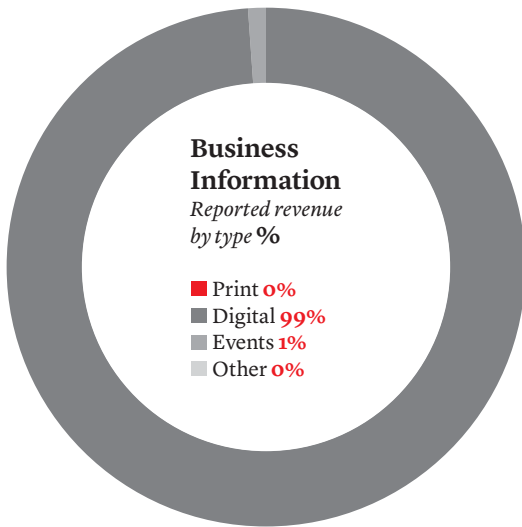
Following the reorganisation of the Group in Q1 2012, the key focus in Business Publishing has been to position this division as a digital first operation, operating from an efficient and scalable common systems platform and audience database. This has led to the establishment of a new publishing services operations team serving all our Business Publishing operations. This team has been formed from a merger of our formerly distributed and discrete resources engaged in web operations, database management, marketing, magazine fulfilment, event management and editorial production. This new structure has been accompanied by a re-engineering of editorial processes within the publishing groups to ensure that all parts of the business are making full use of our scalable digital platform.

Across the Marketing and Creative communities, underlying revenues fell by 6% with the leading publication brand Marketing Week impacted by the economic environment, although digital publishing revenues continued to grow. The decline in Marketing Week print revenues was partly offset by good performances from the Creative Review portfolio, reflecting the benefits of its closer integration with Marketing Week and from a resilient performance from sponsored events, including the Marketing Week Engage Awards.

Across the Legal and Financial communities, underlying revenues fell by 2% with the leading brands Money Marketing and Fund Strategy affected by a dramatic slowdown in retail investment funds flow, commencing in October 2011. The legal market served by The Lawyer was less affected by the economic slowdown and this division also saw a strong contribution from its information-based businesses, Taxbriefs and The Platform.

Across the HR and Engineering communities, underlying revenues grew by 11%, benefiting from further growth from both the Employee Benefits and The Engineer portfolios. Reported revenues were supplemented by a first full year's contribution from FEM, the events business serving the global HR mobility community.





**Business Information**

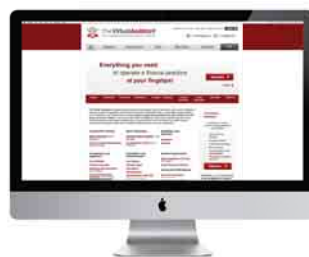
This division comprises Perfect Information (“PI”), a digital information and workflow business serving the global corporate advisory sector, and three of our recent acquisitions – VBR, Profile and Econsultancy.

Business Information reported a 31% increase in revenues, thanks to a partial contribution from VBR and Profile. The results for the year to 30 June 2012 do not include any contribution from Econsultancy. Underlying revenues were 6% ahead of the prior year. This was a strong performance in what was a difficult year for PI’s core banking client sector in particular, with renewal rates especially resilient at over 100% by value.

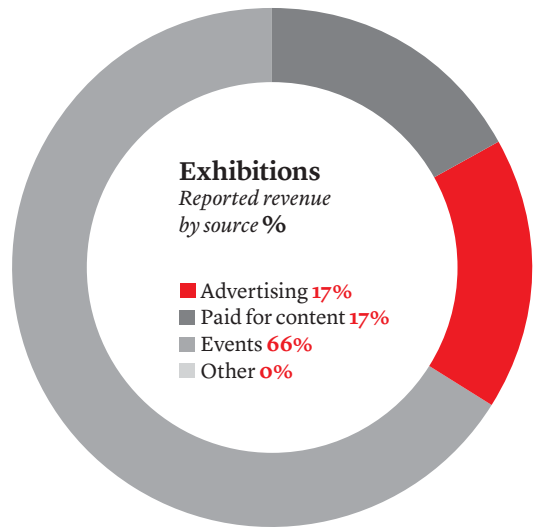
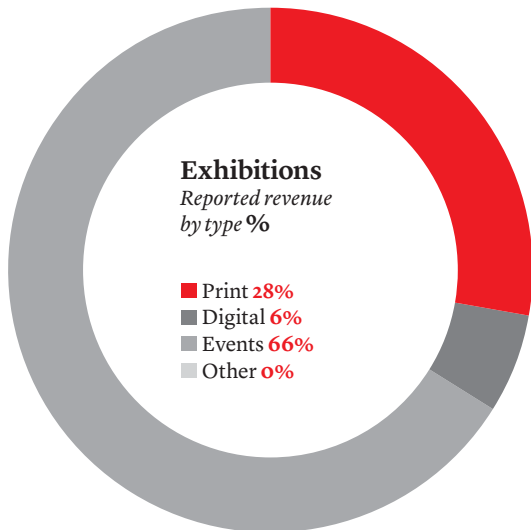
Adjusted EBITDA margins fell as expected to 34% (2011: 38%) as a result of contributions from the lower margin business Profile and VBR. VBR, as anticipated, is currently operating at close to break-even. Underlying margins in PI were slightly improved.

The two Business Information acquisitions completed in 2012 performed in line with expectations. VBR, with its two key services, Clean Energy Pipeline and Global Security Pipeline, generated a small loss in 2012, following increased investment in content and sales and marketing resource since the acquisition. The business is generating good growth in revenues and is expected to move into profit in 2013. Profile has been fully integrated into Centaur in the past few months, resulting in some cost savings and increased revenue growth momentum. We are implementing new revenue opportunities identified during due diligence and expect to see positive impact from these initiatives in 2013.

Our latest acquisition, Econsultancy is a leading digital information business serving the fast growing international digital marketing and e-commerce sector. It is highly complementary with Centaur’s Marketing Week, the UK’s market-leading publishing and events portfolio serving the marketing sector. Econsultancy revenues, 20% of which are generated outside of the UK, grew by 50% per annum compound in the two years to 31 December 2011, its last reported year-end. Econsultancy is a leading global expert on digital marketing and is expected to make a significant contribution towards the transformation of Centaur’s digital operations.







**Exhibitions**

This division comprises a portfolio of specialist exhibitions covering a number of sectors, and certain publishing assets linked to our specialist construction show portfolio. Leading brands include Marketing Week Live, Employee Benefits Live, SubCon, The Business Travel Show and the Homebuilding and Renovating portfolio.

The Exhibitions division reported 3% growth in revenues and an increase in adjusted EBITDA margin to 16% (2011: 15%). On an underlying basis, revenues increased by 10%. While this division's results include a small contribution from the Excite show, acquired in December 2011, it has delivered the strongest organic growth performance of the three divisions, driven by new product activity and an excellent performance from its core show brands. This is reflected in forward bookings for 2013 exhibitions that were 16% ahead of prior year at 30 June 2012. The publishing assets within this division delivered a resilient performance in difficult market conditions, with underlying revenues down 2%.

In September 2011, Employee Benefits Live delivered a 21% increase in

revenues and sold out its venue capacity, so we have moved it to Olympia for the 2012 show. In October 2011, we launched Aidex in Brussels, a new show for the international humanitarian relief sector, which was well received. The show generated a small loss in its first outing, but is on track to deliver good growth and a profitable result in October 2012. We also invested in a hosted buyer programme for the Business Travel Show in London in February, which underpinned a successful show, resulting in a doubling of the rebook rate at the show.

A key focus of the Exhibitions division is on maintaining a strong pipeline of new launch activity. We launched two new co-located shows alongside Marketing Week Live, which contributed to 23% growth in revenues for this event. In February 2012 we also launched The Meetings show, which will run for the first time in July 2013. This is a major new event for this important industry of destinations, venues, hotels and associated service providers and is the first UK show to offer a fully hosted buyer programme to the market.

### Acquisitions

The Group has completed five acquisitions since 1 July 2011, each in line with our investment strategy to focus on digital marketing, information and events businesses operating within one or more of our target markets. The highlights of these transactions are as follows:

- IPL, acquired in August 2011, provides research data, analysis and advice on retail financial distribution and fund platforms through its The Platform brand. It has been successfully integrated within the Legal & Financial publishing group within Business Publishing.
- VBR, acquired in December 2011, provides transaction-related news and data to the investment communities operating within the global renewable energy and security markets. It now forms an important part of the Business Information division.
- The Excite show, acquired in December 2011, is a small show for marketers and show organisers that has been rebranded the Live Marketing show and successfully integrated within our flagship event for marketers, Marketing Week Live.
- Profile, acquired in February 2012, is a digital information business, which provides forward planning and contact information to over 3,000 subscribers in the marketing, media and PR communities. It has already been successfully integrated within the Business Information division.
- Econsultancy, announced in June 2012 and completed in July 2012, is a digital information and events business which occupies a leading position in the fast-growing global market for digital marketing and e-commerce. It will form an integral part of our Business Information division and is expected to accelerate the transformation of Centaur into a digital information and events business. Econsultancy will work in close collaboration with Centaur's leading publication brand, Marketing Week, where we see the opportunity for significant cross-selling and marketing synergies. The business is also well positioned to deliver substantial revenues from paid content solutions in this fast growing international market.



**35%**  
Pro-forma digital revenue,  
increased from 30% in 2011

**25%**  
Pro-forma revenue growth

### Conclusion

This has been a transformational year for Centaur and we have made excellent progress towards the achievement of our ambitious three-year targets. In the past year, much of our focus as a business has been on implementing major changes to improve the efficiency and scalability of our operations and on investment in new businesses to improve the overall quality of our revenue profile. This has had a dramatic effect on the shape of the business in 2012, with pro-forma revenues increased by 25%, pro-forma adjusted EBITDA margins at 18%, the % of pro-forma digital revenues increased from 30% to 35% and the % of pro-forma print revenues reduced from 40% to 31%. The impact of these changes on our reported results will only become fully apparent in 2013.

Our primary focus is to leverage our brands and our organisation to accelerate organic and new product growth, while we continue to look for appropriate acquisition opportunities.

GTD Wilmot  
Chief Executive Officer  
12 September 2012



## Creative Review

Creative Review launched the new iPad app, with exclusive content and updates throughout each month.





## Profile

Profile provides forward planning and contact information to over 3,000 subscribers in the marketing, media and PR communities.

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# Financial Review

**Mark Kerswell**

*Group Finance Director*

### Highlights

Adjusted EBITDA increased by 18% to £11.7m (2011: £9.9m), with adjusted EBITDA margins increasing from 14% to 18%. Adjusted profit before tax increased by 23%. In the context of what have remained challenging economic conditions, these are another set of strong results, which reflect the wide-ranging restructuring initiatives implemented over the last year, continued focus on costs and cash flow and a disciplined approach to portfolio management.

These results also continue to demonstrate the Group's ability to convert adjusted operating profits into cash flow, with operating cash flow increasing by 23% to £10.3m (2011: £8.4m), and a cash conversion rate of 120% (2011: 125%). The strength of the Group's free cash flow is also encouraging, with free cash flow, adjusted for the cash impact of exceptional items, of £9.1m (2011: £6.9m).

The Group has worked hard to deliver improved visibility around cost structures and to take advantage of opportunities to leverage its scale to deliver a more efficient and flexible cost base. The Group has also focused on the underlying profitability of each product across the portfolio, with marginal products discontinued. This financial discipline has contributed to the strong underlying results across the Group, with EBITDA margins improved and revenues per employee increased by 11%.

### Adjusted, statutory and pro-forma results

Throughout this financial review, the Group refers to both adjusted and statutory results. Adjusted results are presented to provide a more comparable view on the Group's performance. A summary of adjusting items is presented on the Statement of Comprehensive Income and further detail on each adjusting item together with a reconciliation to adjusted EBITDA is included in the Basis of Preparation section of the Statement of Accounting Policies.

References to pro-forma results within the Chief Executive review are based on reported results, adjusted in 2011 and 2012 to exclude the impact of disposals and discontinued activities, and in 2012 to reflect a full year contribution from acquisitions completed since 1 July 2011. The pro-forma contribution from acquisitions includes VBR (acquired in December 2011), Profile (acquired in February 2012) and Econsultancy (acquired in July 2012). Pro-forma results are unaudited but are included as they demonstrate the progress made in growing revenues, re-balancing our revenue profile and in growing margins, which would otherwise only become fully apparent in our reported 2013 results.

### Segmental reporting

Revenue and adjusted EBITDA by division are set out below, together with the respective reported and underlying growth rates.

	2012 £m	2011 £m	Reported Growth %	Underlying Growth %
<b>Business Publishing</b>				
Revenue	41.8	46.8	-11%	-1%
Adjusted EBITDA	6.5	5.4	20%	27%
Adjusted EBITDA margin	16%	12%		
<b>Business Information</b>				
Revenue	7.6	5.8	31%	6%
Adjusted EBITDA	2.6	2.2	18%	14%
Adjusted EBITDA margin	34%	38%		
<b>Exhibitions</b>				
Revenue	16.2	15.7	3%	10%
Adjusted EBITDA	2.6	2.3	13%	5%
Adjusted EBITDA margin	16%	15%		
<b>Total</b>				
Revenue	65.6	68.3	-4%	2%
Adjusted EBITDA	11.7	9.9	18%	18%
Adjusted EBITDA margin	18%	14%		

# £65.6m

## Total group reported revenue

# 2%

## Underlying revenue growth

# £11.7m

## Adjusted EBITDA

# 18%

## Adjusted EBITDA margin

### Revenue

Total Group revenue was £65.6m (2011: £68.3m), which reflects the impact of discontinued activities and the closure of lower margin events activities, offset by the impact of acquisitions.

Underlying revenue growth was 2%, with print revenue declining by 5%, digital revenue up 7% and events revenue up 6%. The balance of reported revenue has improved significantly throughout the year with digital revenue increasing to 30% of total revenue (2011: 26%) and print falling to 38% (2011: 43%). Events revenue increased to 31% of total revenue (2011: 30%) and other revenue remained flat at 1% of total revenue. By source, advertising revenue accounted for 43% of total revenue (2011: 49%) and paid for content 24% (2011: 20%).

Business Publishing revenue was £41.8m, 11% lower than the £46.8m reported in 2011. This reflects the impact of the sale of the Logistics and Supply Chain portfolio, the Recruiter and the manufacturing and B2B construction assets, the closure of the print editions of NMA and Design Week and, throughout 2012, the closure of the Conference division across the Marketing and Creative communities. Underlying revenue declined by 1%, with weaker print revenues across Marketing Week and Money Marketing being offset by good growth in digital revenue across all products. Underlying events revenue across the Business Publishing division declined by 8% as marginal individual product across the portfolio was discontinued. The key awards events across this division have all performed well.

The Business Information division, which includes PI, VBR and Profile, reported revenue of £7.6m, 31% ahead of reported 2011 revenue of £5.8m. On an underlying basis, excluding the impact of the two acquisitions within this division, revenue grew by 6%. Revenue across this division is predominantly digital paid-for content. Econsultancy will also be reported within this division in 2013.

The Exhibitions division reported revenue of £16.2m, 3% ahead of the reported 2011 revenue of £15.7m. On an underlying basis, adjusting for the impact of the sale of the Logistics exhibitions portfolio and the discontinued Business Travel events in Dusseldorf and Dubai, revenues across this division grew by 10%. Within the division, the core exhibitions portfolio grew underlying revenue by 16%, and the smaller specialist construction publishing portfolio, which represents approximately one third of the division's revenue, saw underlying revenue decline by 2%.

### Adjusted EBITDA and adjusted profit before tax

Adjusted EBITDA of £11.7m was 18% up on the £9.9m reported in 2011. Adjusted EBITDA margins improved by four percentage points from 14% to 18%. Adjusted profit before tax of £8.0m was 23% up on the £6.5m reported in 2011.

Net adjusted operating expenses were reduced from £61.6m to £57.0m reflecting the various restructuring initiatives initiated in 2011 and 2012 to reduce costs, and a reduction in average headcount from 622 to 536. Total employment related costs, excluding redundancy costs, were reduced by £3.1m to £25.2m. Revenue per employee have increased from £110,000 to £122,000. Adjusted for the impact of acquisitions completed in 2012, average headcount across the Group has been reduced by 19% to 507.

The increase in adjusted profit before tax is reported after an increase in finance costs of £0.4m. This reflects the new debt facilities put in place in 2012 and the acquisition activity throughout the year, further detail on which is included throughout this review. Reported profit before tax, which takes into account the amortisation of acquired intangibles and exceptional items, was £2.7m. This compares to the loss before tax reported in 2011 of £30.3m, which included the amortisation of acquired intangibles, exceptional items and an impairment charge of £32.2m.

### Restructuring activities

Throughout 2012, further restructuring activities have been completed, principally across the Business Publishing division. Further detail on these initiatives is included in the Operational Review section. Total restructuring costs were £2.3m (2011: £3.4m), which includes redundancy costs of £1.9m (2011: £3.0m), the accelerated amortisation of software costs of £0.1m (2011: £0.1m) and product closure costs of £0.3m (2011: £0.3m). The product closure costs related to the Business Travel Dusseldorf event. Restructuring costs are included within exceptional items.

Assets that have been either sold or closed contributed £7.0m and £0.5m to 2011 and 2012 revenues respectively, and £0.6m and £(0.1)m to 2011 and 2012 adjusted EBITDA respectively.

### Exceptional items

The group reported exceptional items of £4.5m (2011: £3.4m). In addition to the restructuring costs referred to above, exceptional items have been incurred related to acquisitions. Acquisition related costs include legal and professional fees and stamp duty. Provisions for any deferred contingent consideration, where this is also contingent on the future employment of the vendors, are also reported as exceptional items.

Further information on exceptional items is presented in note 3 to the financial statements.

### Net Finance Costs

Net finance costs were £0.6m (2011: £0.2m). The increase in net finance costs reflects the acquisition activity throughout the year and the resultant increase in net debt. Net finance costs also include the commitment fees in respect of undrawn amounts under the new bank facility and the amortisation of the arrangement fee. Further details on the new banking facilities are set out in this review.

### Taxation

A tax charge of £1.4m has been recognised. The adjusted tax charge was £2.2m, giving an adjusted effective tax rate (compared to adjusted profit before tax) of 27.5% (2011: 27.7%).

### Earnings per share

The Group's adjusted EPS increased by 24% to 4.2p (2011: 3.4p).

Basic earnings per share was 0.9p (2011: loss per share of 21.2p). Full details of the EPS calculations are presented in note 7 to the financial statements.

### Dividends

A final dividend of 1.5p per share is proposed, giving a total for the year of 2.25p (2011: 2.0p) up 12.5%. The final dividend is subject to shareholder approval at the annual general meeting and will be paid on 7 December 2012 to all ordinary shareholders on the register at close of business on 9 November 2012. Dividend cover, on an adjusted basis, has increased from 1.7 times in 2011 to 1.9 times and we expect this to continue to increase towards our target dividend cover of 2-3 times across the economic cycle.

### Acquisitions and disposals

The Group completed the acquisition of IPL, VBR, the Excite show and Profile in 2012. Further detail on each of these acquisitions is included in the Operational Review and in note 26 to the financial statements. Subsequent to the year end, the Group completed the acquisition of Econsultancy, further detail on which is included in note 32 to the financial statements.

The Group also completed the disposal, in 2012, of the Logistics and Supply Chain portfolio, the Recruiter and the manufacturing and B2B construction assets.

The acquisitions of FEM in 2011 and IPL and VBR in 2012 each involve earn-out payments which are contingent on the future performance of the acquired businesses and the continued employment of the vendors. Under the provisions of IFRS 3 (revised), a provision for such contingent consideration is recognised over the life of the earn-out period, on a straight line basis, in the Consolidated Statement of Comprehensive Income.

### Financing and bank covenants

During the year, the Group refinanced its existing £8m revolving credit facility with a new £40m revolving credit facility, provided by RBS and Barclays. This is a four-year facility that amortises by £2.5m per annum. The principal financial covenants under the facility are maximum net debt to EBITDA of 2.5 times progressively dropping to 2.0 times in the final year of the facility, minimum interest cover of 5 times and minimum cash flow to debt service of 1.1 times. All these covenants are tested on a quarterly basis.

While the maximum net debt to EBITDA covenant is 2.5 times, the Group has set out a target leverage ratio of below 2 times. At 30 June 2012, all tests were comfortably passed, with net debt to EBITDA of 0.6 times. For full details of all covenant tests as at 30 June 2012, see note 27 to the financial statements.

# 120% Cash conversion

### Cash flow

Cash flow has been strong throughout the year and a summary of operating cash flow and free cash flow is set out below. Operating cash flow of £10.3m was generated from adjusted operating profits of £8.6m, a cash conversion ratio of 120% (2011: 125%).

	2012 £m	2011 £m
Adjusted operating profit	8.6	6.7
Depreciation and software amortisation	2.8	3.0
Share based payments	0.3	0.2
<b>Adjusted EBITDA</b>	<b>11.7</b>	<b>9.9</b>
Movement in working capital	0.8	0.4
Capital expenditure	(2.2)	(1.9)
<b>Operating cash flow</b>	<b>10.3</b>	<b>8.4</b>
Cash impact of exceptional items	(4.2)	(0.9)
Taxation	-	(1.2)
Interest and finance leases	(0.6)	(0.3)
Financing arrangement fees	(0.6)	-
<b>Free cash flow</b>	<b>4.9</b>	<b>6.0</b>
Acquisitions	(11.5)	(2.1)
Disposals	0.5	-
Dividends	(2.9)	(2.5)
Share purchases	(0.2)	(0.5)
<b>Net cash flow</b>	<b>(9.2)</b>	<b>0.9</b>
Opening cash	2.0	1.1
<b>Closing net (debt)/cash</b>	<b>(7.2)</b>	<b>2.0</b>

The decrease in working capital in 2012 of £0.8m (2011: £0.4m) excludes the impact of exceptional cost accruals and the effect of acquisitions and disposals, and reflects the continued focus on working capital management across the Group.

Free cash flow of £4.9m (2011: £6m) is reported after exceptional related cash flows of £4.2m (2011: £0.9m). The cash impact of exceptional items principally includes payments related to redundancy costs incurred in 2011 and 2012, and the cash impact of acquisition related expenses in 2012. No tax was paid in 2012 (2011: £1.2m) as taxable profits in 2012 were offset by the taxable losses incurred in 2011 as a result of the various restructuring activities. The Group spent £11.5m on acquisitions in 2012 and further analysis on these investments is included in notes 8 and 26 to the financial statements.

Net debt at 30 June 2012 was £7.2m (2011: net cash of £2.0m).

### Capital expenditure

Capital expenditure on software and property, plant and equipment amounted to £2.2m (2011: £1.9m) reflecting continued development across digital platforms, principally within the Business Information and Business Publishing divisions.

### Balance sheet

Net assets at 30 June 2012 were £122.6m (2011: £124.1m).

Deferred income at 30 June 2012 was £11.3m, a 20% increase on the £9.4m reported at 30 June 2011.

**This has been a year of significant change for Centaur, but we have made good progress against each of our strategic objectives and against the ambitious headline targets we set for 2014.**

**Mark Kerswell**

*Group Finance Director*



### Key performance indicators (KPIs)

The key strategic objectives of the Group are summarised in the Strategic Review section of the Chief Executive Review on page 11. The Board uses a range of performance indicators to monitor progress against these objectives and manage the business. The indicators which the Board considers to be important are as set out below:

	2012	2011
<b>Underlying revenue growth / (decline) by revenue type<sup>3</sup></b>		
Print	-5%	7%
Digital	7%	12%
Events	6%	15%
Other	0%	0%
Total	2%	11%
Digital revenues as a percentage of total revenues	30%	26%
Adjusted EBITDA margin <sup>1</sup>	18%	14%
Revenue per employee (£'000s)	122	110
Adjusted PBT (£m) <sup>1</sup>	8.0	6.5
Adjusted EPS (pence) <sup>1</sup>	4.2	3.4
Cash conversion rate <sup>2</sup>	120%	125%
<b>Notes</b>		
1. Adjusted results exclude adjusting items as detailed in the Basis of Preparation section of the Statement of Accounting Policies (page 55).		
2. Cash conversion rate is operating cash flow expressed as a percentage of adjusted operating profit. Adjusted operating profit is as calculated in the Basis of Preparation section of the Statement of Accounting Policies (page 55) and operating cash flow is as calculated in the Financial Review (page 21).		
3. Underlying growth rates adjust for the impact of acquisitions, disposals and discontinued activities by excluding them from both the reported 2011 and 2012 results.		

### Post Balance Sheet Events

On 11 July 2012, the Group completed the acquisition of Econsultancy.com Limited for an initial consideration of £12m and further performance related consideration of up to £38m, based on EBITDA performance in the year ending 31 December 2015 and payable in 2016. Econsultancy will be reported within the Business Information division.

### Conclusion

This has been a year of significant change for Centaur, but we have made good progress against each of our strategic objectives and against the ambitious headline targets we set for 2014. The Group ends the year with a higher quality revenue and earnings profile, with a more scalable and flexible cost base, with a strong balance sheet, with the capacity to fund further growth, and with more opportunity to drive scale benefits and margin improvement. The finance team across Centaur has had to adapt to deal with some significant change, and as we continue to implement the many initiatives to improve the quality and efficiency of our back office operations, I would like to thank the team for the hard work invested over the course of the last 12 months.

Mark Kerswell  
Finance Director  
12 September 2012

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**Board of  
Directors**



**Patrick Taylor, Chairman**

Patrick was formerly Chief Executive Officer of GWR Group plc, one of the UK's largest commercial radio groups. Before joining GWR, Patrick was 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. Patrick became Chairman in December 2009.

He is non-executive Chairman of Nonstop Adventure Limited and Skiplax Limited, and a non-executive director of Lowwood Products Limited.

**Geoffrey Wilmot, Chief Executive Officer**

Geoff joined Centaur in September 1998 as Chief Financial Officer and became Chief Executive Officer in November 2006. Immediately prior to joining Centaur, he was Chief Financial Officer of the legal and professional division within The Thomson Corporation. He has also previously worked for Morgan Crucible plc in a variety of senior financial and commercial roles and as Finance Director of Dexion Group plc and Scruttons plc. Geoff is a Chartered Accountant.

**Mark Kerswell, Group Finance Director**

Mark has held international financial and operational roles in a range of business information, publishing, conferences and exhibitions groups. From 1996 to 2005 he worked at IIR, an international conferences and exhibitions business, and was appointed Chief Financial Officer in 2000. From 2005 he worked initially as Deputy Finance Director and subsequently as Chief Operating Officer at Informa plc, with responsibilities including corporate finance, investor relations, strategy and business integration. Mark is a Chartered Accountant.

**Christopher Satterthwaite, Senior Independent Director**

Christopher began his commercial career as a graduate trainee at H.J. Heinz. Since then, he has been part of three different kinds of marketing communication agencies: IMP (1981-1993), then the UK's largest Sales Promotion and Direct Marketing agency; HHCL & Partners (1993-2000) - Campaign's Advertising Agency of the Decade; Bell Pottinger (2000-2002) - the UK's leading Public Relations agency. He became Chief Executive of Chime Communications plc in 2003.

He is Chairman of The Roundhouse, a Trustee of the Watts Gallery and a member of the Government's Professional and Business Services Group. He is a former Chairman of the Marketing Society.

**Colin Morrison, Non-Executive Director**

Colin is a former journalist who has been CEO of publishing, online and events companies across Europe, the US and Asia Pacific for PBL, Emap, Reed, Future, Hearst and Axel Springer. He is chairman of Pharmaceutical Press, Royal National Children's Foundation Limited and Globelynx Network Limited and a non-executive director of IPCN Ltd and TW Group Limited.

**Robert Boyle, Non-Executive Director**

Robert, a qualified Chartered Accountant, was a partner of PricewaterhouseCoopers LLP, where he was chairman of the PwC European Entertainment and Media Practice for twelve years, retiring in 2006. He is a non-executive director, and chairman of the Audit Committee, of Maxis Berhad (in Malaysia), Witan Investment Trust plc and Prosperity Voskhod Fund Ltd (an AIM listed company). He is also a non-executive director of Schroder Asia Pacific Fund plc.

**Rebecca Miskin, Non-Executive Director**

Rebecca began her career in media in 1992 at Reed Elsevier as Director of Europe for Reed Telemedia, charged with developing the company's European telecom-based information services. In 1995, Rebecca became the first International Publisher at IPC Media, expanding her responsibilities to create their Content & Licensing division as Intellectual Property Director and then Commercial Director for all digital businesses. In 2001, Rebecca became Managing Director of top dot-com era portal Excite in the UK, after which she joined the Ministry of Sound as CEO. From 2003 until 2006 Rebecca was Director of Operations at the LTA (British Tennis Federation), and from 2007 to 2010 she held the position of General Manager of iVillage Networks for NBC Universal, based in New York and London. Rebecca is currently working with Hearst Magazines UK.

**Philippa Keith, Company Secretary**

Philippa is a Chartered Secretary (FCIS) and, having worked in professional practice, has a wide variety of experience and has been advising Centaur on statutory matters since prior to its listing in 2004. Philippa is a member of Council for the Institute of Chartered Secretaries and Administrators.

# 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 consolidated Financial Statements for the year ended 30 June 2012.

## Principal activities

The principal activities of the Group are the provision of business information and marketing solutions to high value professional and commercial markets. The principal activities of the Company are those of a holding company.

## Business review

The Chief Executive Review on pages 10 to 15 contains a review of the Group’s strategic and operational activities and future development. The results for the year are reviewed in the Financial Review on pages 18 to 23. The Corporate Social Responsibility statement on pages 38 to 39 contains details of the Group’s policy in relation to people, the environment and the community. Key performance indicators can be found in the Financial Review on page 23. Principal risks and uncertainties are detailed in this report on pages 27 to 28.

## Dividends

A final dividend of 1.5p per share is proposed by the Directors and, subject to shareholder approval at the Annual General Meeting, will be paid on 7 December 2012 to ordinary shareholders on the register at the close of business on 9 November 2012. With the interim dividend of 0.75p per share this will make a total dividend of 2.25p per share (2011: 2.0p) for the year.

## Directors and Directors’ interests

The Directors of the Company during the year are detailed on page 25. All Directors served from 1 July 2011 to 30 June 2012 unless otherwise stated.

## Share capital and substantial shareholdings

Details of the share capital are set out in note 22 to the financial statements. As at 31 August, notifications of interests at or above 3% in the issued voting share capital of the Company had been received from the following:

	2012	2011
Aberforth Partners LLP	20.63%	9.93%
Artemis Investment Management	13.35%	5.78%
Jupiter Asset Management Limited	9.68%	12.82%
River & Mercantile Asset Management LLP	8.28%	4.50%
Graham Veere Sherren (inc spouse)	7.22%	7.29%
Legal & General Group PLC	7.11%	6.94%
Griffin Land and Nurseries Inc	3.70	4.21%

At 31 August 2012 7,761,785 (2011: 9,309,102) 10p ordinary shares are held in treasury, representing 5.17% (2011: 6.20%) of the issued share capital of the Company as at 30 June 2012. 800,000 deferred shares of 10p each carry restricted voting rights and carry no right to receive a dividend payment.

	Number of ordinary shares held at 30 June 2011	Shares acquired during the year	Shares disposed of during the year	Number of ordinary shares held at 30 June 2012
JPE Taylor	600,000	150,000	-	750,000
C Satterthwaite	95,942	-	-	95,942
C Morrison	255,000	100,000	-	355,000
RW Boyle	80,000	-	-	80,000
RS Miskin	-	-	-	-
GTD Wilmot	45,904	77,910	-	123,814
M H Kerswell	10,000	10,000	-	20,000
M J Lally (resigned 10 October 2011)	-	-	-	-

The Directors’ interests in share options, long-term incentive plans and the ShareSave plan are disclosed in the Directors’ Report on Remuneration on page 43. Since the year end, GTD Wilmot has purchased 743 shares and been awarded with 372 matching shares under the Share Incentive Plan, and exercised options over 43,738 shares under the 2004 Share Option Plan. There have been no other changes to Directors’ interests since the year end.

### Qualifying third party indemnity provisions

By virtue of article 217 of the Articles of Association of the Company, a qualifying indemnity provision (within the meaning given by section 234 of the Companies Act 2006) 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.

The Company has purchased appropriate insurance in respect of legal actions against Directors and officers.

### 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 payables at 30 June 2012 or 30 June 2011.

### Charitable donations

During the year, charitable donations of £5,000 (2011: £5,000) were made to the Group's nominated charity, Cancer Research UK.

### Post balance sheet events

Since the year end, the Group has acquired Econsultancy.com Limited. Further details of this acquisition can be found in the Chief Executive Review on page 15 and in note 32 to the financial statements.

### Employment policy

The Group is an equal opportunities employer and appoints employees without reference to age, 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 and the ShareSave Plan as described on page 42 encourage employees' participation in the Group's performance. All employees are regularly briefed on the Group's performance and new initiatives through an all-staff email from the Chief Executive Officer.

### Significant agreements

The Group's new bank facility agreement, referred to on page 92 is a significant agreement that is terminable on a change of control of the Company. In addition awards under certain of the long-term incentive plans, details of which are set out on pages 40 to 43 will vest or may be exchanged for awards of a purchaser's shares, upon change of control of the Company.

### Conflicts of interest

Following the implementation of new legislation on conflict of interest, reflected in the changes to the Company's Articles of Association in 2008, procedures are in place to deal with such conflicts and they have operated effectively.

### Financial instruments

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

### Principal risks and uncertainties

Specific business risks to which the Group is exposed are detailed below and 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 43% of Group revenue in the year ended 30 June 2012 (2011: 49%) and changes in advertising trends, particularly away from traditional magazine formats could have an impact on the Group's profitability. However, the diversity of served markets and strength of brands which, in most cases includes a number of market leading positions together with continued brand diversification into alternative media formats, all serve to limit this exposure. In addition, as described above, the continued investment in digital products provides further opportunities to build more sustainable and less cyclical revenue streams that will help to reduce the concentration of more traditional forms of advertising within overall Group revenues.

#### ● 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

# Report of the Directors *(continued)*

and markets these products and integrates acquired businesses. The proven record of organic growth over the past several years, and the successful integration of several businesses acquired over the same time period clearly demonstrate the Group's ability to deliver this strategy.

## ● **Competitor activity**

A number of products exist that compete directly or indirectly with those of the Group resulting in a highly competitive market. Domestic and international competitors market their products to 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 these means the Group can continually adapt and develop existing products thus protecting market leading positions and 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 of 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 programmes in place enable the Group to attract and retain key personnel.

## ● **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.

## **Statement of Directors' responsibilities**

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the Group and parent Company financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss of the Group for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that

are reasonable and prudent;

- state whether applicable IFRSs as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and enable them to ensure that the financial statements and the Directors' Remuneration Report comply with the Companies Act 2006 and, as regards the Group financial statements, Article 4 of the IAS Regulation. They are also 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.

The Directors are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Each of the Directors, whose names and functions are listed in the Board of Directors summary on page 25 confirms that, to the best of their knowledge:

- the Group financial statements, which have been prepared in accordance with IFRSs as adopted by the EU, give a true and fair view of the assets, liabilities, financial position and profit of the Group; and
- the Operational Review and Financial Review include a fair review of the development and performance of the business and the position of the Group, together with a description of the principal risks and uncertainties that it faces.

## **Disclosure of information to the auditors**

The Directors confirm that, so far as the Directors are aware, there is no relevant audit information 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.

## **Independent Auditors**

A resolution is to be proposed at the Annual General Meeting for the re-appointment of PricewaterhouseCoopers LLP.

## **Corporate governance**

The Company's statement on corporate governance can be found in the Corporate Governance Report on pages 30 to 35 of these financial statements. The Corporate Governance Report forms part of this Report of the Directors and is incorporated into it by cross-reference.

By order of the Board

Philippa Keith  
Company Secretary  
12 September 2012



## Homebuilding and Renovating Show

The Homebuilding and Renovating shows are the UK's biggest self-build and renovation events, with the flagship National Show running at the NEC in March.



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# Corporate Governance Report

### Statement of compliance with the UK Corporate Governance Code

The Board has prepared this report with reference to the UK Corporate Governance Code (the "Code") issued by the Financial Reporting Council in June 2010.

The Board of Centaur Media plc is accountable to the Group's shareholders for good Corporate Governance and in doing so is committed to the principles outlined in the Code as well as compliance with the Companies Act 2006, the Listing Rules and the Disclosure and Transparency Rules.

The statement below describes how the principles of Corporate Governance are applied and the extent of the Group's compliance with all relevant provisions of the Code.

The Group has complied with the Code throughout the financial year.

### Leadership

#### Role of the Board

The Group is controlled through its Board of Directors. The Board recognises its responsibility to the Company's shareholders. It does this by providing 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.

#### Operation of the Board

The Board held six scheduled meetings during the year.

Board and Committee meetings are scheduled to ensure that adequate time is given to consider and discuss all agenda items.

In addition to scheduled meetings Directors are available to hold telephonic and ad hoc meetings on matters that need to be addressed outside the scheduled dates.

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 Code, the Board has established guidelines requiring specific matters to be reserved for decision by the full Board of Directors, including:

- 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.

#### Membership of the Board and its committees

As at 30 June 2012, the Board comprised a Non-Executive Chairman, two Executive Directors and four Non-Executive Directors. Mark Kerswell was appointed as Interim Group Finance Director on 13 June 2011 and was appointed to this role on a permanent basis on 10 October 2011. Mike Lally was on extended sick leave until 10 October 2011 when he resigned as a Director due to continued poor health. Details of appointments, roles and backgrounds of the Directors are set out in the biographies on page 18 and on the Group's website ([www.centaur.co.uk](http://www.centaur.co.uk)). The Board believes that the Directors possess a wide range of commercial, financial and regulatory experience and ability which are relevant to the Group as a PLC in the media sector.

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 Group's website ([www.centaur.co.uk](http://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/she could have a conflict of interest.

During the year, the membership of the Board and of each committee was as follows

	Board role	Audit Committee	Remuneration Committee	Nomination Committee
JPE Taylor	Chairman	-	-	Chairman
C Satterthwaite	Senior Independent Director	Member	Member	Member
C Morrison	Non-Executive Director	Member	Chairman	Member
RW Boyle	Non-Executive Director	Chairman	-	-
RS Miskin	Non-Executive Director	-	Member	Member
GTD Wilmot	Chief Executive Officer	-	-	-
MH Kerswell	Group Finance Director	-	-	-
MJ Lally*	Group Finance Director	-	-	-

\*MJ Lally resigned as a Director on 10 October 2011.

# Corporate Governance Report *(continued)*

## Meeting attendance

The number of scheduled full Board meetings and Committee meetings during the year to 30 June 2012 along with attendance of Directors was as follows:

	Scheduled Board Meetings	Audit Committee Meetings	Remuneration Committee Meetings	Nomination Committee Meetings
No of meetings held	6	3	3	1
JPE Taylor	6	n/a	n/a	1
GTD Wilmot	6	n/a	n/a	n/a
MH Kerswell	6	n/a	n/a	n/a
C Satterthwaite	5	3	3	1
C Morrison	6	3	3	1
RW Boyle	6	3	n/a	n/a
RS Miskin	6	n/a	3	1
MJ Lally*	-	n/a	n/a	n/a

\*MJ Lally resigned as a Director on 10 October 2011.

## Sub Committees

The Board on occasion appoints sub-committees consisting of at least two Directors in order to finalise and approve matters that have been approved in principle by the Board, subject to final amendments.

A sub-committee of two Directors was appointed to approve the issue and allotment of shares in satisfaction of employee share schemes. A sub-committee of two Directors was appointed to approve the final circular document relating to the acquisition of Econsultancy.com Limited.

The Group has purchased appropriate insurance in respect of legal actions against Directors and officers.

## Division of responsibilities

There is a clear division of responsibilities between the Non-Executive Chairman and the Chief Executive, which has been set out in writing and agreed by the Board.

The Chairman is 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.
- Ensuring constructive relations between Executive and Non-Executive directors.
- Establishing effective communication with shareholders and ensuring that the Board understands their views.
- Regular contact with the Chief Executive.

Patrick Taylor was appointed as Chairman on 10 December 2009 and was considered by the Board to meet the independence criteria on his appointment.

The Chief Executive's responsibilities are:

- Setting 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.

The Non-Executive directors constructively challenge the performance of management both in board meetings and outside. Through the work of the audit committee, the Non-Executives are able to satisfy themselves on the integrity of financial information and the robustness of financial controls and risk management systems.

During 2012 a strategy day was held where Executive Directors and members of senior management met to carry out a review of the strategy of the Group. Non-Executive directors including the Non-Executive chairman participated in this process and helped to develop the proposals on strategy.

Christopher Satterthwaite is the Senior Independent Director and is available to meet with shareholders if required.

The Non-Executive Directors have met together without the Executive Directors as required by the Code. See Statement of Directors' responsibilities on page 28 for further details.

## Effectiveness

### Composition of the Board

The Board is satisfied that, as at 30 June 2012 all four Non-Executive Directors (Christopher Satterthwaite, Colin Morrison, Robert Boyle and Rebecca Miskin) and the Non-Executive Chairman (Patrick Taylor) remain independent according to the definition contained in the Code. No Non-Executive Director:

- has previously been employed by the Group within the last five years;
- has had a material business relationship with the Group within the last three years;
- receives remuneration other than Director's fees;
- has close family ties with any of the Group's advisers, Directors or senior employees;
- holds cross-directorships or has significant links with other Directors through involvement in other companies or bodies;
- represents a significant shareholder; or
- has served on the Board for more than nine years.

The Board notes that, during 2013, Colin Morrison will have served more than nine years since his first election and, as such, may no longer be considered independent. This matter will be addressed by the Chairman and the Board prior to the nine year anniversary of his appointment.



### Appointments to the Board

The Board has established a Nomination Committee with formally delegated duties and responsibilities within written terms of reference prescribed by the Board which are available on the Group's website (www.centaur.co.uk).

The Nomination Committee ensures the maintenance of 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.

Patrick Taylor is the chairman of the Nomination Committee. Its other members are Colin Morrison, Christopher Satterthwaite and Rebecca Miskin. When the Nomination Committee is considering the appointment of a successor to the Chairman, Christopher Satterthwaite chairs this committee.

### Commitment

Patrick Taylor has disclosed his other significant commitments to the Board and it was satisfied that these did not prevent him from giving adequate time to his role as Chairman.

These commitments are:

- Non-Executive Chairman of his family owned company; Nonstop Adventure Limited;
- Non-Executive Director of a family owned hydro electric generating company, Lowwood Products Company Limited.
- Non-Executive Chairman of Skipler Limited.

The terms and conditions of appointment of Non-Executive directors are available for inspection at the Company's registered office during normal business hours and at the AGM. The letters set out the expected time commitment of a minimum of two days per month, including attendance at regular board meetings, attendance at the AGM, and appropriate preparation time ahead of each meeting. The agreement of the Chairman is required before a Non-Executive director accepts any additional commitments that might affect the time they are able to devote to their role as a Non-Executive director of the Group. The Board is satisfied that each of the Non-Executive Directors commits sufficient time to the business of the Group and contributes to the governance and operations of the Group.

### Development

All new directors receive a full induction pack on joining the Board and undertake a number of induction meetings throughout the business shortly after appointment. This includes meetings with major shareholders if required.

The chairman reviews the training and development needs of each director on a continual basis and specifically as part of the annual evaluation process. The Company Secretary provides ongoing training through the regular dissemination of relevant legislative and regulatory updates and external reports.

### Information and Support

The Directors receive Board and Committee papers in advance of each meeting. These are circulated usually a week before the meetings and contain prior minutes of all meetings, including sub-committees, as well as reports from the Chief Executive Officer and Group Finance Director. On at least two occasions a year detailed

business focused reports are provided and reported on by the divisional heads. The Company Secretary also submits a report for each meeting addressing legal, regulatory and governance matters.

The Board has a procedure through which the Directors are able to take independent advice in the furtherance of their responsibilities; no such advice was sought during the year.

The Directors have access to the advice and services of the Company Secretary, Philippa Keith, who is also secretary to all the Board Committees. In addition, the Company Secretary advises the Board on governance matters and is responsible for ensuring that Board procedures are followed and that the Board complies with the applicable rules and regulations.

### 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.

Board performance self-evaluation questionnaires were issued to each Director during the year and these questionnaires were analysed and a summary reported on to the Board by the Company Secretary. The questionnaires covered the constitution and performance of the Board as a whole, its committees, its meetings, its strategy, training provided and provision of information to Directors, relationships within the Board and with staff members and a general overview of key issues.

The Chairman has met with each Director individually in order to consider the performance of the said director, the Committees and the Board as a whole. The Non-Executive directors, led by the Senior Independent Director, met during the year to evaluate the performance of the Chairman. No matters of concern arose.

The Directors have considered the value of introducing an external evaluation of performance and have decided that the internal evaluation process is appropriate at the current time.

### Re-election

Under the Company's Articles all Directors are subject to re-election at least every three years. However, the Board decided to recognise best practice in this area and have chosen to stand for re-election annually.

## Accountability

### Financial and Business Reporting

The Board recognises its responsibility to present a true and balanced assessment of the Group's position and prospects. The statement of directors' responsibilities and disclosure of information to the auditors is set out on page 28.

This annual report contains a balanced and understandable assessment of the business and its prospects in the "Chief Executive Review" and "Financial Review" sections on pages 10 to 23. An explanation of the business model is contained in the "Strategic Review" section of the "Chief Executive Review" on page 11. The Independent Auditors' Report on pages 46 and 47 includes a statement by the auditor about their reporting responsibilities.

The Directors have carefully assessed the Group's ability to continue trading, particularly in the light of the uncertain market provisions, and have a reasonable expectation that the Group and Company have adequate

# Corporate Governance Report *(continued)*

resources to continue in operational existence for the foreseeable future.

Net debt at 30 June 2012 amounted to £7.2m. A new four year £40m revolving credit facility with the Royal Bank of Scotland and Barclays was put in place in February 2012. The continuing strength of the Group's cash generation is reflected in the 120% conversion of adjusted operating profit into operating cash flow during the year ended 30 June 2012 (page 16).

An assessment of cash flows for the next two financial years, which has taken into account the factors described above and the acquisition of Econsultancy in July 2012, has indicated an expected level of cash generation which would be sufficient to allow the Group to fully satisfy its working capital requirements, to cover all principal areas of expenditure including maintenance capital expenditure and taxation during this period, and to meet the financial covenants under the new revolving credit facility.

For this reason, the Directors continue to adopt the going concern basis in preparing the financial statements.

## Risk Management and Internal Control

The Board has accountability for the effectiveness of the Group's system of risk management and internal controls. This relates to all controls, covering financial, operational and compliance 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. In reviewing the Group's risk profile the following categories of risk are considered: Competitor; Customer; Employee; Finance; Infrastructure and systems; Market; Reputational; and Supplier. These headings are then broken down into various risk events and the likelihood of occurrence, potential severity and risk management processes and systems are identified.

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 throughout the year.

The Board has delegated responsibility for reviewing the effectiveness of the Group's system of risk management and internal controls 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 divisions 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.

In addition the Executive Directors run formal meetings with senior members of each division on a monthly basis. These discussions address new product development opportunities as well as operational matters.

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

## Audit Committee

The Board has established an Audit Committee with formally delegated duties and responsibilities within written terms of reference prescribed by the Board which are available on the Group's website ([www.centaur.co.uk](http://www.centaur.co.uk)).

Robert Boyle is the chairman of the Audit Committee and has recent and relevant financial experience. Its other members are Colin Morrison and Christopher Satterthwaite. See the Board of Directors summary on page 18 for further details on the experience of the members of the Audit Committee. All members of this committee are Non-Executive Directors.

The Audit Committee meets at least twice each year and has met three times during 2012. In addition the chairman meets with the external auditors at least annually on a one to one basis. The Chief Executive Officer, the Group Finance Director, the Group Financial Controller 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.

To meet its responsibilities the Committee considered:

- interim and preliminary announcements, together with any other formal announcements relating to financial performance
- the accounting principles, policies and procedures adopted in the Group's financial statements, including, where necessary, challenging the judgements made; and
- the potential effects of tax accounting and other significant judgemental and complex accounting issues dealt with in the accounts.

### Reappointment of Auditors

Centaur's external auditors, PricewaterhouseCoopers LLP, have been in post since 2000, and for eight years as auditors of a listed company (Centaur was listed in March 2004). The Audit Committee has reviewed the independence and effectiveness of the external auditors during the year including:

- the terms, areas of responsibility, duties and scope of work of the external auditors as set out in the engagement letter;
- the external auditors' work plan for the Group;
- the detailed findings of the audit, including a discussion of any major issues that arose during the audit;
- the letter from PricewaterhouseCoopers LLP confirming its independence and objectivity; and
- the audit fee and the extent of non-audit services provided by the external auditors.

The Audit Committee has recommended the reappointment of PricewaterhouseCoopers LLP at the forthcoming AGM, which the Board has fully accepted.

### Non-audit services provided by Auditors

Centaur's external auditors may not provide any non-audit service that poses a significant threat to the auditors' objectivity or independence. Centaur's auditors have confirmed that they are independent and do so on an annual basis. During the year, with the approval of the Audit Committee, the Transaction Services team of PricewaterhouseCoopers LLP, who are also the Group's auditors, provided financial and tax due diligence advice to the Group on the acquisition of Econsultancy.com Limited. The fee in respect of this work was £200,000. An analysis of the fees paid to PricewaterhouseCoopers during 2012 can be found in note 2 to the financial statements.

### Internal Audit

The Group does not have an internal audit function. The Group believes that the internal controls established are strong and that, given the relatively centralised structure of the finance function, an internal audit function would not add value. The Audit Committee annually reviews that position.

### Whistle-blowing

The Audit Committee has reviewed arrangements for whistle-blowing and has put a policy in place. The policy encourages a culture of openness and seeks to reassure employees that by reporting issues of concern they will not suffer victimisation or detriment. Employees are required to raise issues in the first instance with their line manager or, if this is a problem, with the Human Resources Director or in exceptional cases with the Chief Executive Officer or Chairman of the Audit Committee. The Group is committed, whenever appropriate, to investigate fully any concern raised in a timely manner and where an investigation confirms wrongdoing to take the necessary disciplinary or legal action. The Group will, wherever possible and without infringing confidentiality, keep the "whistle-blower" informed of the outcome of enquiries and decisions taken with regard to the matter. Guidance is also given to raising matters externally.

### Remuneration Committee

The Board has established a Remuneration Committee with formally delegated duties and responsibilities within written terms of reference prescribed by the Board which are available on the Group's website ([www.centaur.co.uk](http://www.centaur.co.uk)). Colin Morrison chaired the Remuneration

Committee during the year, and its other members are Christopher Satterthwaite and Rebecca Miskin. All members of this committee are Non-Executive Directors.

The Remuneration Committee meets at least twice each year and met three times in 2012. The Chief Executive Officer may be invited to attend meetings, if the Remuneration Committee considers it appropriate. The Remuneration Committee is responsible for monitoring, reviewing and making recommendations to the Board at least annually on the broad policy for the remuneration of Executive Directors, the Chairman and Company Secretary.

It also determines their individual remuneration packages, including pension arrangements, bonuses and all incentive schemes and the determination of targets for any performance-related pay schemes operated by the Group - asking the Board, when appropriate, to seek shareholder approval for any long-term incentive arrangements, bonuses, incentive payments and any compensation payments and share option entitlements.

In addition the Committee monitors and recommends the level and structure of remuneration for senior management.

The Company Secretary, with reference to independent remuneration research and professional advice and in accordance with Code, also provides 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.

### Relations with Shareholders

Communication with shareholders is given a high priority. The Chief Executive Review and Financial Review give a detailed overview of the business and future developments. There is regular dialogue between the Executive Directors and 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 and procedures are in place to ensure that the Board is regularly apprised of shareholders', analysts' and brokers' expressed views of the Group.

Along with up to date details of the Group's business activities copies of all the regulatory announcements can be viewed on the Group's website ([www.centaur.co.uk](http://www.centaur.co.uk)). The website also contains downloadable copies of the annual and interim reports, investor presentations and General Meeting notices and voting results.

The Board's intention is to use the Annual General Meeting on 14 November 2012 to communicate with private and institutional investors and welcomes their participation. The Chairman will aim to ensure that the Chairmen of the Audit and Remuneration Committees are available at the Annual General Meeting, details of which can be found in the Notice of the Meeting.

During the year Patrick Taylor, in his capacity as Chairman, has met with a number of the Group's largest shareholders. Christopher Satterthwaite, in his capacity as Senior Independent Director is available to meet with any major shareholder at their request.

Details of share capital and substantial shareholdings are given on page 19 and in note 22.





## Design Week Awards

Held at the HAC Royal Artillery Gardens, the relaunch of the Design Week Awards proved a huge success.







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# Corporate Social Responsibility

The Board recognises the need for a clearly defined strategy and well defined policies in relation to the impact of the Group's activities on all its key stakeholders and the broader environment as a whole. The Board has therefore formulated an approach to Corporate Social Responsibility (CSR) which is both complementary to the stated strategic objectives of the Group but also practical in terms of implementation of policy and measurement of results.

### People in Centaur

Centaur's success depends upon its ability to keep developing new products and refreshing existing ones and that in turn depends upon our ability to attract and retain a highly motivated, entrepreneurial team of people. In seeking to achieve this objective, we believe that the following are the most important factors for us to address:

- a. **Giving our people a sense of ownership:** We encourage our people where appropriate to have a strong sense of identity with their particular business unit or brand and to think like owners.
- b. **Maintaining unity around a common vision, strategy and culture:** We seek to provide each of our businesses with a corporate context of a clearly communicated vision and strategy and a common culture. We aim to achieve this through good communication on a number of levels. In addition to a structure of formal and informal divisional meetings across the Group, which are attended on a monthly basis by the Chief Executive Officer and Group Finance Director, a number of other mechanisms are used to retain a corporate framework without diluting the strength derived from the devolved operating structure of the Group as described above. These include:
  - The Group intranet which provides a regular update of news and corporate information.
  - A regular email newsletter from the Chief Executive Officer which is circulated to all staff highlighting recent new business developments.
  - Senior manager's attendance at periodic management seminars to promote and share best practice across the Group. In addition, senior managers receive periodic updates in relation to the Group's trading performance from the Chief Executive Officer and Group Finance Director.
- c. **Providing competitive rewards:** Centaur's culture is meritocratic and in reviewing remuneration packages, we seek to focus primarily on individual performance. Individual reviews are conducted throughout the year and tend to occur on the anniversary of joining. We aim to provide financial rewards and a range of associated benefits that are competitive within our sector.
- d. **Providing effective resources:** Centaur's management style is intended to incorporate a high level of coaching to support and promote superior performance. This is supplemented by an in-house programme of entry-level training programmes. We continue to successfully run the Centaur Sales Training Academy, a more extended training programme for new sales recruits.
- e. **Listening to our staff:** Improvements to the working environment, which were highlighted in the last employee engagement survey completed in May 2011, continued during the current financial year. Further initiatives to capture staff feedback and reward initiative are currently under development and these will emphasise the continuing importance we place on listening to the views of our staff.

### The Environment

The Board is aware of the potential impact on the environment of the Group's activities and recognises its responsibility to the environment particularly with regard to its use of paper and print for magazines, disposal of waste and recycling, packaging and distribution of magazines, use of toner inks and in reducing its carbon footprint primarily in its consumption of energy.

The policy of the Group is to consider the impact on the environment as one of the factors when making purchasing decisions and to regularly record and monitor the results of those decisions on the environment, where practical. The Director responsible for overseeing this policy is Mark Kerswell.

**Purchase of paper and printing** – The Group sources all its magazine paper grades from mills that hold valid forestry certification scheme accreditation, which ensures its pulp is sourced from well managed and sustainable forests, and have ISO 14001 and EMAS accreditation.

Centaur uses 100% recycled paper made from post-consumer recovered paper fibres on many of its magazine titles and there is an ongoing initiative to increase recycled paper content over time with the aim of reducing the Group's CO<sub>2</sub> carbon footprint.

**Disposal of waste and recycling** – A recycling initiative is now in place across the Group and this continues to ensure that around 50% of office waste is recycled.

**Packaging and distribution of magazines** – Lighter weight plastic that can be recycled has been adopted where appropriate and tight controls are exercised on print runs and wastage levels.

**Toner inks** – All toner cartridges and computer equipment continue to be recycled where possible. In order to reduce the consumption of toner cartridges, computers are linked to photocopiers for printing purposes in most areas of the business.

### Energy consumption

In reporting on energy consumption and in comparing numbers from year to year the Group is conscious that the figures can be affected by climatic differences and employee numbers between reporting years. These factors should be taken into account.

The numbers for the 12 months to 30 June 2012 and the comparatives for the prior year are as follows:

	2012	2011
Energy consumption (CO <sub>2</sub> tonnes) <sup>1</sup>	549	689
Electricity (MwH)	936	1,109
Oil ('000 litres) <sup>2</sup>	18	35

1. The CO<sub>2</sub> tonnes represent the CO<sub>2</sub> equivalent of the electricity and oil consumed during the year. The calculation is based on the conversion factor provided by the National Energy Foundation.
2. Heating oil was only used at one of the Group's premises, which has now been vacated.
3. Water is supplied by the landlords, except for one building, so the bulk of the figures are unavailable.

### The Community

It is Group policy to not make corporate contributions to political parties and the Group has no intention of using the authority that it has under Companies Act 2006 to do so. During the year, the Group decided to support a nominated charity, Cancer Research UK as chosen by staff. Details of donations made are included in the Report of the Directors.

# Directors' Report on Remuneration

## Information not subject to audit

The Directors' Report on Remuneration has been prepared by the Remuneration Committee in accordance with Directors' Remuneration Report (2008) Regulations, the Listing Rules and the UK Corporate Governance Code (2010) relating to Directors' remuneration.

## The Remuneration Committee

Details of the Remuneration Committee are found on page 35.

## Directors' Remuneration Policy

Centaur recognises the need to attract, retain and incentivise executives with the appropriate skills and talent to manage and develop the Group's businesses in such a way as to drive the Group's strategy and deliver shareholder value. The main principles of Centaur's executive remuneration policy are:

- To achieve total remuneration packages that are competitive in the sector within which the Group operates and with the market in general;
- To provide an appropriate balance between fixed and variable remuneration which rewards high levels of performance; and
- To incentivise and retain management and to align their interests with those of shareholders.

The policy aims to ensure that Executive Directors are provided with appropriate remuneration and incentives to encourage enhanced performance and are rewarded, in a fair and responsible manner, for a combination of absolute and relative performance and for their individual contributions to the long-term success of the Group. Share-based incentive plans are an important element of variable remuneration, linking reward to share price performance.

The various elements of Executive Directors' remuneration packages are described below.

### 1. Base salaries

In determining base salaries, the Committee customarily benchmarks salary levels for comparable roles at media companies of a similar size to Centaur and considers matters such as inflation, the individual's responsibilities, the Group's performance and the salary policy throughout the Group as a whole. Salary levels are reviewed annually.

In setting remuneration levels, the pay and employment conditions of employees within the Group are also taken into account. In this regard, the Chief Executive's salary was increased by 2.5% in 2012 in line

with the guidelines issued for other employees in the Group. The Group Finance Director's salary was set at the time of his permanent appointment in October 2011. The level of salaries will continue to be reviewed in the light of comparable market rates.

### 2. Bonuses

The Committee considers it important that a significant proportion of Executive Directors' remuneration be structured so as to link rewards to corporate and individual performance.

Executive Directors are eligible for an annual bonus dependent on the achievement of targets which take account of corporate performance. These targets are reviewed annually and new objectives set by the Committee for each Director at the start of the financial year. Under this scheme, in 2012 Geoff Wilmot had a maximum bonus opportunity equivalent to 100% of base salary and Mark Kerswell had a maximum opportunity equivalent to 60% of base salary.

The annual bonus scheme for the Executive Directors is based on demanding but motivational performance targets that have usually been linked to one of the Group's key profit measures, namely adjusted profit before taxation (PBTA). The reasons for this choice of target are to ensure a strong focus on profit recovery, and because PBTA is the financial measure most commonly used by analysts and investors in assessing the performance of the business.

While 2012 PBTA bonus targets were not met, and therefore no bonus in this regard was paid, the Remuneration Committee awarded bonuses of £20,000 to each of the Executive Directors, in recognition of their contribution to the achievement of the business' strategic objectives in 2012.

Bonuses payable to Geoff Wilmot and Mark Kerswell under the annual bonus scheme in respect of the year amounted to 7.3% and 8.8% of their respective salaries at 30 June 2012.

For 2013 the annual bonus plan continues to be based on the achievement of PBTA targets. The maximum bonus payable for the Chief Executive and Group Finance Director in respect of this scheme for the year to 30 June 2013 is capped at 100% of annual salary.

### 3. Long term incentive awards

Centaur's primary focus is on long-term, profitable growth. Its key strategic objectives include a target of doubling underlying revenues, doubling the digital share of those revenues to at least 50%, and doubling adjusted EBITDA margins to at least 25% by 30 June 2014. Consequently, the Committee considers it important that a significant proportion of the Executive Directors' remuneration packages should be linked to growth in profits and shareholder value.

Details of the Group's long-term incentive arrangements are outlined below.

The Group has six long-term incentive arrangements in place. Four of these plans (the Rollover Plan, the Share Option Plan, the Retention Plan and the SELTIP) are available only to Executive Directors and other key employees. The Share Incentive Plan and ShareSave Plan are open to all employees.

It is intended that the awards will be funded from the employee benefit trust and shares held in treasury.

#### i) Rollover plan

Centaur Media plc Executive Directors and certain senior employees elected to rollover existing ("old") Centaur Communications Limited 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. Rollover option holders have been entitled to exercise the former Centaur Communications Limited options from 10 March 2005 and are excluded from any performance conditions.

### ii) Share Option Plan

The Share Option Plan is made up of two parts. Part I is approved by the Inland Revenue under legislation which encourages employees to own shares in the Group in a tax efficient manner. Part II of the plan has not been approved by the Inland Revenue.

The Committee had previously granted share options in 2004 under the Share option plan to members of senior management. The Board’s objective in granting options was to increase shareholder value through growth in earnings. All these options can now be exercised as the corporate performance targets relating to them have been met. Details of these targets were set out in the 2008 Report.

In October 2008 share options were granted to certain Directors and key members of management. The options granted were exercisable upon the achievement of certain adjusted EPS targets in respect of the financial year ending 30 June 2012 and could not be re-tested.

These EPS targets were:

- 8.7p - 10% vesting
- 8.9p - 20% vesting
- 9.2p - 30% vesting
- 9.4p - 50% vesting
- 9.7p - 75% vesting
- 10.0p - 100% vesting

These targets were not met so the share options granted in October 2008 will not vest.

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) Retention Plan

As part of a review of all employee equity incentives, on 15 September 2010 the Remuneration Committee and Board of Directors adopted the rules of the “The Centaur Media plc 2010 Retention Plan” (the “Plan”). The main impact of the adoption of the Plan was the cancellation, with the agreement of option holders, of outstanding vested share options granted on 9 March 2004 and 29 September 2004 under the Centaur Media plc Share Option Plan and their replacement with a lower number of forfeitable nil-priced options (“Retention Awards”), granted on the basis of 1 Retention forfeitable nil-cost option for every 3 existing vested options surrendered. The Retention Awards will vest 50% on the second anniversary of the date of grant and the balance on the third anniversary. There are no performance conditions other than continuing employment.

On 30 December 2011, a further 170,000 nil cost options were granted under the Retention Plan to Mark Kerswell, a Director of Centaur Media plc. The awards will vest 50% on 30 June 2013 and 50% on 30 June 2014. The participant first became eligible to participate in the arrangement on his permanent appointment as Group Finance Director on 11 October 2011. The arrangement was established specifically to facilitate the recruitment

of Mark Kerswell as a result of the resignation and ill health of Mike Lally. There are no performance conditions other than continuing employment.

The Retention Plan has not been approved by shareholders. Awards will be satisfied using shares held in the Employee Benefit Trust.

### iv) Senior Executive Long-Term Incentive Plan (“SELTIP”)

The Centaur Media Plc 2010 Senior Executive Long-Term Incentive Plan (the “SELTIP”) was introduced during 2011. The rationale behind the SELTIP and its proposed terms were set out in the Circular sent to shareholders dated 16 July 2010 and were subject to shareholder approval at a General Meeting of the Company on 18 August 2010.

The key features of the SELTIP are as follows: At the beginning of the Plan Period of three financial years, participants receive an Award of Bonus Units. There is a maximum contribution of 100% of equivalent of salary per annum that can be attributed to the value of a Participant’s Award of Bonus Units in respect of any financial year. These Bonus Units will only have value if the Company makes a SELTIP Contribution to the Bonus Pool.

- Performance will be measured at three Measurement Dates (at the end of each financial year). At each Measurement Date up to 30% of the growth in PBTA above a threshold level will be converted into restricted shares to create the Bonus Pool. The Remuneration Committee will set the Threshold Profit at the beginning of each financial year.
- Where the actual PBTA for the financial year is less than the Threshold Profit, up to 30% (the “SELTIP Deduction Percentage”) of the difference will be deducted from the value of the Bonus Pool (the “SELTIP Deduction”), provided that the value of the Bonus Pool cannot be less than zero.
- At the end of the three year Plan Period 50% of the award of Bonus Units is capable of vesting with the balance of the Bonus Units capable of vesting 12 months later subject to the following conditions:
  - The vesting of all Bonus Units shall be subject to the Participant’s continued employment at the relevant dates; and
  - 50% of the Bonus Units subject to Awards to Executive Directors will only be capable of vesting on the above dates based on the Company’s comparative total shareholder return (“TSR”) compared to the constituents of the FTSE Small Cap Index measured over the three year Plan Period as follows, with straight line vesting between points.
- The inclusion of the TSR performance condition in relation to 50% of the Bonus Units held by Executive Directors ensures alignment of participants’ interests with shareholders.

TSR Performance of the Group compared to the constituents of the FTSE Small Cap Index	Percentage of this element of the Award of Bonus Units Capable of Vesting
<50th Percentile (Median)	0%
50th Percentile (Median)	40%
55th Percentile	50%
60th Percentile	75%
75th Percentile	100%

# Directors' Report on Remuneration *(continued)*

The first award of 1,000 bonus units under the SELTIP was made during the 2011 financial year and converted into restricted shares on 15 September 2011. 1,000 bonus units were awarded of which 320 (32%, equivalent to 370,274 restricted shares) were awarded to Geoff Wilmot and 190 (19%, equivalent to 219,850 restricted shares) awarded to Mike Lally. For the 2011 SELTIP contribution, the Remuneration Committee set the threshold at £4.0m (PBTA for 2010) and the SELTIP contribution level was set at 20% of growth in PBTA. The total SELTIP contribution to the bonus pool was £0.4m.

The second award of bonus units under the SELTIP was made during the 2012 financial year. Of the units awarded, 21.4% were awarded to Geoff Wilmot and 16% were awarded to Mark Kerswell. For the 2012 SELTIP contribution, the Remuneration Committee set the threshold at £6.5m (PBTA for 2011) and the SELTIP contribution level was set at 30% of PBTA growth. The total SELTIP contribution to the bonus pool was £0.3m. The grants of restricted shares will take place on 12 September 2012.

## v) Share Incentive Plan

The Share Incentive Plan 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, as are all employees of the Group. The Share Incentive Plan is an HMRC approved plan.

## vi) ShareSave Plan

The Group has a ShareSave Plan (the 'SAYE Scheme'). The SAYE Scheme is an HMRC approved all-employee plan and is open to all employees who have been employed by the Group for more than 12 months. Employees may invest up to £3,000 per annum for a period of either 3 or 5 years, after which they may exercise SAYE options within 6 months of the anniversary date of the contract commencement date. Options were granted in 2008, 2009 and 2010. Other than continuing employment, there are no other performance conditions attached to the plan.

The Executive Directors are eligible to participate in the ShareSave Plan, as are all employees of the Group.

## Non-Executive Directors

The Non-Executive Directors receive a fee for their services, which is not dependent on which committees they serve or whether they act as Chairman of committees, 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, for example, of a major corporate transaction.

## The Directors' Service Agreements

Geoff Wilmot's service agreement is dated 27 February 2004, amended on 23 November 2006 to reflect his appointment as Chief Executive Officer. Mark Kerswell's

agreement is dated 11 October 2011. Notice periods are 12 months with no fixed term of office.

These contracts provide for termination of their employment within 14 days with payment 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, Christopher Satterthwaite, Robert Boyle and Rebecca Miskin are Non-Executive Directors. The Non-Executive Directors have letters of appointment with the Company, which are for an initial three-year period with an extension for a further three-year period, and provide for a notice period of one month. All existing Directors have chosen to submit to annual re-election at each AGM.

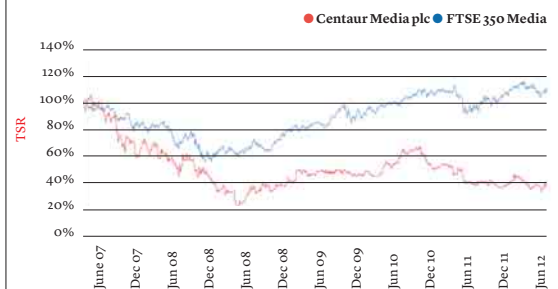
## Pension arrangements

There is no Group executive pension scheme. The Group makes contributions to Executive Directors' individual pension schemes: 17.5% of salary for Geoff Wilmot and 9% of salary for Mark Kerswell. The Group makes contributions of between 3% and 9% of salary for other employees, dependent on their seniority.

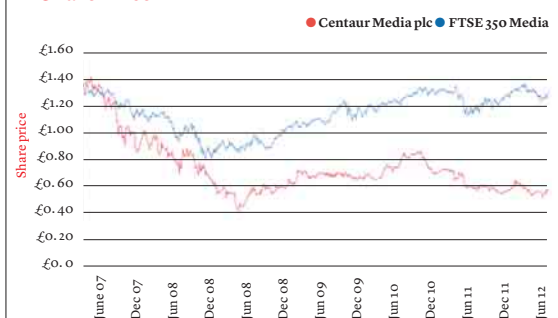
## Performance graphs

The graphs below show the performance of Centaur Media plc share price and total shareholder return (TSR) 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.

### Total Shareholder Return



### Share Price



## Information subject to audit

### Directors' interests

The Directors holding office during the year to 30 June 2012 are shown on page 25 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 Directors have 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 2011	Number at 30 June 2012
GTD Wilmot	9.03.04	9.03.07	9.03.14	100.0	587,333	587,333
	9.03.04	9.03.05	9.03.14	41.67	172,777	172,777
	29.10.08	30.06.12	29.10.18	51.75	800,000	800,000
	15.09.11	16.09.14	15.09.21	-	-	370,274
					1,560,110	1,930,384
MH Kerswell	30.12.11	30.06.13	31.12.14	1.00	-	170,000
					-	170,000
M J Lally	9.03.04	9.03.07	9.03.14	100.0	217,677	-
	9.03.04	9.03.05	9.03.14	57.87	26,743	-
	29.10.08	30.06.12	29.10.18	51.75	450,000	-
					694,420	-

The market price at 30 June 2012 was 34.69p (2011: 46.5p) and the range during the year was 26.76p to 46.81p (2011: 44.8p to 73.0p). The average market price during the year was 34.82p (2011: 57.2p).

### Sharesave plan

The following Directors have been granted options over ordinary shares of 10p each in the Company under the terms of the Centaur UK Sharesave Plan 2008 and 2009:

	Date of grant	Earliest exercise date	Expiry date	Exercise price (pence)	Number at 30 June 2011	Number at 30 June 2012
GTD Wilmot	30.04.09	01.07.12	01.01.13	20.92	43,738	43,738
					43,738	43,738
M J Lally	30.04.09	01.07.14	01.01.15	20.92	74,808	-
					74,808	-

Under the rules of the option schemes, the options granted to M J Lally, who resigned as a director on 10 October 2011, can be exercised by his estate at any time up to the anniversary of his death in December 2012. Thereafter they will lapse.

The options for MH Kerswell, who was appointed as a director on 13 June 2011, were granted subject to and incorporating the rules of the Centaur Media plc Retention Plan.

# Directors' Report on Remuneration *(continued)*

## Directors' emoluments

The table below provides details of Directors' remuneration from Centaur Media plc for the year to 30 June 2012. Other benefits for Executive Directors during this year include the provision of a car allowance, life assurance, permanent health insurance and medical insurance.

Year ended 30 June 2012	Salaries and fees £	Bonus £	Pension £	Other benefits £	Total £
<b>Executive</b>					
GTD Wilmot	273,170	20,000	47,805	22,346	363,321
M H Kerswell	225,000	20,000	15,913	602	261,515
M J Lally * <i>(resigned 10 October 2011)</i>	99,932	-	7,173	5,594	112,699
<b>Non Executive</b>					
JPE Taylor	80,000	-	-	-	80,000
C Morrison	40,000	-	-	-	40,000
C Satterthwaite	40,000	-	-	-	40,000
R Boyle	35,000	-	-	-	35,000
R Miskin	40,000	-	-	-	40,000
	<b>833,102</b>	<b>40,000</b>	<b>70,891</b>	<b>28,542</b>	<b>972,535</b>

\* M J Lally was paid an additional £73,100 subsequent to his resignation as a Director in compensation for his interest in restricted shares issued to him under the 2011 SELTIP, which was cancelled on his resignation.

Year ended 30 June 2011	Salaries and fees £	Bonus £	Pension £	Other benefits £	Total £
<b>Executive</b>					
GTD Wilmot	266,500	231,855	46,638	23,680	568,673
MH Kerswell <i>(appointed 13 June 2011)</i>	12,923	-	-	-	12,923
M J Lally	159,400	96,968	14,346	11,579	282,293
<b>Non Executive</b>					
JPE Taylor	80,000	-	-	-	80,000
C Morrison	40,000	-	-	-	40,000
C Satterthwaite	40,000	-	-	-	40,000
R Boyle	35,000	-	-	-	35,000
R Miskin	18,667	-	-	-	18,667
<i>(appointed 13 January 2011)</i>					
GV Sherren <i>(retired 17 November 2010)</i>	54,417	-	-	11,667	66,084
BTR Scruby <i>(retired 17 November 2010)</i>	16,667	-	-	-	16,667
	<b>723,574</b>	<b>328,823</b>	<b>60,984</b>	<b>46,926</b>	<b>1,160,307</b>

By order of the Board

C Morrison  
Chairman of the Remuneration Committee  
12 September 2012



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**Independent  
Auditors' Report  
to the Members of  
Centaur Media plc**

We have audited the financial statements of Centaur Media plc for the year ended 30 June 2012 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statements of Changes in Equity, Consolidated and Company Balance Sheets, the Consolidated and Company Cash Flow Statements, the Statement of Accounting Policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

#### **Respective responsibilities of directors and auditors**

As explained more fully in the Statement of Directors' Responsibilities set out on page 28, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Opinion on financial statements**

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 30 June 2012 and of the group's profit and group's and parent company's cash flows for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and, as regards the group financial statements, Article 4 of the IAS Regulation.

#### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion:

- the part of the Directors' Report on Remuneration to be audited has been properly prepared in accordance with the Companies Act 2006; and
- the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

#### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following:

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements and the part of the Directors' Report on Remuneration to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Under the Listing Rules we are required to review:

- the directors' statement, set out on pages 33 and 34, in relation to going concern;
- the parts of the Corporate Governance Report relating to the company's compliance with the nine provisions of the UK Corporate Governance Code specified for our review; and
- certain elements of the report to shareholders by the Board on directors' remuneration.

Philip Stokes (*Senior Statutory Auditor*)  
for and on behalf of PricewaterhouseCoopers LLP  
London  
12 September 2012

# Consolidated Statement of Comprehensive Income

*for the year ended 30 June 2012*

	Notes	Adjusted Results 2012 £m	Adjusting Items 2012 £m	Statutory Results 2012 £m	Adjusted Results 2011 £m	Adjusting Items 2011 £m	Statutory Results 2011 £m
Revenue	1	65.6	-	65.6	68.3	-	68.3
Net operating expenses	2	(57.0)	(5.3)	(62.3)	(61.6)	(36.8)	(98.4)
<b>Operating profit/(loss)</b>		<b>8.6</b>	<b>(5.3)</b>	<b>3.3</b>	<b>6.7</b>	<b>(36.8)</b>	<b>(30.1)</b>
Finance costs	4	(0.6)	-	(0.6)	(0.2)	-	(0.2)
<b>Profit/(loss) before tax</b>		<b>8.0</b>	<b>(5.3)</b>	<b>2.7</b>	<b>6.5</b>	<b>(36.8)</b>	<b>(30.3)</b>
Taxation (expense)/credit	6	(2.2)	0.8	(1.4)	(1.7)	2.4	0.7
<b>Profit/(loss) for the year attributable to owners of the parent</b>		<b>5.8</b>	<b>(4.5)</b>	<b>1.3</b>	<b>4.8</b>	<b>(34.4)</b>	<b>(29.6)</b>
<b>Total comprehensive income/(loss) attributable to owners of the parent</b>		<b>5.8</b>	<b>(4.5)</b>	<b>1.3</b>	<b>4.8</b>	<b>(34.4)</b>	<b>(29.6)</b>
<b>Earnings/(loss) per share attributable to owners of the parent</b>	7						
Basic		4.2p		0.9p	3.4p		(21.2)p
Fully diluted		4.1p		0.9p	3.4p		(21.2)p



# Consolidated Statement of Changes in Equity

for the year ended 30 June 2012

Attributable to owners of the parent	Share capital £m	Treasury shares £m	Share premium £m	Retained earnings £m	Reserve for shares to be issued £m	Deferred shares £m	Total £m
At 1 July 2010	15.0	(9.8)	0.7	147.4	3.1	0.1	156.5
Loss for the year and total comprehensive income for the year	-	-	-	(29.6)	-	-	(29.6)
Transactions with owners:							
Dividends (note 24)	-	-	-	(2.5)	-	-	(2.5)
Employee Benefit Trust shares purchased	-	(0.5)	-	-	-	-	(0.5)
Share options: Fair value of employee services	-	-	-	-	0.2	-	0.2
<b>As at 30 June 2011</b>	<b>15.0</b>	<b>(10.3)</b>	<b>0.7</b>	<b>115.3</b>	<b>3.3</b>	<b>0.1</b>	<b>124.1</b>
Profit for the year and total comprehensive income for the year	-	-	-	1.3	-	-	1.3
Transactions with owners:							
Dividends (note 24)	-	-	-	(2.9)	-	-	(2.9)
Employee Benefit Trust shares purchased	-	(0.2)	-	-	-	-	(0.2)
Share options: Fair value of employee services	-	-	-	-	0.3	-	0.3
<b>As at 30 June 2012</b>	<b>15.0</b>	<b>(10.5)</b>	<b>0.7</b>	<b>113.7</b>	<b>3.6</b>	<b>0.1</b>	<b>122.6</b>

At 30 June 2012, 8,964,507 (2011: 9,309,102) 10p ordinary shares are held in treasury and 1,813,762 (2011: 1,476,500) 10p ordinary shares are held in an employee benefit trust.

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

The changes to the reserve for shares to be issued during the year ended 30 June 2011 and 30 June 2012 represent the total charge for the year relating to equity-settled share based payment transactions with employees as accounted for under IFRS 2.

# Company Statement of Changes in Equity

*for the year ended 30 June 2012*

Attributable to owners of the parent	Share capital £m	Treasury shares £m	Share premium £m	Retained earnings £m	Reserve for shares to be issued £m	Deferred shares £m	Total £m
At 1 July 2010	15.0	(8.8)	0.7	135.0	3.1	0.1	145.1
Loss for the year	-	-	-	(1.8)	-	-	(1.8)
Transactions with owners:							
Dividends (note 24)	-	-	-	(2.5)	-	-	(2.5)
Share options: Fair value of employee services	-	-	-	-	0.2	-	0.2
<b>As at 30 June 2011</b>	<b>15.0</b>	<b>(8.8)</b>	<b>0.7</b>	<b>130.7</b>	<b>3.3</b>	<b>0.1</b>	<b>141.0</b>
Loss for the year	-	-	-	(1.6)	-	-	(1.6)
Transactions with owners:							
Dividends (note 24)	-	-	-	(2.9)	-	-	(2.9)
Share options: Fair value of employee services	-	-	-	-	0.3	-	0.3
<b>As at 30 June 2012</b>	<b>15.0</b>	<b>(8.8)</b>	<b>0.7</b>	<b>126.2</b>	<b>3.6</b>	<b>0.1</b>	<b>136.8</b>

The company has taken advantage of the exemption available under section 408 of the Companies Act 2006 and has not presented its own statement of comprehensive income in these financial statements. The parent company's loss amounted to £1.4m (2011: loss of £1.6m).

# Consolidated Balance Sheet

as at 30 June 2012

Registered number 4948078

	Note	2012 £m	2011 £m
<b>Non-current assets</b>			
Goodwill	8	121.3	116.1
Other intangible assets	9	15.4	9.8
Property, plant and equipment	10	2.3	2.5
Deferred income tax assets	21	0.8	0.6
		<b>139.8</b>	<b>129.0</b>
<b>Current assets</b>			
Inventories	12	1.1	1.3
Current income tax asset			1.1
Trade and other receivables	13	13.5	14.7
Cash and cash equivalents	14	5.3	2.0
		<b>19.9</b>	<b>19.1</b>
<b>Assets of disposal group classified as held-for-sale</b>	15	-	0.6
<b>Total Assets</b>		<b>159.7</b>	<b>148.7</b>
<b>Current liabilities</b>			
Financial liabilities	16	-	(0.2)
Trade and other payables	17	(10.0)	(12.2)
Deferred income	18	(11.3)	(9.4)
Current income tax liabilities	19	(0.8)	-
Provisions	20	(0.3)	(0.3)
		<b>(22.4)</b>	<b>(22.1)</b>
<b>Net current liabilities</b>		<b>(2.5)</b>	<b>(2.4)</b>
<b>Non-current liabilities</b>			
Financial liabilities	16	(12.5)	(0.5)
Provisions	20	(1.2)	(0.9)
Deferred income tax liabilities	21	(1.0)	(1.1)
		<b>(14.7)</b>	<b>(2.5)</b>
<b>Net assets</b>		<b>122.6</b>	<b>124.1</b>
<b>Capital and reserves attributable to owners of the parent</b>			
Share capital	22	15.0	15.0
Treasury and employee benefit trust shares		(10.5)	(10.3)
Share premium		0.7	0.7
Other reserves		3.7	3.4
Retained earnings		113.7	115.3
<b>Total equity</b>		<b>122.6</b>	<b>124.1</b>

The financial statements on pages 48 to 94 were approved by the Board of Directors on 12 September 2012 and were signed on its behalf by:

M H Kerswell  
Group Finance Director

# Company Balance Sheet

*as at 30 June 2012*

*Registered number 4948078*

	Note	2012 £m	2011 £m
<b>Non-current assets</b>			
Investments	11	146.2	146.2
		146.2	146.2
<b>Current assets</b>			
Trade and other receivables	13	3.1	1.8
Cash at bank and in hand	14	-	(3.6)
		3.1	(1.8)
<b>Current liabilities</b>			
Financial liabilities	16	0.2	-
Trade and other payables	17	(0.5)	(3.4)
		(0.3)	(3.4)
<b>Net current assets/(liabilities)</b>		2.8	(5.2)
<b>Non current liabilities</b>			
Financial liabilities	16	(12.2)	-
		(12.2)	-
<b>Net assets</b>		136.8	141.0
<b>Capital and reserves attributable to owners of the parent</b>			
Share capital	22	15.0	15.0
Treasury and employee benefit trust shares		(8.8)	(8.8)
Share premium		0.7	0.7
Other reserves		3.7	3.4
Retained earnings		126.2	130.7
<b>Total equity</b>		136.8	141.0

The financial statements on pages 48 to 94 were approved by the Board of Directors on 12 September 2012 and were signed on its behalf by:

M H Kerswell  
Group Finance Director

# Consolidated Cash Flow Statement

*for the year ended 30 June 2012*

	Note	2012 £m	2011 £m
<b>Cash flows from operating activities</b>			
Cash generated from operations	25	8.3	9.4
Tax paid		-	(1.2)
Net cash generated from operating activities		8.3	8.2
<b>Cash flows from investing activities</b>			
Acquisition of subsidiaries (net of cash acquired)	25	(11.3)	(2.1)
Other acquisitions	8	(0.2)	-
Purchase of property, plant and equipment	10	(0.3)	(0.1)
Purchase of software	9	(1.9)	(1.8)
Disposals		0.5	-
Net cash flows used in investing activities		(13.2)	(4.0)
<b>Cash flows from financing activities</b>			
Employee benefit trust shares purchased		(0.2)	(0.5)
Interest paid		(0.4)	(0.1)
Finance arrangement fees paid		(0.6)	-
Finance lease repayments		(0.2)	(0.2)
Dividends paid	24	(2.9)	(2.5)
Draw downs on credit facility	27	12.5	-
Net cash flows generated from/(used in) financing activities		8.2	(3.3)
<b>Net increase in cash and cash equivalents</b>		3.3	0.9
Cash and cash equivalents at 1 July	14	2.0	1.1
<b>Cash and cash equivalents at 30 June</b>	14	5.3	2.0
<b>Reconciliation of net debt</b>			
		2012 £m	2011 £m
Cash and cash equivalents	14	5.3	2.0
Financial liabilities	16	(12.5)	-
Net (debt)/cash		(7.2)	2.0

# Company Cash Flow Statement

*for the year ended 30 June 2012*

	Note	2012 £m	2011 £m
<b>Cash flows from operating activities</b>			
Cash (used in)/generated from operating activities	25	(5.1)	2.1
<b>Cash flows from financing activities</b>			
Interest paid		(0.4)	-
Finance arrangement fees paid		(0.6)	-
Dividends paid	24	(2.9)	(2.5)
Sale of treasury shares		0.1	-
Draw downs on credit facility	27	12.5	-
Net cash flows generated from/(used in) financing activities		8.7	(2.5)
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>3.6</b>	<b>(0.4)</b>
Cash and cash equivalents at 1 July		(3.6)	(3.2)
Cash and cash equivalents at 30 June	14	-	(3.6)
<b>Reconciliation of net debt</b>			
		<b>2012 £m</b>	<b>2011 £m</b>
Cash and cash equivalents	14	-	(3.6)
Financial liabilities	16	(12.5)	-
Net debt		(12.5)	(3.6)



# 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) and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared on the historical cost basis. The consolidated financial statements have been prepared on a going concern basis. Further detail is included within the Report of the Directors on pages 26 to 28. 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.

The Company has taken advantage of the exemption available under section 408 of the Companies Act 2006 and has not presented its own statement of comprehensive income in these financial statements.

(a) New and amended standards adopted by the group: The following new standards and amendments to standards are mandatory for the first time for the financial year beginning 1 July 2011:

- Annual improvements to IFRSs applicable for annual periods beginning after 1 January 2011 (EU-endorsed 18 February 2011).
- IAS 24, 'Related party disclosures' (revised 2009). Amends the definition of a related party and modifies certain related-party disclosure requirements for government-related entities. Effective date 1 January 2011, EU-endorsed 19 July 2010.

(b) New and amended standards, and interpretations mandatory for the first time for the financial year beginning 1 July 2011 but not currently relevant to the group:

- Amendments to IFRS 7, 'Financial instruments: disclosures on transfers of assets' (effective 1 July 2011).
- Amendments to IFRIC 14, 'Prepayments of a minimum funding requirement' (effective 1 January 2011).

(c) New standards, amendments and interpretations issued but not effective for the financial year beginning 1 July 2011 and not early adopted:

- IAS 1, 'Financial statement presentation – regarding other comprehensive income' (effective 1 July 2012).
- IAS 12, 'Income taxes – on deferred tax' (effective 1 January 2012).
- IFRS 9, 'Financial instruments',

(effective 1 January 2013).

- IFRS 10, 'Consolidated financial statements' (effective 1 January 2013).
- IFRS 12, 'Disclosures of interests in other entities' (effective 1 January 2013).
- IFRS 13, 'Fair value measurement' (effective 1 January 2013).
- IAS 27 (Revised), 'Separate financial statements' (effective 1 January 2013).

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.

## Additional presentation of non-statutory measures

The Directors believe that adjusted results and adjusted earnings per share provide additional useful information on the ongoing operations of the Group to shareholders. The term 'adjusted' is not a defined term under IFRS and may not therefore be comparable with similarly titled profit measurements reported by other companies. It is not intended to be a substitute for, or superior to, IFRS measurements of profit.

The following charges were presented as adjusting items:

	Notes	2012 £m	2011 £m
Exceptional items	3	4.5	3.4
Amortisation of acquired intangibles	9	0.8	1.2
Impairment of goodwill and intangibles	8	-	32.2
		5.3	36.8
Tax relating to adjusting items		(0.8)	(2.4)
		4.5	34.4

The principal adjustments are made in respect of:

- Exceptional items - the Group considers items of income and expenses as exceptional items and excludes them from the adjusted results 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. Details of exceptional items are shown in note 3.
- Amortisation of acquired intangibles - the Group amortises all intangible assets. The amortisation charge for those intangible assets recognised on the acquisition of a subsidiary are excluded from the adjusted results of the Group so as to assist the user of the financial statements to better understand the results of the operations of the Group. The amortisation of intangible software assets acquired other than through the acquisition of a subsidiary is included in the adjusted results. Details of amortisation of intangibles are shown in note 9.
- Impairment of goodwill and intangibles - the Group tests all goodwill and intangible assets for impairment on an annual basis or more frequently when an indicator exists. 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. Any impairment loss recognised is excluded from the adjusted results of the Group so as to assist the user of the financial statements to better understand the results of the operations of the Group.

The tax related to adjusting items is the tax effect of the items above that are allowable deductions for tax purposes, calculated using the standard rate of corporation tax.

Reconciliation from Operating profit/(loss) to Adjusted EBITDA:

	Notes	2012 £m	2011 £m
Operating profit/(loss)		3.3	(30.1)
Adjusting items		5.3	36.8
Adjusted operating profit		8.6	6.7
Depreciation of property, plant and equipment	10	0.7	0.9
Amortisation of software	9	2.1	2.1
Share based payments	5	0.3	0.2
Adjusted EBITDA		11.7	9.9

### Consolidation

The consolidated financial statements incorporate the financial statements of Centaur Media plc and all its subsidiaries to 30 June, adjusted where appropriate to conform with Centaur's accounting policies.

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

Where the Group has established a joint venture through an interest in a company, partnership or other entity (a jointly controlled entity), the Group recognises its interest in the entity using the proportionate consolidation method, whereby the Group's share of each of the assets, liabilities, income and expenses of the jointly controlled entity is combined line by line with similar items in the Group's financial statements.

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

### Business Combinations

The acquisition of subsidiaries is accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of fair values of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. Acquisition costs incurred are expensed and included in the Consolidated Statement of Comprehensive Income.

Any deferred consideration to be transferred by the acquirer is recognised at fair value. If the conditions attached to the consideration indicate that the payment forms part of the acquisition, a provision is made for the future liability at the acquisition date. Where the deferred consideration is contingent on the continued employment of the vendors, such arrangements are recognised in the Consolidated Statement of Comprehensive Income on a straight line basis over the life of the earn-out. Subsequent changes to the fair value of the contingent consideration are recognised in accordance with IAS39 through the Consolidated Statement of Comprehensive Income.

### Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts recoverable by the Group for the sales of advertising space, subscriptions and individual publications and revenue from events 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. Sales of online advertising are recognised in the period in which the advertisements are placed. Revenue received in advance for events is deferred and recognised in the period in which the event takes place.

Revenue from subscriptions to publications and digital services is deferred and recognised 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. Monetary 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 Statement of Comprehensive Income.

The results and financial position of the group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions);
- and all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations, and of borrowings, are taken to shareholders' equity. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognised in the income statement as part of the gain or loss on sale. Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

### 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 and allocated to the CGU or group of CGUs that is expected to benefit from the synergies of the business combination. Goodwill has an indefinite useful life and is tested for impairment annually or where indicators imply that the carrying value is not recoverable.

Each brand, comprising individual magazines, digital titles and events, is deemed to be a Cash Generating Unit (CGU). Goodwill is attributed to individual CGUs but is reviewed at the segment level for the purposes of the annual impairment review as this is the level that management monitor goodwill. Any impairment is recognised in the statement of comprehensive income. Impairment of goodwill 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.

As a result of the restructuring of the business in 2011, goodwill was reviewed for impairment for each individual CGU as well as at the segment level.

### Other intangible assets

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. Costs associated with the development of identifiable and unique software products controlled by the Group that will probably generate economic benefits in excess of costs are recognised as intangible assets and are 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:

<b>Computer software</b> 3 - 5 years
<b>Brands and publishing rights</b> 20 years
<b>Customer relationships</b> 10 years or the length of the contract if shorter
<b>Website development costs</b> 3 - 5 years
<b>Acquired content</b> 5 years
<b>Non compete arrangements</b> Over the term of the arrangement

The Group'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 historical cost less accumulated depreciation and impairment losses. The historical cost of property, plant and equipment is the purchase cost together with any incidental direct 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:

<b>Leasehold improvements</b> 10 years or the expected length of the lease if shorter
<b>Fixtures and fittings</b> 10 years
<b>Computer equipment</b> 3 - 5 years
<b>Motor vehicles</b> 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 non-financial 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 the Group'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 Statement of Comprehensive Income 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. The Group and Company'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 Statement of Comprehensive Income, 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. 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

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the Statement of Comprehensive Income on a straight-line basis over the period of the lease.

The Group leases certain property, plant and equipment. Leases of property, plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum

# Statement of Accounting Policies *(continued)*

lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in financial liabilities. The interest element of the finance cost is charged to the statement of comprehensive income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease term.

## Employee benefit cost

The Group and Company contribute 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 statement of comprehensive income 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 payments

The Group operates a number of equity-settled, share-based compensation plans, under which the entity receives services from employees as consideration for equity instruments (options) of the Group. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions;
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period); and
- including the impact of any non-vesting conditions (for example, the requirement for employees to save).

Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each reporting period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in the statement of comprehensive income, with a corresponding adjustment to equity.

When the options are exercised, the Company issues new shares or transfers shares from treasury. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

The grant by the Company of options over its equity instruments to the employees of subsidiary undertakings in the Group is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase

to investment in subsidiary undertakings, with a corresponding credit to equity.

## 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.

Provisions for contingent deferred consideration are based on the Directors' best estimate of the future liability. Where the deferred consideration is contingent on the continued employment of the vendors, such arrangements are recognised in the Consolidated Statement of Comprehensive Income on a straight line basis over the life of the arrangement.

Provisions for onerous property leases are recognised to reflect the aggregate future lease commitments, less any contracted sub-lease income, for properties no longer occupied and in use by the Group.

## Segmental reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The Board of Directors has been identified as the chief operating decision-maker, responsible for allocating resources and assessing performance of the operating segments. During the year ended 30 June 2011 the company announced a restructuring of its business into three divisions: Business Publishing, Business Information and Exhibitions. The operating segments were therefore changed to reflect the way the business is now managed and to simplify the way the Group reports revenue and profit performance across each of its businesses.

## 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.

The Company also holds a non-distributable reserve representing the fair value of share options issued.

## Dividends

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

## Assets held for sale

Where the Group is in the process of disposing of an asset or group of assets as at the Balance Sheet date, those assets will be revalued to the lower of net realisable value and value-in-use and reclassified to be recognised as an available-for-sale disposal group.

## Financial instruments

The Group has applied IFRS 7, *Financial Instruments: Disclosures*, and IAS 39, *Financial Instruments: Recognition and Measurement*, as outlined below:

### Financial assets

- The Group classifies its financial assets in the following categories: at fair value through profit

or loss; loans and receivables; and available-for-sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

- All of the Group's financial assets have been classified as loans and receivables. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. The Group's loans and receivables comprise trade and other receivables and cash and cash equivalents in the balance sheet.
- Loans and receivables are carried at amortised cost using the effective interest method.

#### Trade receivables

- Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.
- A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 90 days overdue) are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the Statement of Comprehensive Income within net operating expenses. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against net operating expenses in the Statement of Comprehensive Income.

#### 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. There is a cash pooling arrangement with a legal right of offset and therefore cash and overdrafts are offset in the balance sheet.

#### Trade payables

- Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

#### Borrowings

- Borrowings are recognised at fair value as drawn down. Costs of borrowings are recognised in the

statement of comprehensive income as incurred or, where appropriate, across the term of the related borrowing.

#### Derivative financial instruments

- Derivative financial instruments may be used to hedge interest rate and foreign currency exposure where these circumstances arise. Discounts and premiums are charged or credited to the statement of comprehensive income over the life of the asset or liability to which they relate. 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 Statement of Comprehensive Income in the financial period to which it relates. The Group does not hold any derivative financial instruments either for trading purposes or designated as hedges.

#### 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) Impairments

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, impairments may be triggered. Further details of the assumptions and sensitivities in the discounted cash flow model are included in note 8.

##### ii) Contingent consideration

Contingent consideration related to acquisitions is dependent on the future performance of the acquired businesses. Judgement is required in estimating the magnitude of the contingent consideration and the likelihood of payment. Further detail related to contingent consideration is disclosed in notes 20 and 26.

##### iii) Valuation of intangible assets arising on the acquisition of subsidiaries

Intangible assets arising on the acquisition of subsidiaries are identified based on the Group's understanding of the acquiree and previous experience of similar businesses. Consistent methods of valuation for similar types of intangible asset are applied where possible and appropriate, using information reviewed at Board level where available. Discount rates applied in calculating the values of intangible assets arising on the acquisition of subsidiaries are calculated specifically for each acquisition, and adjusted to reflect the respective risk profile of each individual asset based on the Group's past experience of similar assets.







# Notes to the financial statements

## Notes to the Financial Statements

# 1 Segmental Reporting

The Board of Directors has been identified as the chief operating decision-maker. The Board reviews the Group's internal monthly reporting in order to assess performance and allocate resources. Management has determined the operating segments based on these reports.

The Board considers the business from a divisional perspective. The basis of measurement used for allocating overheads is the headcount for each division. Corporate costs are allocated to business segments on an appropriate basis depending on the nature of the cost. Costs that cannot be allocated to a business segment are shown as "unallocated".

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, and software. There are no major customers that provide revenue of over 10% of a reportable segment and all revenue is derived from external customers.

### Geographical segments

Substantially all of the Group's net assets are located and substantially all revenue and profit are generated in the United Kingdom. Furthermore substantially all of the Group's customers are located in the United Kingdom. The Directors therefore consider that the Group currently operates in a single geographical segment, being the United Kingdom.

### Year ended 30 June 2012

	Business Publishing £m	Business Information £m	Exhibitions £m	Unallocated £m	Group £m
<b>Continuing operations</b>					
Revenue	41.8	7.6	16.2	-	65.6
Adjusted EBITDA	6.5	2.6	2.6	-	11.7
Depreciation of property, plant and equipment	(0.5)	(0.1)	(0.1)	-	(0.7)
Amortisation of software	(1.0)	(0.9)	(0.2)	-	(2.1)
Amortisation of acquired intangibles	(0.4)	(0.2)	(0.2)	-	(0.8)
Share based payments	-	-	-	(0.3)	(0.3)
Exceptional items	(2.5)	(1.7)	(0.3)	-	(4.5)
<b>Operating profit/(loss)</b>	<b>2.1</b>	<b>(0.3)</b>	<b>1.8</b>	<b>(0.3)</b>	<b>3.3</b>
Finance costs	-	-	-	(0.6)	(0.6)
<b>Profit/(loss) before tax</b>	<b>2.1</b>	<b>(0.3)</b>	<b>1.8</b>	<b>(0.9)</b>	<b>2.7</b>
Taxation	-	-	-	(1.4)	(1.4)
<b>Profit/(loss) for the year from continuing operations</b>	<b>2.1</b>	<b>(0.3)</b>	<b>1.8</b>	<b>(2.3)</b>	<b>1.3</b>
<b>Profit/(loss) for the year attributable to owners of the parent</b>	<b>2.1</b>	<b>(0.3)</b>	<b>1.8</b>	<b>(2.3)</b>	<b>1.3</b>
Segment assets	99.9	23.0	30.7	-	153.6
Corporate assets	-	-	-	6.1	6.1
<b>Consolidated total assets</b>	<b>99.9</b>	<b>23.0</b>	<b>30.7</b>	<b>6.1</b>	<b>159.7</b>
Segment liabilities	(10.8)	(5.6)	(6.1)	-	(22.5)
Corporate liabilities	-	-	-	(14.6)	(14.6)
<b>Consolidated total liabilities</b>	<b>(10.8)</b>	<b>(5.6)</b>	<b>(6.1)</b>	<b>(14.6)</b>	<b>(37.1)</b>
<b>Other items</b>					
Capital expenditure	1.0	1.1	0.2	-	2.3
Impairment of trade receivables	-	-	0.1	-	0.1

## Year ended 30 June 2011

	Business Publishing £m	Business Information £m	Exhibitions £m	Unallocated £m	Group £m
<b>Continuing operations</b>					
Revenue	46.8	5.8	15.7	-	68.3
Adjusted EBITDA	5.4	2.2	2.3	-	9.9
Depreciation of property, plant and equipment	(0.7)	(0.1)	(0.1)	-	(0.9)
Amortisation of software	(1.1)	(0.9)	(0.1)	-	(2.1)
Amortisation of acquired intangibles	(0.7)	-	(0.5)	-	(1.2)
Share based payments	-	-	-	(0.2)	(0.2)
Impairment charge	(24.7)	-	(7.5)	-	(32.2)
Exceptional items	(2.6)	(0.2)	(0.5)	(0.1)	(3.4)
<b>Operating profit/(loss)</b>	<b>(24.4)</b>	<b>1.0</b>	<b>(6.4)</b>	<b>(0.3)</b>	<b>(30.1)</b>
Finance costs	-	-	-	(0.2)	(0.2)
<b>(Loss)/profit before tax</b>	<b>(24.4)</b>	<b>1.0</b>	<b>(6.4)</b>	<b>(0.5)</b>	<b>(30.3)</b>
Taxation	-	-	-	0.7	0.7
<b>(Loss)/profit for the year from continuing operations</b>	<b>(24.4)</b>	<b>1.0</b>	<b>(6.4)</b>	<b>0.2</b>	<b>(29.6)</b>
<b>(Loss)/profit for the year attributable to owners of the parent</b>	<b>(24.4)</b>	<b>1.0</b>	<b>(6.4)</b>	<b>0.2</b>	<b>(29.6)</b>
Segment assets	100.6	12.2	32.2	-	145.0
Corporate assets	-	-	-	3.7	3.7
<b>Consolidated total assets</b>	<b>100.6</b>	<b>12.2</b>	<b>32.2</b>	<b>3.7</b>	<b>148.7</b>
Segment liabilities	(13.5)	(3.6)	(6.4)	-	(23.5)
Corporate liabilities	-	-	-	(1.1)	(1.1)
<b>Consolidated total liabilities</b>	<b>(13.5)</b>	<b>(3.6)</b>	<b>(6.4)</b>	<b>(1.1)</b>	<b>(24.6)</b>
<b>Other items</b>					
Capital expenditure	1.0	0.8	0.1	-	1.9
Impairment of trade receivables	0.2	-	0.2	-	0.4

*Notes to the Financial Statements (continued)***2 Net Operating Expenses**

Operating profit is stated after charging/(crediting):

	Notes	Adjusted Results 2012 £m	Adjusting Items 2012 £m	Statutory Results 2012 £m	Adjusted Results 2011 £m	Adjusting Items 2011 £m	Statutory Results 2011 £m
Employee benefit expense	5	25.2	-	25.2	28.3	-	28.3
Depreciation of owned property, plant and equipment	10	0.7	-	0.7	0.9	-	0.9
Amortisation of intangibles	9	2.1	0.8	2.9	2.1	1.2	3.3
Impairment of goodwill and intangibles	8, 9	-	-	-	-	32.2	32.2
Exceptional items	3	-	4.5	4.5	-	3.4	3.4
Operating lease rentals							
Minimum lease payments		2.4	-	2.4	2.7	-	2.7
Subleases		(0.5)	-	(0.5)	(0.5)	-	(0.5)
Repairs and maintenance expenditure on property, plant and equipment		-	-	-	0.1	-	0.1
Trade receivables impairment	13	0.1	-	0.1	0.4	-	0.4
Other operating expenses		27.0	-	27.0	27.6	-	27.6
		<b>57.0</b>	<b>5.3</b>	<b>62.3</b>	<b>61.6</b>	<b>36.8</b>	<b>98.4</b>
Cost of Sales		35.0	-	35.0	37.0	-	37.0
Distribution costs		2.5	-	2.5	3.0	-	3.0
Administrative expenses		19.5	5.3	24.8	21.6	36.8	58.4
		<b>57.0</b>	<b>5.3</b>	<b>62.3</b>	<b>61.6</b>	<b>36.8</b>	<b>98.4</b>

**Services provided by the Group's auditor**

	2012 £'000	2011 £'000
Audit fees:		
Fees payable to Company's auditor for the audit of parent company and consolidated financial statements	30	30
Fees payable to the Company's auditor and its associates for other services:		
The audit of the Company's subsidiaries pursuant to legislation	117	75
Other services pursuant to legislation	25	21
Services relating to remuneration	-	40
All other services	219	6
	<b>391</b>	<b>172</b>

Included within other services are fees of £200,000 in respect of financial and tax due diligence advice on the acquisition of Econsultancy.com Limited.

### 3 Exceptional Items

	2012 £m	2011 £m
Restructuring costs		
Redundancies	1.9	3.0
Accelerated amortisation of software	0.1	0.1
Product closure costs	0.3	0.3
	2.3	3.4
Acquisition related costs	1.1	0.3
Deferred contingent consideration	1.1	-
Onerous lease provision	0.3	(0.1)
Poland Street lease		
Compensation receivable	-	(1.5)
Move related costs	-	0.8
Accelerated depreciation on leasehold improvements	-	0.5
	-	(0.2)
Profit on disposal	(0.3)	-
<b>Total</b>	<b>4.5</b>	<b>3.4</b>

Restructuring costs in 2012 comprise redundancy costs of £1.9m, the accelerated amortisation of software of £0.1m and product closure costs on discontinued/disposed products of £0.3m, all resulting from the continuing restructuring of the Group commenced in 2011.

Acquisition related costs in 2012 comprise the legal and professional fees and stamp duty associated with the acquisition of Investment Platforms Limited ("IPL") in August 2011 (£0.1m), Venture Business Research Limited ("VBR") in December 2011 (£0.2m) and The Profile Group (UK) Limited ("Profile") in February 2012 (£0.2m), plus non-contingent legal and professional fees incurred during the year associated with the acquisition of Econsultancy.com Limited in July 2012 (£0.5m) and legal and professional fees associated with the refinancing of the Group's banking facilities in February 2012 (£0.1m).

The deferred contingent consideration charge relates to the acquisitions of The Forum for Expatriate Management Limited (in 2011), IPL and VBR. Earn-out payments for each of these acquisitions are contingent on the future profitability of each of the acquired businesses (refer to note 26). As the payments are also contingent on the continued employment of the vendors, IFRS<sub>3</sub>(R) requires that such arrangements are recognised in the Consolidated Statement of Comprehensive Income, based on the Directors' best estimate of the earn-out amount, on a straight line basis over the life of the earn-out. The charge recorded in 2012 represents the proportionate amount of the expected earn-out payments, plus an adjustment to earlier periods where the latest information available indicates that the consideration ultimately payable will differ from that which was initially expected.

Following the acquisition of Profile, the business was relocated to Centaur's offices, resulting in an onerous lease provision of £0.3m being made for the remaining cost of their existing lease (note 20).



*Notes to the Financial Statements (continued)***3 Exceptional Items (continued)**

During the year, the Group disposed of the Logistics and Supply Chain portfolio, the Recruiter and the manufacturing and B2B construction assets. The gain of £0.3m recognised in relation to these disposals represents the net present value of the consideration receivable from the sales (£1.1m), less the net book value of intangible assets disposed (£0.6m - disclosed as held for sale in 2011) and legal, professional and other costs of disposal (£0.2m).

Reorganisation costs in 2011 comprise redundancy costs of £3m, the impairment of software of £0.1m and product closure costs on discontinued products of £0.3m.

Acquisition related costs in 2011 comprise the legal fees and stamp duty associated with the acquisition of The Forum for Expatriate Management Limited in April 2011 and the final adjustment to the deferred consideration for Taxbriefs Holdings Limited which was acquired in 2010.

Following the acquisition of Taxbriefs in 2010, a decision was made to relocate the business to Centaur's offices, resulting in a provision being made for the remaining costs of their existing lease. The £0.1m credit shown in 2011 arose from an adjustment to the onerous lease provision following the sub-letting of the premises.

Poland Street lease related items in 2011 arose from the Group's vacation of one of its central London offices. Statutory compensation of £1.5m received (in 2012) upon expiry of the lease was offset by the write-off of £0.5m of leasehold improvements specific to those premises and £0.8m of unavoidable costs incurred in relation to the move.

**4 Finance Costs**

	2012 £m	2011 £m
Interest payable on revolving credit facility	(0.3)	(0.1)
Commitment fees and amortisation of arrangement fee in respect of revolving credit facility	(0.2)	-
Finance lease interest	(0.1)	(0.1)
	(0.6)	(0.2)

## 5 Directors and Employees

	2012 Group £m	2011 Group £m	2012 Company £m	2011 Company £m
Wages and salaries	21.7	24.4	0.8	1.2
Social security costs	2.7	3.1	0.1	0.1
Other pension costs (note 29)	0.5	0.6	0.1	0.1
Equity settled share-based payments (note 23)	0.3	0.2	0.1	0.1
	25.2	28.3	1.1	1.5
Exceptional redundancy costs (note 3)	1.9	3.0	-	-
	27.1	31.3	1.1	1.5

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

	2012 Group Number	2011 Group Number
Business Publishing	296	373
Business Information	65	44
Exhibitions	96	112
Central	79	93
	536	622

### Key management compensation

Key management personnel of the Group, subsequent to the restructuring of the Group at the end of 2011, includes the Executive Directors and the Managing Directors across each of the Business Publishing, Business Information and Exhibitions divisions, and their remuneration is set out below. Prior to the restructuring, key management personnel were considered to be a wider group, including Directors, members of the Centaur Publishing Board and other employees who were deemed to have authority and responsibility for planning, directing and controlling activities of Centaur and its subsidiaries.

	2012 £m	2011 £m
Salaries and short term employment benefits	1.2	3.2
Termination benefits	-	0.7
Other pension costs	0.1	0.2
Share based payments	0.2	0.1
	1.5	4.2

Details of Directors' remuneration are included in the Directors' Report on Remuneration on page 44.

*Notes to the Financial Statements (continued)***6 Taxation**

	2012 £m	2011 £m
<b>(a) Analysis of charge in year</b>		
<b>Current tax</b>		
Current year	1.3	(0.5)
Adjustment in respect of prior year	0.4	(0.1)
	1.7	(0.6)
<b>Deferred tax (note 21)</b>		
Origination and reversal of temporary differences	0.1	(0.2)
Adjustment in respect of prior year	(0.4)	0.1
	(0.3)	(0.1)
<b>Taxation</b>	<b>1.4</b>	<b>(0.7)</b>

**(b) Factors affecting the tax charge for the year**

The tax charge/(credit) for the year is higher (2011: lower) than the standard rate of corporation tax in the UK (25.5% - 2011: 27.75%). The differences are explained below:

	2012 £m	2011 £m
Profit/(loss) before tax	2.7	(30.3)
Profit/(loss) before tax multiplied by standard rate of corporation tax in the UK of 25.5% (2011: 27.75%)	0.7	(8.4)
<b>Effects of:</b>		
Expenses not deductible for tax purposes	1.0	0.2
Effects of changes in tax rate on deferred tax balances	(0.3)	-
Utilisation of tax losses brought forward	(0.1)	-
Non-taxable lease compensation	-	(0.4)
Goodwill and intangibles impairment not deductible	-	7.8
Deferred tax charge/(credit) on share based payments taken to the statement of comprehensive income	0.1	0.1
	<b>1.4</b>	<b>(0.7)</b>

The Finance Act 2011 included legislation to reduce the main rate of corporation tax from 26% to 24% from 1 April 2012. In addition, legislation to reduce the main rate of corporation tax from 24% to 23% from 1 April 2013 is expected to be included in the Finance Act 2012. These further changes have not been substantively enacted at the balance sheet date and, therefore are not included in these financial statements. There will be no material effect on the deferred tax liability or the tax charge/(credit) resulting from the changes to be enacted in the Finance Act 2012.

## 7 Earning Per Share

Basic earnings/(loss) per share (EPS/(LPS)) is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of shares in issue during the year. 1,813,762 (2011: 1,476,500) shares held in the employee benefit trust and 8,964,507 (2011: 9,309,102) shares held in treasury have been excluded in arriving at the weighted average number of shares.

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. This comprises share options (including those granted under the Sharesave plan) 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.

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.

	2012 Earnings attributable to owners of the parent	2012 Weighted average number of shares	2012 Amount per share	2011 Earnings attributable to owners of the parent	2011 Weighted average number of shares	2011 Amount per share
	£m	millions	Pence	£m	millions	Pence
<b>Basic EPS/(LPS)</b>	<b>1.3</b>	<b>139.3</b>	<b>0.9</b>	<b>(29.6)</b>	<b>139.9</b>	<b>(21.2)</b>
<b>Effect of dilutive securities</b>						
Options	-	2.2	-	-	-	-
<b>Diluted basic EPS/(LPS)</b>	<b>1.3</b>	<b>141.5</b>	<b>0.9</b>	<b>(29.6)</b>	<b>139.9</b>	<b>(21.2)</b>
<b>Adjusted EPS</b>						
Earnings/(loss) attributable to owners of the parent	1.3	139.3	0.9	(29.6)	139.9	(21.2)
Amortisation of acquired intangibles (excluding software) (note 9)	0.8	-	0.6	1.2	-	0.9
Impairment of goodwill and intangibles assets (note 8)	-	-	-	32.2	-	23.0
Exceptional items (note 3)	4.5	-	3.2	3.4	-	2.4
Tax effect of above adjustments	(0.8)	-	(0.5)	(2.4)	-	(1.7)
<b>Adjusted EPS</b>	<b>5.8</b>	<b>139.3</b>	<b>4.2</b>	<b>4.8</b>	<b>139.9</b>	<b>3.4</b>
<b>Effect of dilutive securities</b>						
Options	-	2.2	-	-	2.5	-
<b>Diluted adjusted EPS</b>	<b>5.8</b>	<b>141.5</b>	<b>4.1</b>	<b>4.8</b>	<b>142.4</b>	<b>3.4</b>

*Notes to the Financial Statements (continued)***8 Goodwill**

<b>2012</b>	<b>Total £m</b>
<b>Cost</b>	
At 1 July 2011	142.0
Additions - acquisition of subsidiaries	5.8
Additions - other acquisitions	0.2
FEM adjustment	(0.8)
At 30 June 2012	147.2
<b>Impairment</b>	
At 1 July 2011	25.9
Charge for the year	-
At 30 June 2012	25.9
<b>Net book amount At 30 June 2012</b>	<b>121.3</b>
At 30 June 2011	116.1
<b>2011</b>	
<b>Cost</b>	
At 1 July 2010	140.7
Additions	1.3
At 30 June 2011	142.0
<b>Impairment</b>	
At 1 July 2010	-
Charge for the year	25.9
At 30 June 2011	25.9
<b>Net book amount At 30 June 2011</b>	<b>116.1</b>
At 30 June 2010	140.7

The majority of the Group's goodwill arose on the acquisition of the Centaur Communications Group in 2004. The fair values of the acquired assets and liabilities of The Forum for Expatriate Management Limited ("FEM"), acquired in April 2011, were disclosed as provisional in 2011, and were finalised in 2012. The provisional 2011 goodwill calculation included a provision for £1.1m of deferred contingent consideration, of which £0.3m was paid in July 2011. The remaining £0.8m is contingent on the continuing employment of the vendors, and IFRS3(R) requires that such arrangements are recognised in the Consolidated Statement of Comprehensive Income over the life of the earn-out rather than being treated as a cost of investment (refer to note 20). Goodwill has therefore been adjusted by £0.8m.

Goodwill acquired as part of business combinations of £5.8m has been recognised in the year (note 26). Additions from other acquisitions arose from the purchase of an additional 0.71% of the share capital of Perfect Information Limited ("PI") for £0.2m in January 2012. The entire value of this purchase has been added to goodwill as no non-controlling interest has been recognised with respect to PI as the company had net liabilities as at 30 June 2011.



### Goodwill by segment

Each brand, comprising individual magazines, digital titles and events, is deemed to be a Cash Generating Unit (CGU), being the lowest level for which cash flows are separately identifiable. Goodwill is attributed to individual CGUs but is reviewed at the segment level for the purposes of the annual impairment review as this is the level that management monitor goodwill.

The following table shows the allocation of goodwill to segments at 30 June 2012:

	Business Publishing £m	Exhibitions £m	Business Information £m	Total £m
<b>Goodwill</b>				
At 30 June 2011	82.2	25.3	8.6	116.1
Additions (note 26)	0.8	-	5.2	6.0
FEM adjustment	(0.8)	-	-	(0.8)
At 30 June 2012	82.2	25.3	13.8	121.3

### Impairment testing of goodwill and acquired intangible assets

During the year goodwill and acquired intangible assets were tested for impairment in accordance with IAS 36. In assessing whether a write-down of goodwill and acquired intangible assets is required, the carrying value of the segment is compared with its recoverable amount, being the higher of value in use and fair value less costs to sell.

Fair value is calculated based on expected proceeds. For all other assets the recoverable amount is measured based on value-in-use.

The Group estimates the value-in-use of its CGUs using a discounted cash flow model, which adjusts the cash flows for risks associated with the assets and discounts these using a pre-tax rate of 11.9% (2011: 12.7%). The discount rate used is consistent with the Group's weighted average cost of capital and is used across all segments.

The key assumptions used in calculating value-in-use are revenue growth, adjusted EBITDA margin, discount rate and the terminal growth rate. The Group has used formally approved forecasts for the first five years of the value-in-use calculation, and applied a terminal growth rate of 2.25% (2011: 2.25%). This timescale and the terminal growth rate are both considered appropriate given the cyclical nature of the Group's revenues.

No impairment was noted as a result of the impairment review (2011: £32.2m). The 2011 impairment charge related to CGUs that were closed or disposed of as well as those CGUs where the carrying value exceeded the value-in-use.

The forecasts used in value-in-use calculations are sensitive to changes in the forecast growth rates and the discount factor applied. However, forecast revenue would need to reduce by 3% per annum for the next 5 years or the discount factor would have to increase by 2 percentage points in order to trigger an impairment in any segment.

## Notes to the Financial Statements (continued)

## 9 Other Intangible Assets

	Computer software £m	Brands & publishing rights £m	Customer relationships £m	Websites & content £m	Non-competete arrangements £m	Total £m
<b>At 1 July 2010</b>						
Cost	11.2	10.1	4.1	0.4	0.5	26.3
Accumulated amortisation and impairment	(5.9)	(2.0)	(1.5)	(0.4)	(0.3)	(10.1)
Net book amount	5.3	8.1	2.6	-	0.2	16.2
<b>Year ended 30 June 2011</b>						
Opening net book amount	5.3	8.1	2.6	-	0.2	16.2
Additions - business combinations	-	1.6	0.5	-	-	2.1
Additions - separately acquired	1.1	-	-	-	-	1.1
Additions - internally generated	0.7	-	-	-	-	0.7
Amortisation charge for the year	(2.1)	(0.5)	(0.6)	-	(0.1)	(3.3)
Accelerated amortisation (note 2)	(0.1)	-	-	-	-	(0.1)
Impairment charge (note 8)	-	(4.7)	(1.5)	-	(0.1)	(6.3)
Transfer to disposal group (note 16)	-	(0.6)	-	-	-	(0.6)
Closing net book amount	4.9	3.9	1.0	-	-	9.8
<b>At 30 June 2011</b>						
Cost	13.0	9.9	4.2	0.4	0.5	28.0
Accumulated amortisation and impairment	(8.1)	(6.0)	(3.2)	(0.4)	(0.5)	(18.2)
Net book amount	4.9	3.9	1.0	-	-	9.8
<b>Year ended 30 June 2012</b>						
Opening net book amount	4.9	3.9	1.0	-	-	9.8
Additions - business combinations	-	1.0	4.4	1.1	-	6.5
Additions - separately acquired	1.7	0.1	-	-	-	1.8
Additions - internally generated	0.3	-	-	-	-	0.3
Accelerated amortisation (note 3)	(0.1)	-	-	-	-	(0.1)
Amortisation charge for the year	(2.1)	(0.2)	(0.5)	(0.1)	-	(2.9)
Closing net book amount	4.7	4.8	4.9	1.0	-	15.4
<b>At 30 June 2012</b>						
Cost	14.8	5.6	6.0	1.5	0.5	28.4
Accumulated amortisation and impairment	(10.1)	(0.8)	(1.1)	(0.5)	(0.5)	(13.0)
Net book amount	4.7	4.8	4.9	1.0	-	15.4

Computer software capitalised in 2012 and 2011 principally relates to the development of software used in websites and digital products, and also to the development of new products in the Business Information segment.

The additions to brands and publishing rights, customer relationships and websites and content through business combinations in 2012 relate to the acquisition of Investment Platforms Limited, purchased in August 2011, Venture Business Research Limited, purchased in December 2011, and The Profile Group (UK) Limited, purchased in February 2012 (note 26). The addition to brands and publishing rights and customer relationships through business combinations in 2011 relates to The Forum for Expatriate Management Limited, purchased in April 2011 (note 26).

The separately acquired addition to brands and publishing rights in 2012 relates to the purchase of the Excite show in December 2011.

## 10 Property, Plant and Equipment

	Leasehold improvements £m	Fixtures and fittings £m	Computer equipment £m	Total £m
<b>At 1 July 2010</b>				
Cost	3.5	3.0	1.7	8.2
Accumulated depreciation	(1.5)	(1.6)	(1.3)	(4.4)
Net book amount	2.0	1.4	0.4	3.8
<b>Year ended 30 June 2011</b>				
Opening net book amount	2.0	1.4	0.4	3.8
Additions	-	-	0.1	0.1
Depreciation charge for the year	(0.4)	(0.3)	(0.2)	(0.9)
Accelerated depreciation (note 3)	(0.5)	-	-	(0.5)
Closing net book amount	1.1	1.1	0.3	2.5
<b>At 30 June 2011</b>				
Cost	3.5	3.0	1.8	8.3
Accumulated depreciation	(2.4)	(1.9)	(1.5)	(5.8)
Net book amount	1.1	1.1	0.3	2.5
<b>Year ended 30 June 2012</b>				
Opening net book amount	1.1	1.1	0.3	2.5
Additions	0.1	0.1	0.2	0.4
Acquisition of subsidiaries	-	-	0.1	0.1
Depreciation charge for the year	(0.3)	(0.3)	(0.1)	(0.7)
Closing net book amount	0.9	0.9	0.5	2.3
<b>At 30 June 2012</b>				
Cost	3.6	3.1	2.1	8.8
Accumulated depreciation	(2.7)	(2.2)	(1.6)	(6.5)
Net book amount	0.9	0.9	0.5	2.3

Included in property, plant and equipment are assets purchased under finance leases with a cost of £0.8m (2011: £0.8m), accumulated depreciation of £0.3m (2011: £0.2m) and net book value of £0.5m (2011: £0.6m).

*Notes to the Financial Statements (continued)***11 Investments**

Company	Investments in subsidiary undertakings £m
At 1 July 2011	146.2
Additions	-
At 30 June 2012	146.2

The following table shows the principal trading subsidiary in undertakings as at 30 June 2012:

Name	Class of share capital	Proportion held (%)	Principal activities
Centaur Communications Limited <sup>1</sup>	Ordinary	100.00	Holding company and agency services
Centaur Consumer Exhibitions Limited	Ordinary	100.00	Exhibitions
Chiron Communications Limited	Ordinary	100.00	Digital and print publishing
Ascent Publishing Limited	Ordinary	100.00	Digital and print publishing
Perfect Information Limited	Ordinary	97.40	Financial information services
Pro-Talk Limited	Ordinary	100.00	Digital publishing
Taxbriefs Holdings Limited	Ordinary	100.00	Holding company
Taxbriefs Limited	Ordinary	100.00	Digital and print publishing
The Forum for Expatriate Management Limited	Ordinary	100.00	Events and information services
The Forum for Expatriate Management Inc (incorporated in US)	Ordinary	100.00	Events and information services
Investment Platforms Limited	Ordinary	100.00	Research data and analysis
Venture Business Research Limited	Ordinary	100.00	Research data and analysis
The Profile Group (UK) Limited	Ordinary	100.00	Digital information services

<sup>1</sup> Directly owned by Centaur Media plc

All of the above subsidiary undertakings are incorporated in England and Wales except where noted. The consolidated financial statements incorporate the financial statements of all entities controlled by the Company at 30 June each year.

The proportion held by the Group of the share capital of Perfect Information Limited increased in 2012 from 96.69% to 97.40% following the purchase of an additional 0.71% from a minority shareholder (note 8).

No non-controlling interest has been recognised by the Group in relation to Perfect Information Limited as the minority share of the company's net assets as at 30 June 2012 was not material for disclosure in these financial statements. No non-controlling interest was recognised in 2011 as the company had net liabilities at 30 June 2011.

## 12 Inventories

	2012 Group £m	2011 Group £m
Work in progress	1.1	1.3
	1.1	1.3

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

## 13 Trade and Other Receivables

	2012 Group £m	2011 Group £m	2012 Company £m	2011 Company £m
<b>Amounts falling due within one year</b>				
Trade receivables	9.5	9.6	-	-
Less: provision for impairment of receivables	(0.2)	(0.4)	-	-
Trade receivables - net	9.3	9.2	-	-
Receivables from subsidiaries	-	-	2.8	1.5
Other receivables	1.4	1.8	0.3	0.3
Prepayments and accrued income	2.8	3.7	-	-
	13.5	14.7	3.1	1.8

Receivables from subsidiaries are unsecured, have no fixed date of repayment and bear interest at an annual rate of 2.11% (2011: 2.11%).

The fair value of trade receivables is equal to the carrying value. The ageing of trade receivables at 30 June 2012, according to their original due date, is detailed below:

	2012 Gross £m	2012 Provision £m	2011 Gross £m	2011 Provision £m
Relating to future revenues	2.6	-	2.9	-
Current	4.1	-	5.7	(0.2)
31-60 days	1.6	-	0.7	-
61-90 days	0.6	-	0.1	-
Over 90 days	0.6	(0.2)	0.2	(0.2)
	9.5	(0.2)	9.6	(0.4)

The amount relating to future revenues forms part of deferred income in note 18.



*Notes to the Financial Statements (continued)***13 Trade and Other Receivables (continued)**

The movement in the provision for impairment of receivables is detailed below:

	2012 Group £m	2011 Group £m
Balance at start of year	0.4	0.3
Utilised	(0.3)	(0.3)
Additional provision charged to the statement of comprehensive income	0.1	0.4
	0.2	0.4

The Group's policy requires customers to pay in accordance with agreed payment terms, which are generally 30 days from the date of invoice or, in the case of event-related revenue, 30 days before the event. All credit and recovery risk associated with trade receivables has been provided for in the balance sheet. Impairment losses are taken through administrative expenses in the statement of comprehensive income.

**14 Cash and Cash Equivalents**

	2012 Group £m	2011 Group £m	2012 Company £m	2011 Company £m
Cash at bank and in hand	5.3	2.0	-	(3.6)

**15 Disposal Group Held For Sale**

During 2011, the Directors began negotiations for the sale of the Logistics and Supply Chain portfolio of products which was reported as part of the Business Publishing segment. As at 30 June 2011, final negotiations for the sale were in progress and were completed on 12 September 2011. As a result, the activities were classified as a disposal group held for sale as at 30 June 2011 and included in the calculation of the gain on disposal recorded in 2012 (note 3). An impairment charge of £0.8m was taken in 2011 in respect of these assets.

The assets of the Logistics business were as follows:

	2012 £m	2011 £m
<b>Assets</b>		
Brands and publishing rights	-	0.6
Assets classified as held for resale	-	0.6

## 16 Financial Liabilities

	2012 Group £m	2011 Group £m	2012 Company £m	2011 Company £m
<b>Current liabilities</b>				
Finance lease payables	0.2	0.2	-	-
Arrangement fee in respect of revolving credit facility	(0.2)	-	(0.2)	-
	-	0.2	(0.2)	-
<b>Non-current liabilities</b>				
Finance lease payables	0.3	0.5	-	-
Arrangement fee in respect of revolving credit facility	(0.3)	-	(0.3)	-
Revolving credit facility (note 27)	12.5	-	12.5	-
	12.5	0.5	12.2	-

### Finance lease payables

Lease payables are effectively secured as the rights to the leased assets revert to the lessor in the event of default.

	2012 £m	2011 £m
Gross finance lease liabilities - minimum lease payments		
No later than 1 year	0.3	0.3
Later than 1 year and no later than 5 years	0.3	0.5
	0.6	0.8
Future finance charges on finance leases	(0.1)	(0.1)
Present value of finance lease liabilities	0.5	0.7

The present value of finance lease liabilities is as follows:

	2012 £m	2011 £m
No later than 1 year	0.2	0.2
Later than 1 year and no later than 5 years	0.3	0.5
Future finance charges on finance leases	0.5	0.7

*Notes to the Financial Statements (continued)***17 Trade and Other Payables**

	2012 Group £m	2011 Group £m	2012 Company £m	2011 Company £m
Trade payables	1.1	2.4	-	-
Payables to subsidiaries	-	-	0.3	3.0
Social security and other taxes	2.8	2.9	0.1	0.1
Other payables	0.1	0.1	-	-
Accruals	6.0	6.8	0.1	0.3
	10.0	12.2	0.5	3.4

Payables to subsidiaries are unsecured, have no fixed date of repayment and bear interest at an annual rate of 2.11% (2011: 2.11%).

**18 Deferred Income**

	2012 Group £m	2011 Group £m
Deferred income	11.3	9.4

**19 Current Tax Liabilities**

	2012 Group £m	2011 Group £m
Corporation tax	0.8	-

## 20 Provisions

	Deferred consideration £m	Onerous lease £m	Total £m
<b>Group</b>			
At 1 July 2011	1.2	-	1.2
Paid during the year	(0.3)	-	(0.3)
FEM adjustment	(0.8)	-	(0.8)
Charged to statement of comprehensive income during the year	-	0.3	0.3
Utilised during the year	-	-	-
Arising on acquisitions (note 26)	1.1	-	1.1
<b>At 30 June 2012</b>	<b>1.2</b>	<b>0.3</b>	<b>1.5</b>
Current	-	0.3	0.3
Non-current	1.2	-	1.2
<b>At 30 June 2012</b>	<b>1.2</b>	<b>0.3</b>	<b>1.5</b>

The £0.3m of deferred consideration paid during the year relates to the acquisition of The Forum for Expatriate Management Limited (“FEM”) in 2011. A further £0.8m of deferred consideration that was provided for in 2011 in respect of FEM is contingent on the continued employment of the vendors. IFRS3(R) requires that such arrangements are recognised in the Consolidated Statement of Comprehensive Income over the life of the earnout rather than being treated as a cost of investment. The provision at 1 July 2011 has therefore been adjusted by £0.8m (refer to note 8).

The deferred contingent consideration provision of £1.1m arising in the year relates to the acquisitions of Investment Platforms Limited, Venture Business Research Limited and FEM. Earn-out payments for each of these acquisitions are contingent on the future profitability of the acquired businesses, and further detail on the contingent payments is included in note 26. As the payments are also contingent on the continued employment of the vendors, IFRS3(R) requires that such arrangements are recognised in the Consolidated Statement of Comprehensive Income, based on the Directors’ best estimate of the earn-out amount, on a straight line basis over the life of the earn-out. The provision arising in the year represents the proportionate amount of the expected earn-out payments due as at 30 June 2012.

The onerous lease provision relates to premises acquired with The Profile Group (UK) Limited, whose staff transferred to existing Group premises.

*Notes to the Financial Statements (continued)***21 Deferred Income Tax**

The movement on the deferred income tax account is shown below

	2012 Group £m	2011 Group £m
Net liability at 1 July	(0.5)	(0.6)
Recognised in the statement of comprehensive income	0.3	0.1
Net liability at 30 June	(0.2)	(0.5)

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 year (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.

	Accelerated capital allowances £m	Other temporary differences £m	Group total £m
<b>Deferred income tax assets</b>			
At 1 July 2011	0.5	0.1	0.6
Recognised in the statement of comprehensive income	-	0.2	0.2
<b>At 30 June 2012</b>	<b>0.5</b>	<b>0.3</b>	<b>0.8</b>
<b>Deferred income tax liabilities</b>			
At 1 July 2011			1.1
Recognised in the statement of comprehensive income			(0.1)
<b>At 30 June 2012</b>			<b>1.0</b>
<b>Net deferred income tax liability</b>			
<b>At 30 June 2012</b>			<b>(0.2)</b>
At 30 June 2011			(0.5)
No later than one year			0.8
Later than one year			(1.0)
<b>Total</b>			<b>(0.2)</b>



## 22 Share Capital

	2012 Group and company £m	2011 Group and company £m
<b>Authorised</b>		
200,000,000 (2011: 200,000,000) ordinary shares of 10p each	20.0	20.0
<b>Issued and fully paid</b>		
<b>At 30 June 2012: 150,207,960 (30 June 2011: 150,207,960)</b>	<b>15.0</b>	<b>15.0</b>
At 1 July 2011: 150,207,960 (1 July 2010: 150,207,960)	15.0	15.0

### Potential issue of ordinary shares

Certain senior executives hold options to subscribe for shares in the Company at prices ranging from 41.67p to 100.00p under the Share Option plan and the Rollover plan. No options were exercised under these plans during 2012 or 2011, however 100,000 options were cancelled following the resignation of a Director in 2012.

The majority of the 2004 options were cancelled during 2011 and Retention plan options were issued - refer to note 23 for more details. A Sharesave plan was launched during 2008 and options have been granted under this plan in subsequent financial years as detailed in note 23.

A Senior Executive Long-Term Incentive Plan (SELTIP) was launched in 2010 and restricted shares have been awarded under this plan for the first time in 2012 as detailed in note 23.

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	Plan	Exercise Price Pence	Exercise period	2012 Number of potential issues of shares	2011 Number of potential issues of shares
30 June 2004	Rollover options	41.7	10 March 2005 to 9 March 2014	172,777	172,777
30 June 2004	Rollover options	57.9	10 March 2005 to 9 March 2014	26,743	103,415
30 June 2004	Share Option plan	100	10 March 2005 to 9 March 2014	805,010	805,010
30 June 2005	Share Option plan	88.5	29 September 2007 to 29 September 2014	-	100,000
30 June 2008	Sharesave plan	64.7	1 June 2011 to 1 December 2011	-	5,810
30 June 2008	Sharesave plan	64.7	1 June 2013 to 1 December 2013	34,708	55,835
30 June 2009	Share Option plan	51.8	29 September 2012 to 29 October 2018	2,290,000	3,190,000
30 June 2009	Sharesave plan	20.9	1 July 2012 to 1 January 2013	1,383,147	1,788,154
30 June 2009	Sharesave plan	20.9	1 July 2014 to 1 January 2015	997,938	1,258,268
30 June 2010	Sharesave plan	41.2	1 July 2013 to 1 January 2014	138,189	204,202
30 June 2010	Sharesave plan	41.2	1 July 2015 to 1 January 2016	33,933	33,933
30 June 2012	SELTIP	-	16 September 2014 to 15 September 2021	711,621	-
				6,594,066	7,717,404

The Retention plan as referred to in note 23 will not result in the issue of any ordinary shares as this plan is not approved by shareholders. The awards will be settled from the shares held in the Employee Benefit Trust.

*Notes to the Financial Statements (continued)*

## 23 Share Based Payments

The Group had six share-based payment arrangements during the year. The Share Incentive Plan does not result in a share based payment charge. Details of this plan are given on page 42.

### Share option plan

Share options were granted to members of senior management on 9 March 2004 and 29 September 2004. Options became exercisable on the third anniversary of the date of grant, having met corporate performance targets based on Earnings before taxation and amortisation (EBTA), which were common to all Executive Directors and senior management. Further options were granted on 29 October 2008. The options will vest following the announcement of results for the year ended 30 June 2012, subject to the achievement of adjusted earnings per share (adjusted EPS) targets 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 Limited 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. Rollover options were able to be exercised from 10 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.

### The Retention Plan

On 15 September 2010 the Remuneration Committee and Board of Directors adopted the rules of “The Centaur Media plc 2010 Retention Plan” (the “Plan”). The main impact of the adoption of the Plan was the cancellation, with the agreement of option holders, of outstanding vested share options granted on 9 March 2004 and 29 September 2004 under the Centaur Media plc Share Option Plan and their replacement with a lower number of forfeitable nil-priced options (“Retention Awards”), granted on the basis of 1 Retention forfeitable nil-cost option for every 3 existing vested options surrendered. The Retention Awards will vest 50% on the second anniversary of the date of grant and the balance on the third anniversary. There are no performance conditions other than continuing employment.

The Retention Plan has been accounted for as a modification to the cancelled options, whereby a fair valuation was performed for both the existing options and the Retention awards as at the date of grant, and the difference will be accounted for over the remaining vesting period.

On 30 December 2011, a further 170,000 nil cost options were granted under the Retention Plan. The awards will vest 50% on 30 June 2013 and 50% on 30 June 2014. There are no performance conditions other than continuing employment.

**Senior Executive Long-Term Incentive Plan (“SELTIP”)**

The Centaur Media Plc 2010 Senior Executive Long-Term Incentive Plan (the “SELTIP”) was approved by shareholders at a General Meeting of the Company on 18 August 2010. The key features of the SELTIP and details of the 2011 and 2012 awards are as set out in the Directors’ Report on Remuneration (page 41)

At 30 June 2012, the following options were outstanding over the shares of Centaur Media plc in the above plans:

Plan	Exercise price Pence	Number	2012	Number	2011
			Contractual remaining life years		Contractual remaining life years
Rollover plan	41.67	172,777	1.70	172,777	2.70
Rollover plan	57.87	26,743	1.70	103,415	2.70
Share option plan	100.00	805,010	1.70	805,010	2.70
Share option plan	88.50	-	2.25	100,000	3.25
Share option plan	51.75	2,290,000	6.34	3,190,000	7.34
Retention plan	-	398,321	1.96	644,727	2.96
Retention plan	-	170,000	2.50	-	-
SELTIP	-	711,621	9.21	-	-
		4,574,472	5.06	5,015,929	5.69

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

	Number	2012	Number	2011
		Weighted average exercise price Pence		Weighted average exercise price Pence
Outstanding at 1 July	5,015,929	86.81	6,305,353	71.08
Exercised during the year	(189,738)	-	-	-
Granted during the year	1,101,471	-	644,727	-
Cancelled in the year	(219,850)	-	-	-
Forfeited during the year	(1,133,340)	(52.82)	(1,934,151)	(93.35)
Outstanding at 30 June	4,574,472	45.42	5,015,929	53.35
Exercisable at 30 June	1,004,530	88.85	1,181,202	86.81

The weighted average share price at the date of exercise was 39.6p (2011: n/a).

*Notes to the Financial Statements (continued)***23 Share Based Payments (Continued)****ShareSave Plan**

The Company introduced a ShareSave Plan in 2008 (the "SAYE Scheme"). The SAYE Scheme is an HMRC approved all-employee plan and is open to all employees who have been employed by the Group for more than 12 months. Employees may invest up to £3,000 per annum for a period of either 3 or 5 years, after which they may exercise SAYE options within 6 months of the anniversary date of the contract commencement date.

There were no grants made during 2012 and 2011. The following ShareSave Plan awards were outstanding at 30 June 2012.

Plan	Number	2012 Contractual remaining life years	Number	2011 Contractual remaining life years
2008 3 year plan	-	-	5,810	0.42
2008 5 year plan	34,708	1.42	55,835	2.42
2009 3 year plan	1,383,147	0.51	1,788,154	1.50
2009 5 year plan	997,938	2.51	1,258,268	3.50
2010 3 year plan	138,189	1.51	204,202	2.50
2010 5 year plan	33,933	3.50	33,933	4.50
	2,587,915	1.66	3,346,202	2.36

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

	Number	2012 Weighted average exercise price Pence	Number	2011 Weighted average exercise price Pence
Outstanding at 1 July	3,346,202	23.17	3,786,736	24.40
Exercised during the year	(331,124)	(20.92)	(12,585)	(21.12)
Forfeited during the year	(427,163)	(26.82)	(427,949)	(34.05)
Outstanding at 30 June	2,587,915	22.86	3,346,202	23.17
Exercisable at 30 June	-	-	5,810	64.70

The weighted average share price at the date of exercise was 36.5p (2011: n/a).

Plan	Date of grant	Valuation model used	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	Stochastic	24.50	100.00	100.00	22.1%	1.50%	4.60%
Share option plan	29.9.04	Stochastic	21.40	88.50	88.50	22.1%	1.70%	4.80%
Share option plan	29.10.08	Stochastic	7.81	53.00	51.75	34.4%	8.12%	4.20%
2008 Sharesave (3 yr plan)	24.4.08	Stochastic	16.67	72.00	64.70	32.3%	5.14%	4.54%
2008 Sharesave (5 yr plan)	24.4.08	Stochastic	16.81	72.00	64.70	29.6%	5.14%	4.56%
2009 Sharesave (3 yr plan)	30.4.09	Stochastic	13.61	37.30	20.92	54.2%	9.40%	2.03%
2009 Sharesave (5 yr plan)	30.4.09	Stochastic	10.85	37.30	20.92	45.2%	9.40%	2.65%
2010 Sharesave (3 yr plan)	23.4.10	Stochastic	20.77	50.50	41.24	57.7%	3.17%	2.02%
2010 Sharesave (5 yr plan)	23.4.10	Stochastic	20.66	50.50	41.24	48.1%	3.17%	2.88%
Retention Plan (2 yr)	15.12.10	Black-Scholes	66.68	70.00	-	58.1%	2.43%	1.15%
Retention Plan (3 yr)	15.12.10	Black-Scholes	65.08	70.00	-	59.4%	2.43%	1.62%
SELTIP	15.09.11	Black-Scholes	23.76	33.88	-	54.0%	5.26%	0.57%
Retention Plan	30.12.11	Black-Scholes	27.65	30.56	-	52.0%	6.04%	0.49%

For the Share Option plan 2004, the expected volatility is based on historical volatility over a 20 month period from the date of listing to November 2005. For the Share Option plan 2008, the expected volatility is based on historical volatility over a 54 month period from the date of listing until October 2008. For the Sharesave plan and the Retention Plan, expected volatility is based on historical volatility for a period commensurate with the expected terms of the options to the grant date.

The risk-free rate of return is the yield on UK Gilts consistent with the option life.

For the SELTIP, as grants of restricted shares were made during the year, fair values with respect to the 2011 tranche of awards have been finalised in 2012. The estimated charge recognised in 2011 with respect to this award has been adjusted in 2012 alongside the recognition of the current year's expense for this award to reflect the finalisation of the fair values. As the restricted shares have not yet been granted with respect to the 2012 tranche of awards under this scheme, the fair valuation for this element has been estimated based on the latest available information. The resulting share-based payment expense is being recognised from the start of the performance period (1 July 2011) to the end of the vesting period.

The total charge for 2012 relating to employee share based payment plans was £0.3m (2011: £0.2m), all of which related to equity-settled share based payment transactions.



*Notes to the Financial Statements (continued)*

## 24 Dividends

Equity dividends	2012 £m	2011 £m
Final dividend paid for 2011: 1.3p per 10p ordinary share (2011: 1.1p paid for 2010)	1.8	1.5
Interim dividend paid for 2012: 0.75p per 10p ordinary share (2011: 0.7p paid for 2011)	1.1	1.0
	2.9	2.5

A final dividend of 1.5p per share is proposed by the Directors and, subject to shareholder approval at the Annual General Meeting, will be paid on 7 December 2012.

## 25 Notes to the Cash Flow Statement

a) Reconciliation of operating profit/(loss) for the year to net cash inflow/(outflow) from operating activities

	2012 Group £m	2011 Group £m	2012 Company £m	2011 Company £m
Profit/(loss) for the year	1.3	(29.6)	(1.6)	(1.8)
Adjustments for:				
Tax	1.4	(0.7)	-	-
Depreciation	0.7	0.9	-	-
Amortisation of intangibles	2.9	3.3	-	-
Impairment charge	-	32.2	-	-
Accelerated amortisation of software (included within exceptional costs)	0.1	0.1	-	-
Accelerated depreciation of property, plant and equipment (included within exceptional costs)	-	0.5	-	-
Finance cost	0.6	0.2	0.3	0.1
Share option charge	0.3	0.2	0.1	-
Profit on disposal	(0.3)	-	-	-
Changes in working capital (excluding effects of acquisitions and disposals of subsidiaries)				
Decrease in inventories	0.2	-	-	-
Decrease/(increase) in trade and other receivables	2.9	(2.5)	(1.3)	1.0
(Decrease)/increase in trade and other payables	(3.6)	3.5	(2.6)	2.8
Increase in deferred income	0.5	1.5	-	-
Increase/(decrease) in provisions	1.3	(0.2)	-	-
Cash generated from/(used in) operating activities	8.3	9.4	(5.1)	2.1

b) The acquisition of Investment Platforms Limited, Venture Business Research Limited and The Profile Group (UK) Limited (2011: The Forum for Expatriate Management Limited ("FEM")) had the following impact on the assets, liabilities and cash flows of the group.

	2012 £m	2011 £m
Goodwill	5.8	1.3
Intangible fixed assets	6.5	2.1
Property, plant and equipment	0.1	-
Inventories	-	0.1
Trade and other receivables	1.4	0.4
Trade and other payables	(1.4)	(0.1)
Deferred income	(1.4)	(0.8)
Provisions	-	(1.1)
	11.0	1.9
Consideration paid	11.9	2.5
Cash and cash equivalents acquired	(0.9)	(0.6)
Net cash outflow	11.0	1.9

In addition, £0.3m of deferred consideration was paid in 2012 in relation to the acquisition of FEM (2011: £0.2m in relation to the acquisition of Tax-briefs) - refer to note 20.

*Notes to the Financial Statements (continued)***26 Business Combinations****Subsidiaries acquired**

	Date of acquisition	Proportion of voting equity interest acquired
Investment Platforms Limited (IPL)	19.08.2011	100%
Venture Business Research Limited (VBR)	08.12.2011	100%
The Profile Group (UK) Limited (Profile)	20.02.2012	100%

On 19 August 2011, the Group acquired the entire issued share capital of IPL, a specialist information business in the retail financial services sector. Initial cash consideration of £2m was paid on completion of the acquisition, including a working capital adjustment of £0.2m. Further contingent consideration, up to a maximum of £4.2m, may be payable in 2015 dependent on the performance of IPL in the year ended 30 June 2014.

On 8 December 2011, the Group acquired the entire issued share capital of VBR, a specialist digital information, data and analytics business in the clean energy and global security sectors. Initial cash consideration of £2.4m was paid on completion of the acquisition, net of a working capital adjustment of £0.1m. Further contingent consideration, up to a maximum of £5m, may be payable in 2016, dependent on the performance of VBR in the year ended 30 June 2015.

The deferred consideration payments in respect of both IPL and VBR are also contingent on the continued employment of the vendors of each business, and in such circumstances IFRS3(R) requires the estimated final payment to be charged to the Consolidated Statement of Comprehensive Income over the term of the earn-out rather than being treated as a cost of investment. As a result, the value of the contingent consideration has been excluded from the calculation of goodwill shown below. See note 3 for details of the amounts charged to the Statement of Comprehensive Income during 2012 and note 20 for details of the deferred consideration provision as at 30 June 2012.

On 20 February 2012, the Group acquired the entire issued share capital of Profile, a specialist digital information business, for a net cash consideration of £7.5m, representing initial cash consideration of £8.0m offset by a £0.5m working capital adjustment. Profile provides forward planning and contact information to media, PR and marketing professionals.

**Consideration transferred**

	IPL £m	VBR £m	Profile £m
Cash	2.0	2.4	7.5

Acquisition-related costs amounting to £0.5m have been excluded from the consideration and recognised as an expense in the current year as an exceptional item within the net operating expenses line item on the consolidated statement of comprehensive income.

**Assets acquired and liabilities assumed at the acquisition date**

The following tables set out, at the respective dates of acquisition, the carrying value and provisional fair value of the assets and liabilities acquired. All intangible assets were recognised at their respective fair values.

	Carrying values pre-acquisition £m	Fair value £m		
<b>IPL</b>				
Intangible assets (excluding goodwill)	-	1.0		
Trade and other receivables	0.1	0.1		
Trade and other payables	(0.3)	(0.3)		
Cash and cash equivalents	0.4	0.4		
Net assets acquired	0.2	1.2		
<b>VBR</b>				
Intangible assets (excluding goodwill)	0.4	0.6		
Trade and other receivables	0.3	0.3		
Trade and other payables	(0.4)	(0.4)		
Net assets acquired	0.3	0.5		
<b>Profile</b>				
Intangible assets (excluding goodwill)	0.3	4.9		
Property, plant and equipment	0.1	0.1		
Trade and other receivables	1.0	1.0		
Trade and other payables	(0.7)	(0.7)		
Deferred income	(1.4)	(1.4)		
Cash and cash equivalents	0.5	0.5		
Net assets acquired	(0.2)	4.4		
<b>Goodwill arising</b>				
	IPL £m	VBR £m	Profile £m	Total £m
Consideration transferred	2.0	2.4	7.5	11.9
Less: fair value of net assets acquired	(1.2)	(0.5)	(4.4)	(6.1)
Provisional goodwill	0.8	1.9	3.1	5.8

The goodwill arising on the acquisition of IPL has been allocated to Business Publishing and the goodwill arising on the acquisition of VBR and Profile to Business Information, as those segments are expected to benefit from the synergies of the respective business combinations. Goodwill is principally attributable to the workforce and anticipated operating synergies.

*Notes to the Financial Statements (continued)***26 Business Combinations (continued)****Impact on the results of the Group**

From their respective dates of acquisition, the acquisitions contributed the following to the results of the Group.

	IPL £m	VBR £m	Profile £m
Revenue	0.9	0.3	1.1
Profit before tax	0.4	-	0.1

If the business combinations had been effected from 1 July 2011, the revenue of the Group would have been £67.8m and the profit for the year of the Group before tax would have been £3.1m. The directors consider these numbers to represent an approximate measure of the performance of the combined Group on an annualised basis – 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 year or the future results of combined operations.

**Prior year acquisitions**

On 6 April 2011, the Group acquired the entire share capital of The Forum for Expatriate Management Limited (FEM), an expatriate information and events business. FEM's revenues are generated principally through events and subscriptions. The table below sets out the carrying value and fair value of the assets and liabilities acquired, disclosed provisionally in 2011 and now confirmed as follows:

	Carrying values pre-acquisition £m	Fair value £m
Intangible assets (excluding goodwill)	-	2.1
Inventories	0.1	0.1
Trade and other receivables	0.4	0.4
Trade and other payables	(0.1)	(0.1)
Deferred income	(0.8)	(0.8)
Cash and cash equivalents	0.6	0.6
Net assets acquired	0.2	2.3

**Goodwill arising**

Consideration transferred	2.8
Less: fair value of net assets acquired	(2.3)
Final goodwill	0.5

The provisional goodwill calculation of £1.3m in 2011 has been adjusted by £0.8m (refer to note 8). The amount of contingent consideration payable with respect to the acquisition of FEM is dependent on the profits generated by FEM in the year to 30 June 2013, subject to a maximum payment of £4m.

## 27 Financial Instruments

The Group's activities expose it to a variety of financial risks: currency risk, interest rate risk, credit risk, liquidity risk and capital risk. The following note describes the role that financial instruments have had during the year ended 30 June 2012 in the management of the Group's financial risks.

### Currency risk

Substantially all the Group's net assets are located and substantially all revenue and adjusted EBITDA is generated in the United Kingdom and consequently foreign exchange risk is limited. The results of the Group are not currently sensitive to movements in currency rates.

### Interest rate risk

The Group has no significant interest-bearing assets and is exposed to interest rate risk as it borrows funds at floating interest rates. This risk may be managed by the use of interest rate swap contracts as cash flow hedges. Hedging activities are evaluated regularly to align interest rate views and risk appetite with the hedging requirements of the Group's revolving credit facility.

The Group did not enter into any hedging transactions during the year and, as at 30 June 2012, the only floating rate to which the Group is exposed was LIBOR.

The Group's exposure to interest rates on financial assets and financial liabilities is detailed in the liquidity risk section of this note.

### Credit risk

Credit risk is managed on a group basis. Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, and credit exposures to customers including outstanding receivables and committed transactions. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted. For customers, the Group's risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. The carrying amount of the Group's trade receivables, net of any provision for impairment, and other receivables (note 13) best represents the Group's maximum exposure to credit risk.



## Notes to the Financial Statements (continued)

## 27 Financial Instruments (continued)

**Liquidity risk**

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. Throughout most of 2012, and for the foreseeable future, the Group is expected to be in a net borrowings position. The Group manages liquidity risk by maintaining adequate reserves and working capital credit facilities, and by continuously monitoring forecast and actual cash flows. A summary of the undrawn facilities the Group has at its disposal to further reduce liquidity risk is shown below:

	2012 £m	2011 £m
Expiring later than one year and less than 5 years		
Working capital facility	9.0	5.0
Acquisition facility	18.5	-
	27.5	5.0

The following tables detail the Group's remaining financial maturity for its financial liabilities

	Book value £m	Fair value £m	Less than 1 year £m	2-5 years £m
<b>At 30 June 2012</b>				
Non-derivative financial liabilities				
Variable interest rate instruments	12.5	12.5	-	12.5
Fixed interest rate instruments	0.5	0.5	0.2	0.3
Non-interest bearing instruments	(0.5)	(0.5)	(0.2)	(0.3)
	12.5	12.5	-	12.5
<b>At 30 June 2011</b>				
Non-derivative financial liabilities				
Fixed interest rate instruments	0.7	0.7	0.2	0.5
	0.7	0.7	0.2	0.5

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 the market. All trade and other payables are due in one year or less, or on demand. The maturity of other non-current liabilities is given in note 20.

**Capital risk**

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising return to stakeholders as well as sustaining the future development of the business.

The capital structure of the Group consists of net debt, which includes financial liabilities (note 16) and cash and cash equivalents (note 14), and equity attributable to equity holders of the parent, comprising issued share capital (note 22), reserves and retained earnings.

During the year the Group refinanced its banking facilities, establishing a new revolving credit facility featuring both a working capital facility, to assist in managing the Group's liquidity risk, and an acquisition facility, to support the Group's acquisition strategy. The facility, available for a period of 4 years, allows for a maximum drawdown of £40m, £30m of which can be utilised for funding acquisition activity and £10m of which can be utilised for working capital purposes. The facility amortises at £2.5m per year through the term of the facility. Interest is calculated on LIBOR plus a margin dependent on the ratio of net debt to EBITDA

The principal financial covenant ratios under this facility are a maximum net debt to EBITDA ratio of 2.5 times, a minimum EBITDA interest cover of 5 times, and a minimum cash flow to debt servicing ratio of 1.1 times, tested quarterly. At 30 June 2012 all of these covenants were comfortably achieved, with a net debt (including a provision for deferred consideration) to EBITDA ratio of 0.8 times, an EBITDA interest cover of 19.7 times and cash flow to debt servicing ratio of 10.3 times. Excluding the provision for deferred consideration, net debt to EBITDA was 0.6 times.

There have been no breaches of covenant throughout 2012. The bank borrowings are guaranteed by material subsidiaries of the Group. The Group does not have any of its property or equipment and other intangible assets pledged as security over this facility.

## 28 Operating Lease Commitments

*Minimum Lease Payments as follows*

	Property 2012 £m	Property 2011 £m	Vehicles, plant and equipment 2012 £m	Vehicles, plant and equipment 2011 £m
<b>Commitments under non-cancellable operating leases payable</b>				
Within 1 year	2.4	2.8	-	-
Later than one year and less than 5 years	4.9	5.1	0.1	0.1
After 5 years	0.9	1.4	-	-
	8.2	9.3	0.1	0.1

## 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 payables is an amount of £0.1m (2011: £0.1m) payable in respect of the money purchase pension schemes.

## 30 Capital Commitments

The Group had no capital commitments at 30 June 2012 (30 June 2011: £Nil).

## 31 Related Party Transactions

### Group

Key management compensation is disclosed in note 5. There were no other material related party transactions.

### Company

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

	2012 £m	2011 £m
Recharge of administrative expenses	0.1	0.1
Interest payable	0.3	0.1
	0.4	0.2

The balances outstanding with subsidiary companies are disclosed in notes 13 and 17.

*Notes to the Financial Statements (continued)*

## 32 Post Balance Sheet Events

On 11 July 2012, Centaur Communications Limited (a subsidiary of Centaur Media plc) acquired the entire share capital of Econsultancy.com Limited (Econsultancy), a leading digital and events-led information provider to the global digital marketing and e-commerce community. Econsultancy will be integrated within the Business Information division.

The initial consideration was £12m and the total maximum consideration payable is £50m. The final consideration is dependent on the results of Econsultancy in the 12 months ending 31 December 2015 and will be payable in the 2016 calendar year. Payment of the initial consideration was funded from an additional drawdown on the Group's existing revolving credit facility.

The fair value of contingent consideration, fair value of net assets acquired, goodwill value and the amount of acquisition related costs have not been finalised as at the date of signing these accounts, and will be finalised during 2013.

Non-contingent legal and professional fees incurred during the year associated with the acquisition of Econsultancy of £0.5m have been recorded in 2012.

# Directors, Advisers and Other Corporate Information

**Company registration number**

4948078

**Incorporated/Domiciled in**

England

**Registered office**

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GTD Wilmot (Chief Executive)  
MH Kerswell (Group Finance Director)  
C Morrison  
C Satterthwaite  
RW Boyle  
RS Miskin

**Company Secretary**

P Keith

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**CENTAUR  
MEDIA PLC**

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