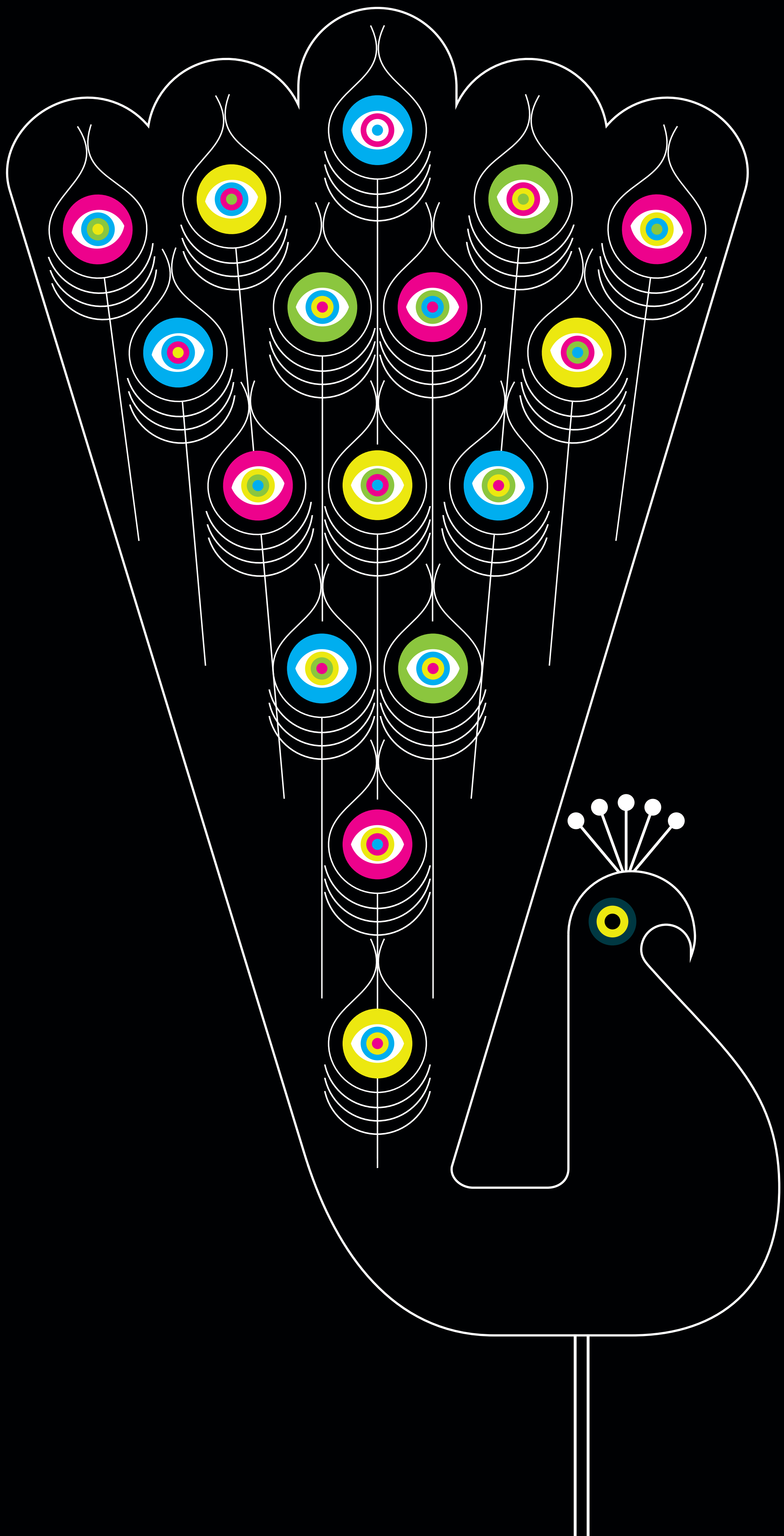

Centaur Media plc
Annual Report 2010

Annual Report
For the year ended June 2010

Centaur Media plc

www.centaur.co.uk

Directors, Advisers & Other Corporate Information

Company registration number:
4948078

Incorporated/Domiciled in:
England

Registered office:
St Giles House
50 Poland Street
London
W1F 7AX

Directors:
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GTD Wilmot (Chief Executive)
MJ Lally (Group Finance Director)
GV Sherren
BTR Scruby
C Morrison
C Satterthwaite
RW Boyle

Company Secretary:
IPH Roberts

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Solicitors:

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Independent Auditors:
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Registrars:
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9 Lion and Lamb Yard
Farnham
Surrey
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Highlights

	2010 6 months to 31 Dec. '09 Unaudited £m	 6 months to 30 June '10 Unaudited £m	 12 months to 30 June '10 Audited £m	2009 6 months to 31 Dec. '08 Unaudited £m	 6 months to 30 June '09 Unaudited £m	 12 months to 30 June '09 Audited £m
Revenue	23.9	36.0	**59.9**	31.5	34.8	66.3
Adjusted EBITDA [1]	-	6.6	**6.6**	1.9	5.1	7.0
Adjusted EBITDA margin	0%	18%	**11%**	6%	15%	11%
Profit/(loss) before tax	(1.7)	4.3	**2.6**	(0.1)	1.8	1.7
Adjusted profit before tax [2]	(1.2)	5.2	**4.0**	0.7	3.7	4.4
Basic EPS (pence)	(0.9)	2.3	**1.4**	(0.1)	0.7	0.6
Adjusted basic EPS (pence) [3]	(0.6)	2.8	**2.2**	0.3	1.8	2.1
Cash conversion [4]			**112%**			88%

Notes

1 One of Centaur's key measures of profit, which is used to measure the relative performance of divisional units of the Group, is earnings before interest, tax, depreciation and amortisation, excluding exceptional items and other significant non-cash items including share based payments (adjusted EBITDA). Refer to page 20.

2 Adjusted PBT (PBTA) is profit before tax, excluding the impact of amortisation of acquired intangibles and of exceptional items. Refer to page 20.

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

4 Cash conversion rate is free cash flow expressed as a percentage of adjusted operating profit. Free cash flow is defined as cash generated from operations (note 24 to the financial statements), less capital expenditure on property, plant and equipment and software, and excluding the cash impact of exceptional items. Adjusted operating profit is operating profit after making adjustments for amortisation on acquired intangibles and exceptional items. Refer to page 22.

— Second half recovery led by advertising revenues up 11% and adjusted EBITDA up by 29%

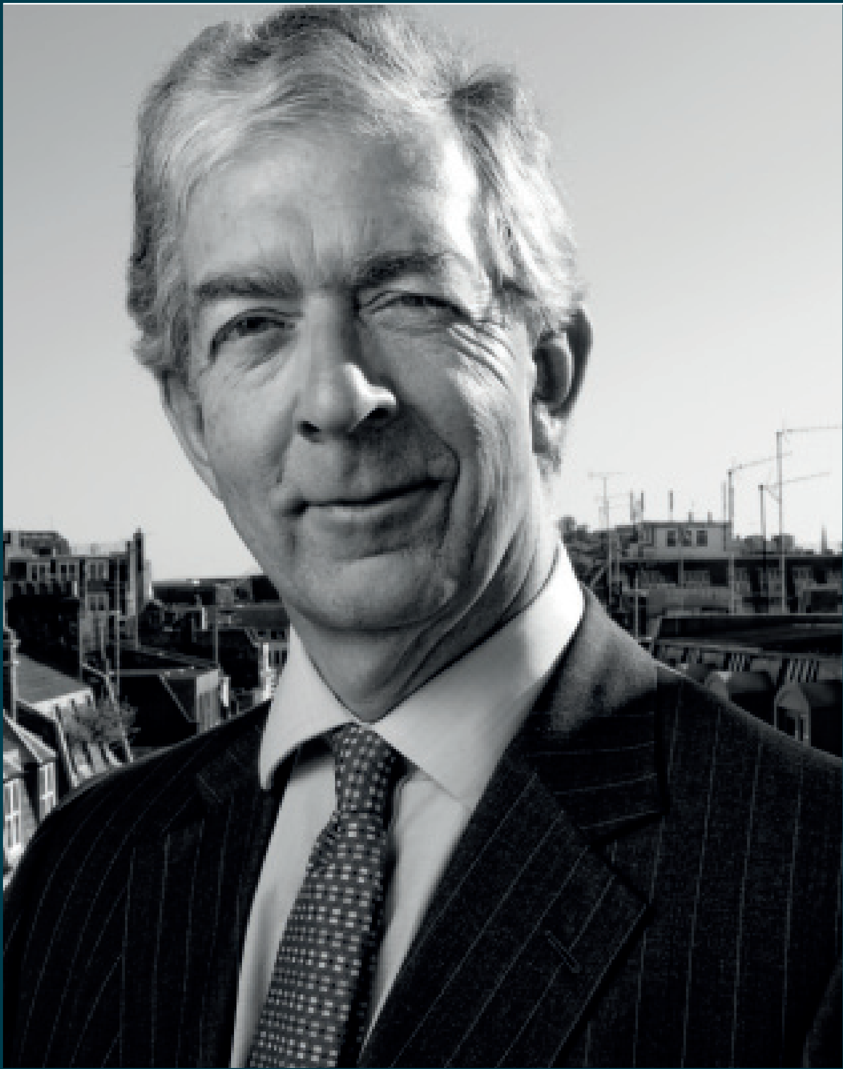
— Tight cost control helps produce second-half EBITDA margins of 18% (FY2009: 15%)

— Adjusted EPS growth of 5%

— 112% of profit converted into cash, with year-end net cash of £1.1m after acquisition of Taxbriefs

— 10% increase in final dividend

Chairman's Statement



Patrick Taylor, Chairman

This is my first annual report since being appointed as Chairman of the Centaur Board. I am delighted to report that our operational and financial performance during the year to 30 June 2010 had many positive aspects that collectively provide testament to the effective management of the Group during the unprecedented global recession of the last 18 months.

Chairman's Statement *(continued)*

During these difficult times, we have strengthened the competitive position of our brands. Furthermore, we have continued to invest in organic product development with a number of launches during the year that will contribute to the strengthening of Centaur's market position.

I was also pleased that we have continued to implement our acquisition strategy with the purchase of Taxbriefs in May 2010. This acquisition, although comparatively small, is highly complementary to our existing position within the financial intermediary community as it undergoes a period of change following completion of the FSA's Retail Distribution Review.

Current year financial performance

Group revenues recovered progressively through the financial year. Although they show a year-on-year decrease of 10% for the full year, the Group returned to revenue growth in the second half with solid double-digit year-on-year growth of 14% reported for the final quarter of the financial year (April-June 2010).

Despite lower full year revenues we contained the decrease in full year adjusted EBITDA to just 6% of the revenue reduction. This reflects a 10% year-on-year reduction in Group expenditure (on an adjusted EBITDA basis) which is attributable to the cost saving initiatives initiated during the previous financial year together with further cost reductions affected during FY2010.

As a result of this very low level of operational gearing, together with reduced exceptional charges in the current financial year and (due to deferred tax movements on share options) an effective taxation charge below the standard rate of corporation tax, I am delighted to report a basic earnings per share more than double the previous year at 1.4p (FY2009: 0.6p). Adjusted earnings per share was 2.2p (FY2009: 2.1p).

Dividend

This growth in adjusted earnings per share ("EPS") for the year to 2.2p provides the context for the Board's recommendation of a final dividend of 1.1p per share, giving a full year dividend of 1.7p (FY2009: 1.5p). This 13% increase in full year dividend reflects the Board's confidence in the future prospects of the Group's current trading position.

While the level of dividend cover, at 1.3x, is below our target level of between 2.0x to 3.0x across an economic cycle, the Board's view is that it is appropriate as we recover from the recession.

Cost reduction

In anticipation of the rapidly developing downturn in trading conditions in 2008, our management took swift and decisive action with the result that average employee numbers have reduced by 20% over the last two financial years. It should be noted that these decreases in employee numbers have been achieved largely through organisational efficiencies rather than product closures. Great care has been taken to ensure the prospective recovery and growth potential of our core operating assets was not impaired by these changes.

Investment in the future

Organic growth has always been, and will remain, at the heart of Centaur's success. During this financial year we continued to invest in new product development with £1.9 million invested in software developments within our digital businesses. This included the launches of Equity Capital Market Insight ("ECMi") at Perfect Information, and Pitch Creative, an interactive agency directory launched within our Marketing and Creative division. In addition we continued the roll-out across our branded websites of the content management system, user database and job board developments started in the previous financial year.

In total, including the acquisition of Taxbriefs mentioned above, we invested £3.4 million in the future of the business.

Group fundamentals unchanged

Continued investment has resulted in a strengthening of many fundamental aspects of the Group which now presents us with an exciting opportunity for growth and development over the next 3 to 5 years. These include:

— Market leading brands; we have increased the market share of our major brands across our communities over the past year.
— Lower fixed cost base; on an annualised basis, Group expenditure has reduced by around £15.6 million in the last two years, a proportion of which represents a reduction in the fixed cost base of the business that will contribute to rapid margin improvement as revenues return.
— Strong organic growth record; we have a growing pipeline of new product initiatives including new digital products and event launches.
— Strong balance sheet; we reported a cash conversion ratio of 112% for FY2010 with net cash of £1.1 million at 30 June 2010 leaving the Group well positioned to take advantage of future investment opportunities.
— Cyclical recovery; as in previous cycles the recovery should drive strong revenue growth for the Group with a high level of marginal profitability enhanced by the investments we have made in our digital businesses.
— Experienced management; the strength of our management team is clearly illustrated throughout this report and remains a key success criterion in driving organic growth and identifying relevant acquisition opportunities.

Board and staff

I assumed the Chair of the Board last year following the announcement by my predecessor, Graham Sherren, that he intended to retire from the Board at this year's AGM. Graham is, of course, much more than my predecessor. He has been the driver and architect of much that has happened at Centaur since he founded the Group 29 years ago. To many people and for many years, Graham has been Centaur and a doyen of business media in the UK and beyond. As Centaur moves into a new era without Graham Sherren at the helm, on behalf of the directors, staff, friends and supporters of Centaur, I want to thank him for everything he has contributed to this fine Group and to the lives of all those who have worked with him. We wish Graham a very happy and well-deserved retirement.

Tom Scruby became a Director of the Group in 1989. Tom's experience in corporate management has been a huge strength to the Board over these years but he too has decided that it is time for him to retire, and thus he will not be standing for re-election at the forthcoming AGM. Tom's wise counsel will also be missed.

My having taken on the role of Chairman, the Board needed someone with suitable financial experience to be Chairman of the Audit Committee. We have been exceptionally fortunate to attract Robert Boyle to this role. As a senior former partner of PricewaterhouseCoopers with responsibilities for the media and telecommunications practice, Robert is ideally suited to help us not only in the technical aspects of financial management but also through his knowledge of the fast changing media sector both in the UK and abroad.

Through the past year, I have been privileged to meet many of the Group's management and staff in the office, at award ceremonies and at other events put on by the Group. I have been impressed by the quality of our people, by their enthusiasm for the business and by their determination to grow the business as the market improves. On behalf of the Board and our shareholders, I would like to thank all of our staff for the efforts they have made through these difficult months.

Current trading and outlook

The first two months of the new financial year are traditionally a quieter period for our publishing and event businesses. We have seen evidence that the encouraging pace of growth in Group revenues that we experienced in the final quarter of FY2010 is continuing. Given the strength of our brands in each of their communities and the work that has been done to re-position them for the digital world, the Board is confident that, with further market improvements, the Group is well positioned for the future.

Geoff Wilmot, Chief Executive Officer

"Our vision is to be the leading provider of high value information and marketing solutions to our chosen communities. We aim to secure sustainable market leadership through customer intimacy, product quality and continuous innovation."

Vision, Values & Strategy

Introduction

Our business is essentially about providing professional, business and special interest communities with information and tools that help them do their jobs better and with opportunities for buyers and sellers within those communities to communicate with each other. We serve two groups of clients – audiences and marketers. We are first and foremost in the readership business and our first priority is to understand and satisfy the information needs of our audiences. However, the quality of our information brands permits us to offer unrivalled access to market for those wishing to do business with our audience community. As a result, we currently generate the majority of our revenues from our marketers.

We aim to maintain a strong culture of entrepreneurialism and professionalism within the business and our organisation reflects and supports this objective. The business operates within a decentralised structure of profit centre business units supported by a high quality service department infrastructure. We describe ourselves as a federation of small businesses and encourage a strong sense of ownership and responsibility in our people.

Vision

Our vision is to be the leading provider of high value information and marketing solutions to our chosen communities. We aim to secure sustainable market leadership through customer intimacy, product quality and continuous innovation.

Values

Our people represent the heart of our business and we aim to provide them with a working environment in which they will thrive. Our meritocratic culture is based on the following key values:

Integrity: We aim to inspire trust in our relationships both internally and externally and in the quality and usefulness of our products and services.

Creative Enterprise: We encourage our people to look for profitable new opportunities to serve our markets and to set high standards of implementation of these initiatives.

Energy: We aim to sustain a culture which rewards hard work, determination and resilience.

Strategy

Centaur's strategy is based on the achievement of three key objectives of improving scale, balance and efficiency:

Scale: We aim to deliver strong revenue growth across the cycle through a combination of innovative organic growth and carefully selected acquisitions. This will create value for our shareholders and opportunities for our people.

Balance: We aim to enhance the resilience of the business, principally by a substantial increase in the proportion of revenues derived from digital media and paid for content, supported by strong event revenues. This will increase the value of the business and reinforce our vision of market leadership.

Efficiency: We aim to deliver a significant and sustainable increase in EBITDA margins. This will enhance shareholder returns and generate additional funds for investment in the future of the business.

Centaur's product strategy is media-neutral. We currently derive a large proportion of our revenues from printed publications, but our principal focus in seeking to grow the business and to make it more resilient is on expanding the revenues we generate from digital solutions. In many instances, print remains a preferred medium for our readers to keep up to date with trends and changes within their markets. It is still therefore an effective and important medium for advertisers, particularly for those who wish to establish or maintain their brand's position with senior buyers in their market.

However, as a medium, print cannot stand alone and does not offer the same long term growth potential as digital media, and our digital strategy is based on four broad objectives:

To extend reach: The web allows us to reach a much bigger audience than print and therefore to expand our market potential. Typically we have found that our regular web audience is about 5 times the size of our core print readership.

To deepen engagement: Having expanded our reach to cover a wider market audience we aim to use the capability of the web to assess and respond to information needs cost effectively so as to enhance our usefulness and relevance to our readers.

To enrich advertiser potential: We aim to use this additional audience traffic to drive revenue growth by taking advantage of the broad range of measurable marketing solutions available on the web – banners, email sponsorship, video, webinars, white papers, sales lead services etc – and by using web analytics to give our advertiser clients a more targeted and measurable result.

To expand paid-for content and workflow solutions: One of our core objectives is to extend our content offering right along the value chain – from market news through to business intelligence. The further along the chain we move the greater the value and the greater the resilience in revenues attached to or derived from the content. Our key focus is to increase the value of our content to the user in performing key business tasks and to secure payment for these services on a subscription basis.

Our strategy with events is to exploit and reinforce our key publishing brands by establishing ourselves as the leading event organiser in each of our markets. We also aim to build events which can open up new markets for us, either in terms of sector or geography.

Acquisitions

Acquisitions are an essential ingredient of our strategy to grow the business and change its shape. Our principal target acquisitions essentially fit one of two key profiles:

— To expand within our existing sectors and in doing so to look for more resilient revenue models.
— To acquire a position in a new market vertical. In this case we would be looking for a market leader in a high growth market with a well balanced portfolio of products serving that market through established resilient revenue models.

Business Review

Analysis of Results

	2010 £m Revenue	2010 £m Adjusted EBITDA	2009 £m Revenue	2009 £m Adjusted EBITDA
By Segment				
Legal and Financial	**17.1**	**2.7**	17.6	1.9
Marketing and Creative	**14.9**	**1.0**	17.3	0.8
Construction and Engineering	**15.0**	**1.2**	17.3	2.4
Perfect Information	**5.4**	**2.0**	5.2	2.0
General Business Services	**7.5**	**(0.3)**	8.9	(0.1)
Total	59.9	6.6	66.3	7.0
By Source				
Recruitment advertising	**6.3**		8.1	
Other advertising	**23.1**		25.0	
Total advertising	**29.4**		33.1	
Events	**17.3**		20.1	
Paid-for content [1]	**12.5**		12.2	
Other	**0.7**		0.9	
Total	59.9		66.3	
By Client Type				
Marketers	**43.2**		50.3	
Audiences	**16.7**		16.0	
Total	59.9		66.3	
By Product Type				
Print	**26.5**	**1.3**	30.2	0.6
Events	**17.3**	**1.8**	20.1	2.8
Digital	**15.6**	**3.5**	15.5	3.6
Other	**0.5**	-	0.5	-
Total	59.9	6.6	66.3	7.0
Underlying				
Underlying	**58.0**	**6.3**	65.3	7.1
Acquisitions [2]	**1.9**	**0.3**	1.0	(0.1)
Total	59.9	6.6	66.3	7.0
By Maturity				
Existing and acquired	**56.3**	**7.0**	59.8	7.4
New [3]	**3.6**	**(0.4)**	6.5	(0.4)
Total	59.9	6.6	66.3	7.0

Notes on the above table:

1 "Paid-for content" is a new category combining the previous categories of "Circulation revenue" and "Online subscriptions".

2 Acquisitions are defined as those made within the current or preceding financial year.

3 New products are defined as any product launched in the current or two preceding financial years.

Trading Review

The Group experienced a progressive recovery in revenues over the course of the year, culminating in 14% year-on year growth in the final quarter (April-June 2010) and although we report a further reduction in revenues and adjusted profit before tax for the full year the overall trading performance for the year was positive from a number of perspectives.

A further material reduction in Group costs for the financial year led to a substantial mitigation of the revenue reduction and this factor together with a reduced tax charge allowed the Group to report a 5% increase in adjusted earnings per share to 2.2p (FY2009: 2.1p). A steady recovery in year-on-year revenues during the second half of the financial year (FY2010 H2) together with strong cash generation represented further positive aspects of Group trading for the full year.

These factors are described in more detail below and in the financial review on pages 18 to 23.

In total the Group reported a 10% reduction in revenues to £59.9 million (FY2009: £66.3 million) and adjusted profit before tax (see page 20) also reduced by 10% to £4.0 million (FY2009: £4.4 million). Total Group costs (excluding deprecation, amortisation, share-based payments and exceptional charges) reduced by £6.0 million to £53.3 million (FY2009: £59.3 million) and these cost savings represented 94% of the revenue reduction for the year.

The tax charge for the year at £0.6 million represented 23% of profit before tax (FY2009: 47%) and this reflected a reduction in the amount of expenditure not deductible for tax purposes together with a deferred tax credit in relation to share based payments (see financial review page 21 and note 6 to the financial statements).

At the time of our interim results we reported a revenue reduction for the six months to December of 24%. This was followed by a steady recovery in revenues in FY2010 H2 during which time revenues were 3% above the same period last year and this included 14% growth in revenues during the final quarter of the financial year (April-June 2010).

The Group held net cash balances of £1.1 million at 30 June 2010 (FY2009: £0.7 million) with cash generated from operations for the year of £6.6 million (FY2009: £6.0 million) representing a cash conversion rate (adjusted operating profit into free cash flow) of 112% (FY2009: 88%). Cash flows from investing activities for the financial year included the acquisition of Taxbriefs in May 2010, the details of which are described in the financial review on page 21 and in note 25 to the financial statements.

In addition the Group continued a programme of new product development during the year to 30 June 2010. These initiatives are described in more detail below and in total around 6% of Group revenues were derived from products launched in the last three financial years (FY2009: 10%).

In view of the steady improvement in trading, highlighted above and an expectation that this recovery will continue into the new financial year, the Board has declared a 10% increase in the final dividend to 1.1p per share (FY2009: 1.0p). The final dividend will be paid on 10 December 2010 to shareholders on the share register at 12 November 2010.

Review of divisional results

Our results are grouped into five major operating business segments – Legal & Financial; Marketing & Creative, Construction & Engineering; Perfect Information and General Business Services. Trading performance for each of these separate divisions is described overleaf.

Rejection of Unsolicited Approach

On 20 October 2009, the Group announced, in response to an announcement the same day from Critical Information Group plc (“CIG”), that it had received an unsolicited approach from CIG regarding a possible offer for the Group which was conditional on, inter alia, financing and due diligence.

The Board reviewed CIG’s approach with its advisers, and given the fundamental strengths of the Group and the recovery prospects outlined above, had no hesitation in concluding that their indicative proposal materially undervalued Centaur and was not in the best interests of its shareholders.

Subsequently, on 12 November 2009, CIG announced that it did not wish to proceed with an offer for the Group.

Legal & Financial

Legal

The Legal community products are primarily published for in-house counsel in major UK companies and the private practice law firms and barristers that serve their legal needs. There are also products produced for law students.

Key Products

The key products in this community are: The Lawyer (weekly) and Lawyer2B; thelawyer.com; The Lawyer Legal Summit and The Lawyer Awards.

Financial

The primary focus of the Financial Services community products is on retail financial services and the information interface between IFAs (independent financial advisers) and the providers of financial products and services.

Key Products

The key products in this community are: Money Marketing, Mortgage Strategy and Fund Strategy (all weeklies); moneymarketing.co.uk and headlinemoney.co.uk; plus a number of summit and awards events including the Investment Summit and Money Marketing Awards.

The Legal & Financial division reported a 3% reduction in revenues to £17.1 million for the year (FY2009: £17.6 million).

In total divisional expenditure reduced by 8% and as result, despite the revenue reduction, adjusted EBITDA increased by 42% to £2.7 million representing an adjusted EBITDA margin of 16% for the year (FY2009: 11%).

In FY2010 H2 divisional revenues were 18% above the same period a year ago and this growth was led by a 34% increase in print revenues, through the principal magazine titles of Money Marketing, Fund Strategy, Mortgage Strategy and The Lawyer and including revenues from the newly acquired Taxbriefs portfolio.

In both of the sectors within this division market conditions showed some improvement from January 2010 onwards. Within Legal recruitment, which represented 11% of total divisional revenue, there was evidence of returning confidence among the top 100 corporate law practices. Although M&A deal-flow remained fairly thinly spread, expansion into other less traditional practice areas, including a degree of internationalisation, led to an increase in both law firm branding and senior level recruitment, with expenditure deployed mainly through high yielding print campaigns.

An increase in marketing spend by financial product providers resulted in improved digital sales through our principal financial community websites – moneymarketing.co.uk, fundstrategy.co.uk and mortgagestrategy.co.uk. and although in total divisional digital revenues were flat for the year, an 11% reduction in the first half of the financial year was offset by 10% growth in FY2010 H2.

A combination of factors contributed to the FY2010 H2 growth. A sustained recovery in world stock markets resulted in a renewed focus on equity based investment product from the start of the financial year and had resulted in a record level of net retail fund sales in calendar year 2009. This continued into 2010 with ISA sales during March and April 2010 reaching their highest level since 2002. In addition the proposed changes in pension legislation planned for 2012 created a strong current and prospective market for the providers of tailored pension and retirement products and the specialist intermediaries operating in that sector. These two groups were the target for a new monthly magazine – Retirement Strategy – launched successfully last September with eight issues published during the year.

In May 2010 we launched the Money Marketing Academy to provide training materials and support to Independent Financial Advisors ("IFAs") following the introduction of a mandatory professional qualification for advisers to be completed by all IFAs wishing to continue practising beyond 2012.
The academy has been well received by the main product providers and the intermediary community with a mutual benefit to be derived from improving professional standards and technical knowledge among advisers, in advance of the material changes to product distribution recommended by the FSA following the Retail Distribution Review ("RDR").

The acquisition of Taxbriefs, for whom the intermediary community represents a key customer group for their specialist taxation materials and commentaries, is clearly highly complementary to the Academy initiative.

Revenue from events reduced by 10% which principally reflected a reduction in the number of hot-topic CPD related legal conferences compared to the prior year. Elsewhere the core events in the division – awards and sponsored meetings – were generally strong, with the principal award events reporting revenues 20% ahead year-on-year, and the summit programme, where revenues were flat year-on-year, delivering a significantly improved contribution as a result of cost reductions.

% of divisional revenues

- **Print** – 55%
- **Digital** – 23%
- **Events** – 22%

118 *events**

*Total exhibitions, conferences, summits and awards held during FY2010

Marketing & Creative

Marketing

The Marketing community products focus on addressing the information requirements of senior UK marketers with significant marketing and advertising budgets and the marketing services companies that provide services to them.

Key Products

The key products in this community are: Marketing Week and New Media Age (weekly) and associated websites while event activities include Marketing Week Live exhibition, held annually in June and the re-launched MW Engage Awards, described in more detail opposite.

Creative

The Creative community serves the information needs of the creative specialists in advertising, design, marketing services and digital agencies and the managers in client companies who buy their services.

Key Products

The key products in this community are: Design Week (weekly), Creative Review (monthly); designweek.co.uk, creativereview.co.uk, The Creative Handbook, the Design Week Awards and the newly launched Pitch Creative interactive directory.

The division reported a year-on-year revenue decrease of 14% to £14.9 million (FY2009: £17.3 million) although this was fully mitigated by a full year reduction in divisional expenditure. In total for the year the £2.4 million reduction in revenues was offset by a £2.6 million decrease in expenditure and as a result adjusted EBITDA improved by £0.2 million to £1.0 million (FY2009: £0.8 million).

These cost savings reflect the organisational changes that took place in the previous financial year when print and web commercial and editorial publishing operations were streamlined, and a process of brand merger and rationalisation resulted in the re-establishment of the Marketing Week ("MW") brand as the commercial hub of the marketing community. In addition to the benefits of a reduced divisional cost base the Marketing Week brand gathered real momentum during FY2010 with the magazine and website gaining a growing reputation for high quality editorial news and commentary across an increasingly all embracing range of integrated marketing disciplines. This brand now offers a very effective and tailored opportunity for advertisers and recruitment agencies to reach their target audiences and revenues built steadily in the second half of the financial year and across MW magazine and marketingweek.co.uk were 21% above FY2009 in FY2010 H2.

Together with the improved divisional organisational structure, this growing reputation for editorial quality and customer engagement combined to facilitate growth in MW branded events during the year including the launch of the MW roundtable format sponsored meetings.

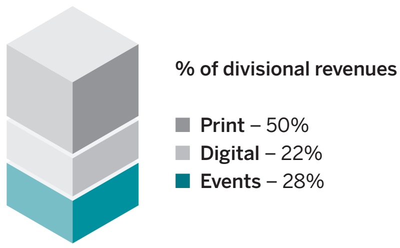
The MW Engage Awards, re-launched in May 2010, thrived on a new format and a timing change. What is now regarded as an industry flagship event benefited from enhanced promotion through both MW magazine and website and this resulted in a record number of category entrants and a 40% increase in attendees at London's Grosvenor House Hotel compared to the previous event held in October 2008. In total revenue from this event was 79% above the October 2008 event.

Our flagship marketing exhibition, Marketing Week Live, reported 20% revenue growth in its second year, attracting more than 10,000 (FY2009: 9,400) relevant senior professionals to the two day event at Olympia in June 2010. The prospects for next year's event are also encouraging with on-site rebooking strongly ahead year-on-year.

In total event revenues, which now represent 28% (FY2009: 24%) of total divisional revenues were flat year-on-year although this included 31% growth in FY2010 H2 compared to the same six month period a year ago.

The Creative services community was also the focus of innovative product development in the year. In February 2010 a new interactive content based directory ("Pitch") was launched with strong support from the target community of full service advertising agencies. The principal aim of this product is to provide a dynamic and interactive agency rating process which combines periodic proprietary research commissioned through YouGov plc with continuous user generated feedback. For the participating agencies the site provides an enhanced lead generation mechanism and allows the opportunity for a showcase of recent assignments together with the more traditional aspects of a digital searchable directory.

The initiative has progressed well and further launches extending this model into other sub-sets of the Creative community (digital, design) are scheduled for the new financial year.



*Total exhibitions visitors, conference and summit delegates, and award dinner guests during FY2010

130,000 *attendees**

Construction & Engineering

Construction

The Construction community has two distinct segments – business magazines and websites that serve the building products market niche and specialist consumer titles focusing on the self-build and renovation sectors of the construction market.

Key Products

The key products in this community are: Homebuilding & Renovating, Period Living, Real Homes, ABC&D (all monthly); homebuilding.co.uk, plotfinder.net, five Homebuilding & Renovating exhibitions and the National Home Improvement Show launched in October 2009.

Engineering

The Engineering community products are aimed at engineers working in the UK's engineering technology community and senior executives in the companies that supply them, with a particular emphasis on innovation.

Key Products

The key products in this community are: The Engineer (fortnightly), Process Engineering (monthly); theengineer.co.uk and Pro-Talk.

In total divisional revenues decreased by 13% to £15.0 million while adjusted EBITDA of £1.2 million for the year (FY2009 £2.4 million) represented a margin of 8% compared to 14% in FY2009.

These year-on-year changes related primarily to events within this division where revenues fell by 23% year-on-year. This included the Homebuilding Show portfolio where a year-on-year decrease in exhibition space sales represented a late-cycle effect, inherent in this type of exhibitions, and reflecting a reduced level of rebooking from the 2009 shows rather than current sentiment among exhibitors and visitors. Generally the shows had a successful year with visitor numbers ahead of FY2009 and an increased level of on-site rebooking for next year's shows.

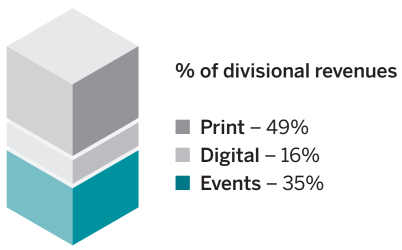
An important component of the exhibitors at the Homebuilding Shows are suppliers to the self-build market and prevailing conditions in this sector provided some support for increased activity levels. This included an increase in the number of finance products aimed specifically at self-builders, including the return of a number of specialist providers who exited this sector in the last two years. In addition interest rates remained comparatively low and there continued to be a good availability of building plots across the UK and excess capacity within many suppliers to the sector reflecting to some extent a continued contraction of activity in the wider general construction sector.

Beyond the self-build sector and notwithstanding the effect of reduced availability of mortgage finance on the overall housing market, the general home interest market (renovation and improvement) remained steady through the year and also benefited to some extent from lower interest rates. This was reflected in the successful launch during the year of the National Home Improvement Show with 13,000 visitors attending the three day show at Earls Court in October 2009. The show received positive exhibitor endorsement through a 76% onsite re-book for the second show scheduled for the autumn of 2010.

Elsewhere in this division the specialist home interest magazines portfolio together with the Engineer brand recovered in the second half of the financial year particularly through the respective websites within both of these areas where collectively combined digital revenues were 30% above last year in FY2010 H2.

The engineering sector represents around 28% of divisional revenues and includes around 8% of Group recruitment advertising revenue through the Engineer magazine and theengineer.co.uk. As we reported at the time of our interim results recruitment advertising through the Engineer brand was bolstered in the first half of the year by a strong share of high yielding direct client recruitment advertising but the higher volume of jobs within the broader manufacturing sector, predominately placed through recruitment consultants, had been much slower to recover to pre-downturn levels. This position improved during FY2010 H2 and in total recruitment advertising was 15% ahead during the second half of the financial year.

While the sluggishness of manufacturing recruitment activity was partly explained by export-led sales growth being fulfilled though utilisation of existing inventory rather than investment in new production capacity, the Subcon show offers UK manufacturers a viable alternative to capital plant investment by accessing the services offered by the providers of global subcontract services who form the core of exhibitors at this show. The show which is held at the NEC over three days in June 2010, reported flat revenues for the year but an improved contribution and increased on site rebooking for the 2011 show.



76million*

*Total page impressions for all our B2B websites during FY2010

General Business Services

This segment comprises products serving a number of distinct business communities. The main verticals in this segment are: Human Resources (HR), the Recruitment sector, Supply Chain and Logistics and Business Travel.

Human Resources

The HR community focuses on employee benefits and the information needs of the benefits and compensation professionals in major UK companies, plus the senior managers in the companies that supply them with products and services.

The key products in this community are: Employee Benefits (monthly); employeebenefits.co.uk; Employee Benefits Live and the Employee Benefits Awards.

Recruitment

The Recruitment community products serve the recruitment specialists in the UK, – a combination of in-house recruitment professionals in UK corporates and senior professionals working in recruitment agencies, search and selection companies, recruitment consultancies and advertising agencies and the companies that supply services to them.

The key products in this community are: Recruiter (fortnightly); recruitermagazine.co.uk and Recruiter Awards.

Supply Chain & Logistics

The Supply Chain & Logistics community provides information products for managers in charge of the supply chain of the largest industrial, retail and commercial organisations in the UK and Europe, together with the senior managers in the transport, materials handling and property companies that supply products and services to them.

The key products in this community are: Logistics Manager (monthly); logisticsmanager.com; Logistics Link exhibitions (three regional events); Supply Chain Excellence Awards and Extended Supply Chain conference.

Business Travel

Centaur's Business Travel products are aimed at satisfying the information needs of the corporate buyers of business travel and senior managers amongst their suppliers – airlines, train companies, hotels, car hire companies etc.

The key products in this community are: Business Travel exhibitions in London, Dusseldorf and Dubai (joint venture) and the Business Travel awards.

Total General Business Services ("GBS") revenues amounted to £7.5 million for the year, a 16% reduction compared to last year (FY2009: £8.9 million). The revenue reduction was split between print and events while digital sales increased by 14% year-on-year. The division reported an adjusted EBITDA loss for the year of £0.3 million (FY2009 £0.1 million loss).

The year-on-year revenue reduction and continued loss making performance relates primarily to the Business Travel shows where reduced on-site bookings in 2009 had an adverse effect on sold space at the main London show in February 2010. Despite this, the quality of visitors was significantly improved and included the introduction of a executive visitor programme which resulted in very positive exhibitor feedback and strongly increased rebooking for the 2011 show. Generally the sector has improved with modest growth reported by some aviation carriers and hotel groups and a resurgent rail sector reflecting the general return to growth of global economies. For the new financial year a hosted buyer programme will be introduced to the regional Düsseldorf show which moves to the Spring of 2011. In addition the Business Travel Show Dubai will return in October 2010 after a one year absence.

Excluding business travel, the rest of GBS performed more robustly and notably the Employee Benefits event portfolio reported revenues 23% ahead for the full year while both Recruiter and Logistics Manager reported revenue growth in the second half of the financial year.

Employee Benefits events, which include an exhibition, an awards event and sponsored meetings, illustrate the effectiveness of face-to face marketing to a well targeted relevant audience – in this instance primarily the Compensation and Benefits professionals working in UK corporates. This group will be a key focus for the providers of the new pension products that will accompany the proposed changes scheduled for introduction in 2012 as referred to in the commentary for the financial division.

In the recruitment sector a refocusing of the magazine circulation and editorial to target an increasingly important sector within recruitment – the in-house recruitment or human capital manager whose key focus is smart and effective recruiting – has opened additional display advertising channels and reduced dependency on the more traditional customers of the Recruiter which were drawn from recruitment consultancies ("rec-to-rec recruitment") and the suppliers of goods and services to those consultancies.

Within Logistics Manager a key source of advertising derived from new commercial property developments remained depressed throughout the year. However other areas of the logistics and supply chain process are more dependent on the level of general economic activity and a few lucrative re-branding campaigns among distribution groups have provided some display advertising support during the year and contributed to some year-on-year growth in FY2010 H2.

% of divisional revenues

- **Print** – 31%
- **Digital** – 11%
- **Events** – 52%
- **Other** – 6%

1.5million*

*Total unique visitors to all our B2B websites during the month of June 2010

Perfect Information

PI

Perfect Information ("PI") serves a global audience of investment banks, corporate stockbrokers, lawyers, accountants and other corporate advisory sector desktops.

Key Products

PI's core product is "Perfect Navigator" which provides bespoke desktop access to an integrated electronic library of regulatory and corporate filing documents representing the most comprehensive and searchable collection in the market, includes quoted company reports and accounts and company circulars from the UK, US, Europe and Asia, and one of the largest electronic international bond prospectus libraries. This service has been extended in this financial year by the launch of **Equity Capital Markets Insight ("ECMi")** described in more detail opposite.

Revenue for the period increased by 4% to £5.4 million (FY2009: £5.2 million) while adjusted EBITDA remained unchanged for the year at £2.0 million representing a margin of 37% (FY2009: 38%).

During this financial year Perfect Information continued its programme of new product development, adapting to the changing needs of its core customer base, comprising primarily investment banks and corporate law firms. A key focus for the business is customer service and understanding the precise information needs among customers whose own business models may have undergone significant change in recent years. This has resulted in product innovation that, whilst drawing on the key legacy asset of the Perfect Filings database, has increasingly aimed to provide specific datasets for specific needs, primarily through the launch in 2009 of the Perfect Navigator front-end which utilises powerful search refinement functionality to allow smooth integration with client workflows.

The conversion of previous Perfect Filings customers to the Navigator service has been a key factor in achieving 95% customer retention in this financial year.

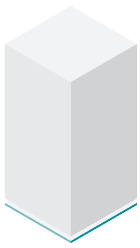
Developments

Two additional developments have endorsed this approach to customer service led innovation:

— The launch in April 2010 of Equity Capital Markets Insight (ECMi) which utilises an extensive proprietary taxonomy of index terms to provide key data drawn from a range of ECM regulatory documents grouped by section(s), sector, size, jurisdiction etc.

— In addition the further enhancement of the private company data service has provided the opportunity for further penetration into core client workflows and increased revenue both from existing customers and new clients, often displacing other information providers who offer less tailored services.

These products have been well received and offer the opportunity for further revenue and profit growth in the new financial year.



% of divisional revenues

- **Digital** – 98%
- **Events** – 2%

*Total circulation for all magazines from latest available ABC

400,000 *circulation**

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 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:

Giving our people a sense of ownership: We describe Centaur as a federation of small businesses, with discrete profit centres serving individual vertical communities, supported by a strong central infrastructure of common services such as Finance, Circulation, Web and IT services, HR and Design. We encourage our people where appropriate to have a strong sense of identity with their particular community, business unit or brand and to think like owners.

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 business community meetings across the Group, which are attended on a monthly basis by the Chief Executive Office ("CEO") and Group Finance Director ("GFD"), 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 CEO which is circulated to all staff highlighting recent new business developments.
- Senior managers' 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 CEO and GFD.

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.

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 have again successfully run the Centaur Sales Training Academy, a more extended training programme for new sales recruits.

Listening to our staff: Improvements to the working environment, which were highlighted in the last employee engagement survey, 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 Michael Lally.

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_2 carbon footprint.

Disposal of waste and recycling – A recycling initiative in 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. Consequently there has been a reduction of printer toner cartridges purchased of around 30% in the last two years.

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 2010 and the comparatives for the prior year are as follows:

	2010	2009
Energy consumption (CO_2 tonnes)[1]	**613.4**	708.7
Electricity (MwH)	**961**	1,168
Oil ('000 litres)[2]	**34**	28

Notes on the above table:

1 The CO_2 tonnes represent the CO_2 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 is only used at one of the Group's premises

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. Although there is no Group Policy to make charitable donations there are occasions when such contributions are made in response to a particular request and these are detailed in the Report of the Directors where applicable.

A number of Centaur's magazines encourage giving to various charities through the relevant magazine's award events. In the year donations were made through this method to Care International, Catch22, CLAPA (The Cleft Lip & Palate Association), Cystic Fibrosis Trust, MND (Motor Neurone Disease) Association, Peter Rigby Trust, Shelter, The Children's Trust, The Kids Company and The Samaritans.

Mike Lally, Group Finance Director

"...we experienced an improvement in trading conditions in most of our served market sectors as the year progressed, culminating in a 14% year-on-year increase in Group revenues in the final quarter of the year (April-June 2010)."

Financial Review

Summary of Group results

As reported in the Business Review, although the Group reported a revenue reduction of 10% for the full year ended 30 June 2010, we experienced an improvement in trading conditions in most of our served market sectors as the year progressed, culminating in a 14% year-on-year increase in Group revenues in the final quarter of the year (April-June 2010).

The full year revenue reduction was substantially mitigated by cost savings with 94% of the revenue decrease offset by a 10% decrease in Group costs. Details of these cost savings, which reflected a combination of the full year effect of cost reductions achieved in the previous financial year, together with a number of new cost saving initiatives implemented during the year, are detailed below.

Adjusted EBITDA for the year amounted to £6.6 million compared to £7.0 million in FY2009.

The Group also experienced strong cash flow, generating cash from operating activities of £6.6 million, which represented a 112% conversion of adjusted operating profit into free cash flow for the year. At 30 June 2010 the Group reported net cash of £1.1m and this was comfortably within all banking covenants, the details of which are also reported below.

This strong cash flow facilitated the fully cash funded acquisition of Taxbriefs Holdings Limited ("Taxbriefs") in May 2010, details of which are described on page 21 and in note 25 to the financial statements.

Trading updates

The financial performance of the Group is monitored by the Board each month during the financial year and although the Group's principal revenue sources traditionally carry very low forward visibility, the profile of results, described above, was the subject of regular trading updates or interim management statements ("IMS") made during the year as follows:

— 19 November 2009 (IMS)
— 8 January 2010 (pre-close trading update)
— 25 February 2010 (trading update)
— 12 May 2010 (IMS).

Revenue

Total Group revenues for the year ended 30 June 2010 amounted to £59.9 million, a reduction of 10% (£6.4 million) compared to last year. Around 58% of this revenue reduction related to advertising, primarily due to a 16% year-on-year reduction in print advertising.

Recruitment advertising, which represented 21% (FY2009: 24%) of total advertising, reduced by 22% across the full year, although this decrease comprised a 50% year-on-year reduction in the first half of the financial year followed by 25% growth in H2. This second half growth was spread evenly between print and digital and in total 42% (FY2009: 37%) of all recruitment advertising was fulfilled online.

Excluding recruitment, digital advertising sales continued to reflect a greater degree of stability during the year and across the Group were 13% ahead for the full year. In total, at £29.4 million, advertising sales represented 49% of Group revenues for the year (FY2009: 50%).

Other publishing revenues, derived from the sale of content, were 2% ahead for the year and this growth included revenues relating to the acquisition of Taxbriefs in May 2010.

Total event revenues for the year decreased by 14% to £17.3 million which represented 29% of Group revenues (FY2009: 30%). As described in the business review this reduction primarily reflected a late-cycle effect at the two principal trade exhibitions held during the second half of the financial year where the level of rebooking at the previous years shows impacted on the total space sold for the 2010 shows.

In total revenue from acquisitions made in the current or preceding financial year together with products launched in the last three years represented 9% (FY2009: 11%) of Group revenues in the year to 30 June 2010.

Although Group revenues reduced by 10% in the year to 30 June 2010, revenue per employee of £95,000 (FY2009: £95,000) was unchanged compared to the previous year. This full mitigation of the Group revenue reduction in terms of revenue per employee reflected the 10% decrease in average employee numbers for the year to 30 June 2010 compared to the previous year.

Profit before taxation

Profit before taxation increased by 53% to £2.6 million (FY2009: £1.7 million). After adjusting for exceptional costs and amortisation of acquired intangible assets, adjusted profit before tax reduced by 9% to £4.0 million (FY2009: £4.4 million).

The exceptional costs incurred in the year amounted to £0.3 million and these are described in more detail below and in note 2 to the financial statements. A non-statutory alternative profit measure is provided within the statement of comprehensive income which represents the Group's earnings before interest, taxation, depreciation, amortisation, exceptional costs and other significant non-cash items including share based payments ("adjusted EBITDA"). The Board considers this to be an important measure of profitability and the adjusted EBITDA margin is one of the key performance indicators used to monitor and manage the business.

Financial Review *(continued)*

Adjusted EBITDA

Adjusted EBITDAfor the year ended 30 June 2010 was £6.6 million compared to £7.0 million in the year ended 30 June 2009. This represented an adjusted EBITDA margin of 11% (FY2009: 11%).

An analysis of revenue and adjusted EBITDA from continuing operations by segment, and product type and by underlying/acquired and maturity together with an analysis of revenue by source and client type is included in the Business Review and the different measures of profit described above are summarised in the following table:

	2010 £m	2009 £m
Revenue	**59.9**	66.3
Adjusted EBITDA	**6.6**	7.0
Depreciation of property, plant and equipment	**(0.9)**	(0.8)
Amortisation of software	**(1.9)**	(1.5)
Share based payments	**0.3**	(0.4)
Interest (payable)/receivable	**(0.1)**	0.1
Adjusted PBT	**4.0**	4.4
Amortisation of acquired intangibles	**(1.1)**	(1.0)
Exceptional costs	**(0.3)**	(1.7)
Profit before taxation	**2.6**	1.7

Group costs

In line with the definition of adjusted EBITDA above, total Group costs are stated before interest, tax, depreciation, amortisation, exceptional costs and other significant non-cash items including share based payments.

Total Group costs for the financial year amounted to £53.3 million, a reduction of £6.0 million compared to the previous year. As previously reported, during FY2009 we implemented a cost saving programme that resulted in a 12% reduction in average employee numbers for the year to 30 June 2009. As a result of this FY2009 cost saving programme additional cost savings of around £2.0 million were also achieved in the year to 30 June 2010 and this included a further 10% reduction in average employee numbers for the year to 30 June 2010.

Other cost savings arising from initiatives in the current financial year amounted to £4.0 million and these related primarily to reduced variable costs of production reflecting lower magazine advertising volumes and reduced exhibition space sales.

In total the full year cost savings of £6.0 million included a reduction in print related expenditure of 15% with event related costs also reducing by 10%. This was partly offset by a 2% increase in digital expenditure for the year, reflecting increased licence and hosting charges resulting from the recent upgrade of the publishing web platform.

Adjusted EBITDA margin

The adjusted EBITDA margin is one of a range of performance indicators used by the Board to monitor progress towards the achievement of the strategic objectives of the Group.

In the current year an adjusted EBITDA margin of 11% (FY2009: 11%) is reported which is unchanged from the last financial year. While this is still some way from the higher adjusted EBITDA achieved by the Group in the year to 30 June 2008, it is notable that an unchanged adjusted EBITDA margin is reported for the year despite a further 10% revenue decline for the full year. This reflects the degree to which the cost saving initiatives completed in the current and the last financial years have provided significant margin protection including a proportion of the cost savings that are considered to represent a permanent reduction in the fixed cost base of the business and that therefore present the opportunity for high levels of operational gearing as Group revenues recover.

In addition to a recovery in Group revenues, sustainable margin improvement will be attained through the implementation of the Group's strategic objectives, as detailed on page 9, with a focus on scale together with a rebalancing of the Group's revenues to reduce its dependence on display and recruitment advertising revenues which represented 49% of total Group revenue in the year to 30 June 2010 (FY2009: 50%).

These objectives also underpin the Group's acquisition strategy including the recent purchase of Taxbriefs where the acquired business has a more resilient information-based and workflow-related revenue profile and although comparatively small in the context of total Group revenues, strongly complements a strand of new product development within the financial community which has the aim of facilitating training and instruction for the intermediary community through the newly launched Money Marketing Academy (see business review on page 12).

Exceptional cost

Within administrative expenses for the year ended 30 June 2010 and in accordance with the statement of accounting policies in relation to exceptional costs, an amount of £0.3 million (FY2009: £1.7 million) has been identified as exceptional for the purpose of calculating both adjusted EBITDA and adjusted profit before tax.

The exceptional costs, which are detailed in note 2 to the financial statements, included an onerous lease provision of £0.2 million relating to empty office space that arose following the acquisition of Taxbriefs in May 2010 (see page 21) and the subsequent relocation of their employees to our main West End offices. In addition transaction costs amounting to £0.1 million are treated as exceptional in the calculation of adjusted EBITDA.

Financial Review *(continued)*

The cash effect of these exceptional costs amounted to a cash outflow of £0.1 million in the financial year (as detailed in the free cash flow and capital expenditure note on page 22).

Taxation

Tax on profit on ordinary activities amounted to £0.6 million in the year ended 30 June 2010 (FY2009: £0.8 million).

Taking into account the tax effect of adjustments to arrive at adjusted PBT, this represents an effective tax rate of 23% (FY2009: 34%) of adjusted PBT.

This current year effective tax rate, which is 5% below the standard rate of UK corporation tax rate (28%) reflects an increase in the deferred tax asset in respect of outstanding options issued under the Group's Sharesave plan (the 'SAYE Scheme'). This deferred tax asset is based on the expected deduction that will arise under Schedule 23 Finance Act 2003 when options are exercised and is calculated partly by reference to current share price. At 30 June 2010 the market price was 47.3p compared to 39.0p a year ago and the carrying value of the deferred tax asset was adjusted accordingly.

Acquisition of Taxbriefs

In May 2010 we completed the acquisition of the entire share capital of Taxbriefs Holdings Limited for a maximum consideration of £1.9 million. This included an initial cash consideration of £1.5 million with a potential further £0.4 million payable over the next twelve months. The fair value of the deferred cash consideration payable in May 2011 is estimated at £0.2 million.

The actual cash outflow in the year to 30 June 2010 amounted to £1.3 million comprising the initial cash consideration of £1.5 million less £0.2 million cash acquired with the business.

Further details of this acquisition are contained in note 25 to the financial statements, including details of the net assets and goodwill acquired. Taxbriefs has been reported as part of the Legal & Financial segment.

Balance sheet

The Group held net assets of £156.5 million (FY2009: £157.0 million) at 30 June 2010 which may be summarised as follows:

	2010 £m	2009 £m	Year-on-year Movement £m
Goodwill and other intangible assets	**156.9**	156.4	0.5
Property, plant and equipment	**3.8**	3.6	0.2
Working capital	**(3.0)**	(2.8)	(0.2)
Provisions	**(0.5)**	-	(0.5)
Current and deferred taxation	**(1.1)**	(0.8)	(0.3)
Finance lease creditor	**(0.7)**	-	(0.7)
Unrestricted cash	**1.1**	0.6	0.5
Net assets	**156.5**	157.0	(0.5)

Goodwill and other intangible assets

The increase in the carrying value of goodwill and other intangible assets of £0.5 million included additional goodwill and other intangible assets acquired as part of the consideration for Taxbriefs as detailed above and in note 25 to the financial statements.

During the year goodwill was tested for impairment in accordance with IAS 36 and no impairment was noted following this annual impairment review. The full details of this review are detailed in note 8 to the financial statements.

Property, plant and equipment

In total, additions to property, plant and equipment for the year amounted to £1.1 million and this included office equipment purchased under a finance lease with a total net book value of £0.8 million (see note 10 to the financial statements).

Provisions

The increase in provisions of £0.5 million relates to deferred consideration (£0.2 million) in respect of the acquisition of Tax Briefs and an onerous lease provision (£0.3 million) arising from the decision to relocate the business to Centaur's West End offices (see note 19 to the financial statements).

Finance lease creditor

As described above, property plant and equipment additions in the year included the purchase of office equipment under a finance lease with a 5 year tenor. In accordance with IAS 17 these assets are capitalised and depreciated over the term of the lease, with the finance lease creditor representing the future rental obligations (net of finance charges) as at 30 June 2010.

Unrestricted cash

The unrestricted cash balance represents the amount of cash available in the day to day operations of the Group and therefore excludes any amounts held on behalf of the holders of loan notes in Centaur Media plc (see note 15 to the financial statements). At 30 June 2010 substantially all the outstanding loan notes had been redeemed and there was no loan note cash held at that date (FY2009: £0.1 million). The total Group cash and cash equivalents at 30 June 2010 was therefore unrestricted.

Banking facilities

The Group has a revolving credit facility with The Royal Bank of Scotland plc ("RBS") of up to £5.0 million maturing in May 2012. This provided adequate headroom for the Group's working capital requirements during this financial year and at 31 December 2009 and 30 June 2010 the Group reported net cash of £0.1 million and £1.1 million respectively. The financial covenants governing this facility, which include gross leverage and interest cover ratios, are assessed on a twelve month rolling basis at each quarter end and were fully satisfied throughout this financial year.

Treasury policy

Treasury is managed centrally and is principally concerned with minimising bank borrowings through the efficient management of working capital and

Financial Review *(continued)*

seeking to maximise returns on available short term cash deposits. Further details of the operation of the Group's treasury functions and a description of the role that financial instruments have had during the year in the management of the Group's funding and liquidity risks and interest and foreign exchange rate risks are contained in note 26 to the financial statements.

Free cash flow and capital expenditure

Free cash flow ("FCF") is defined as cash generated from operations less capital expenditure required to maintain and develop the asset base of the Group, (property, plant and equipment and computer software) and after adjusting for any exceptional cash items.

Although we report a decrease in revenue and adjusted EBITDA for the year the strength of FCF generation, representing the cash available for the stakeholders of the Group, continued to be a positive feature of the Group's financial performance, with the ratio of free cash flow to adjusted operating profit reported at 112% for the financial year (FY2009: 88%).

In total, cash generated from operations (before cash expenditure in respect of exceptional items) amounted to £6.7 million, with working capital reducing from net liabilities of £2.8 million at 30 June 2009 to £3.0 million at 30 June 2010. This improvement in working capital was partly attributable to a 9% year-on-year increase in deferred income at 30 June 2010 primarily reflecting improved cash collections in respect of our forward events programme.

Capital expenditure for the year amounted to £2.1 million (FY2009: £4.9 million) reflecting a combination of new product launches and in particular the development of Equity Capital Markets Insight ("ECMi") at Perfect Information and the interactive directory platform developed for Pitch Creative (see business review page 13). In addition, investment in our digital businesses included a further implementation, across the Group, of the web platform developments started in the last financial year, including a standardised web recruitment platform, an integrated magazine and web content management system and an enhanced customer database that have collectively provided the Group with a very effective means of securing incremental digital sales as revenues from our core markets continue to recover.

	2010 Actual £m	2009 Actual £m	2008 Actual £m	2007 Actual £m	2006 Actual £m
Cash generated from operations	**6.6**	6.0	19.0	18.2	14.4
Exceptional items – cash impact	**0.1**	2.7	1.2	-	-
Capital expenditure	**(2.1)**	(4.9)	(3.1)	(2.6)	(3.0)
Free cash flow	**4.6**	3.8	17.1	15.6	11.4
Operating profit	**2.7**	1.6	14.3	15.9	14.7
Amortisation of acquired intangibles	**1.1**	1.0	1.1	0.7	0.3
Exceptional costs/(credit)	**0.3**	1.7	3.6	-	(2.2)
Adjusted operating profit	**4.1**	4.3	19.0	16.6	12.8
Cash conversion rate	**112%**	88%	90%	94%	89%

Earnings per Share ("EPS")

Basic EPS for the year was 1.4p compared to 0.6p in the previous financial year.

An alternative adjusted EPS, consistent with the calculation of adjusted PBT described above, is reported for the same reason that the Board considers this to represent a more accurate reflection of the underlying performance of the Group. On an adjusted basis EPS was 2.2p compared to 2.1p a year ago. Full details of the EPS calculations are presented in note 7 to the financial statements.

Dividends

A final dividend of 1.1p per share is proposed, giving a total for the year of 1.7p (FY2009: 1.5p). The final dividend is subject to shareholder approval at the annual general meeting and will be paid on 10 December 2010 to all ordinary shareholders on the register at close of business on 12 November 2010. The Company has sufficient reserves to cover the recommended dividend.

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 49% of Group revenue in the year ended 30 June 2010 (FY2009: 50%) 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

Financial Review *(continued)*

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 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 the key management team.

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

Key performance indicators (KPIs)

The three key strategic objectives of the Group are summarised in the Strategy section on page 9. 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 follows:

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

In addition to monitoring progress against stated strategic objectives this range of measures provides the Group's stakeholders an opportunity to assess progress made within each reporting period towards a number of commercial and financial objectives, and facilitates a comparison of performance against other similar companies in the sector. Other specific aims of the adopted performance measures are as follows:

— To indicate the spread and breadth of Centaur's operating business models and their relative importance in each reporting period.
— To remove the impact of non-recurring exceptional credits or expenditure (and any related tax effect of those exceptional items) thus ensuring the indicators are closely aligned with the underlying, continuing aspects of the Group's trading performance.
— To indicate the strong cash generative nature of the Group.
— To remove the impact of non-cash credits or expenditure from the measures of earnings to ensure the indicators are closely aligned to the cash generative nature of the Group's assets.
— To indicate the strong operational gearing associated with the Group's revenue growth.

	2010	2009
	%	%
Revenue (decline)/growth by revenue type		
Print	**(12%)**	(35%)
Events	**(14%)**	(22%)
Digital products	**1%**	(12%)
Other	**0%**	25%
Total	**(10%)**	(27%)
	%	%
Adjusted EBITDA margin [1]	**11%**	11%
	£000	£000
Revenue per employee	**95**	95
	£m	£m
Adjusted PBT [2]	**4.0**	4.4
	Pence	Pence
Adjusted EPS [3]	**2.2**	2.1
	%	%
Cash conversion rate [4]	**112%**	88%

Notes on the above table:
1 One of Centaur's key measures of profit, which is used to measure the relative performance of divisional units of the Group, is earnings before interest, tax, depreciation and amortisation, excluding exceptional items and other significant non-cash items including share based payments (adjusted EBITDA). Refer to page 20.
2 Adjusted PBT (PBTA) is profit before tax, excluding the impact of amortisation of acquired intangibles and of exceptional items. Refer to page 20.
3 Adjusted EPS is based on the basic EPS but after making adjustments for amortisation on acquired intangibles and exceptional items as detailed in note 7 to the financial statements.
4 Cash conversion rate is free cash flow expressed as a percentage of adjusted operating profit. Free cash flow is defined as cash generated from operations (note 24 to the financial statements), less capital expenditure on property, plant and equipment and software, and excluding the cash impact of exceptional items. Adjusted operating profit is operating profit after making adjustments for amortisation on acquired intangibles and exceptional items. Refer to page 22.

Board of Directors

Patrick Taylor
Chairman

Christopher Satterthwaite
Senior Independent Director

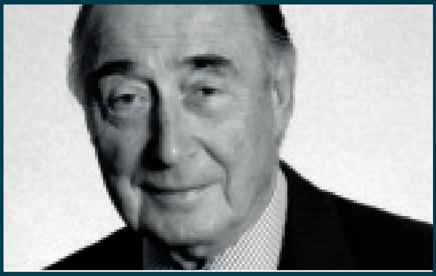
Thomas Scruby
Non-executive Director

Geoffrey Wilmot
Chief Executive Officer

Colin Morrison
Non-executive Director

Robert Boyle
Non-Executive Director

Michael Lally
Group Finance Director



Graham Sherren
Founder and Non-executive Director

Ian Roberts
Company Secretary

Patrick Taylor
Chairman
Patrick was formerly Chief Executive Officer of GWR Group plc, the UK's largest commercial radio group, ranked by licences and audiences. Before joining GWR, Patrick was 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, specializing in corporate finance. He is a Non-Executive Director of The Future Network plc. Patrick became Chairman in December 2009.

Geoffrey Wilmot
Chief Executive Officer
Geoffrey joined Centaur Communications in September 1998 as Group Finance Director and became Chief Executive Officer in November 2006. He qualified as a chartered accountant with Binder Hamlyn in 1979. Immediately prior to joining Centaur Communications, he was Chief Financial Officer of the legal and professional division within Thomson Corporation. He has also previously worked for Morgan Crucible plc in a variety of roles and as Finance Director of Dexion Group plc and Scruttons plc.

Michael Lally
Group Finance Director
Michael joined Centaur in April 2001 as UK Finance Director and was appointed to the Board as Group Finance Director in November 2006. He has extensive experience of the Media and Entertainment sector having held senior financial and management positions at the Financial Times, United News and Media Reuters and immediately prior to joining Centaur was Finance Director of the Informa Publishing group.

Christopher Satterthwaite
Senior Independent Director
Christopher began his commercial career as a graduate trainee at H.J Heinz. Since his grounding on the client side, 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. Chris was appointed Chief Executive of Chime Communications plc in 2002.

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 AsiaPacific for PBL, Emap, Reed, Future, NatMags and Axel Springer. He is chairman of Pharmaceutical Press, of the Royal Wanstead Children's Foundation, and a non-executive director of IPCN, TW Group, and Globelynx.

Graham Sherren
Founder and Non-executive Director
Graham has spent most of his career running business-to-business publishing companies, starting in 1964 with Product Journal Limited. In 1968, Product Journal Limited was acquired by Morgan Grampian plc. He ran Morgan Grampian (including subsequent to its takeover by Trafalgar House Investments plc) until 1982 when he founded Centaur Communications. In December 2009 Graham stood down as Chairman.

Thomas Scruby
Non-executive Director
Tom was appointed a Director of Centaur Communications in 1989. Since qualifying as a chartered accountant in 1957, he has held senior executive and non-executive positions in a range of public and private commercial businesses and corporate finance advisory organisations.

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, Prosperity Voskhod Fund Ltd (an AIM listed company) and the Hampshire Partnership NHS Foundation Trust. He is also a non-executive director of Schroder AsiaPacific Fund plc.

Ian Roberts
Company Secretary
Ian joined Centaur in May 2000 becoming Company Secretary in October 2000. He qualified as a chartered accountant in 1974. Prior to joining Centaur he was Managing Director of CBS Private Capital Limited, a Lloyd's members' agent, and a partner of Neville Russell now Mazars. He previously worked for financial advisory company, Partridge, Muir and Warren.

Report of the Directors

The Directors of Centaur Media plc (the "Company" and "the Group") present their Report on the affairs of the Group together with audited Financial Statements for the year ended 30 June 2010.

Principal activities
The principal activities of the Group are the creation and dissemination of business, specialist and professional information through publications, exhibitions, conferences and electronic services. The principal activities of the Company are those of a holding company.

Business review
The key performance indicators which management consider are important comprise:

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

These can be found within the Financial Review on page 23 together with details of the principal risks facing the Group on pages 22 and 23. The Business Review includes details of the Group's activities and future developments and is on pages 10 to 16.

Dividends
A final dividend of 1.1p per share is proposed by the Directors, and subject to shareholder approval at the Annual General Meeting, will be paid on 10 December 2010 to ordinary shareholders on the register at the close of business on 12 November 2010. With the interim dividend of 0.6p per share this will make a total dividend of 1.7p per share for the year.

Share capital and substantial shareholdings
Details of the share capital are set out in note 21 to the financial statements. As at 15 September 2010 notifications of interests at or above 3% in the issued share capital of the Company had been received from the following:

Jupiter Asset Management Limited	12.82%
FIL Limited	11.26%
Aberforth Partners LLP	9.93%
Blackrock Inc.	7.40%
Graham Veere Sherren (inc spouse)	7.30%
Legal & General Group PLC	7.01%
Wellcome Trust Limited	5.89%
Schroders Investment Management PLC	5.30%
AXA SA	5.00%
River & Mercantile Asset Management LLP	4.50%
Griffin Land and Nurseries Inc.	4.21%
Barclays PLC	3.05%

At 30 June 2010, 9,321,687 (FY 2009: 9,326,467) 10p ordinary shares are held in treasury, representing 6.21% (FY 2009: 6.21%) of the issued share capital of the Company as at 30 June 2010. The shares were purchased during the two years ended 30 June 2009, for an aggregate amount of £8.8 million, to enhance shareholder value. A resolution was passed at the Annual General Meeting on 10 December 2009 authorising the Company to acquire 10% of the ordinary shares in issue as at 2 November 2009, which amounted to 140,881,493.

Directors and Directors' interests	Number of ordinary shares held at 30 June 2010	Shares acquired during the year	Shares disposed of during the year	Number of ordinary shares held at 30 June 2010
GV Sherren	9,850,000	-	-	9,850,000
(In wife's ownership)	428,270	-	-	428,270
BTR Scruby	432,313	-	-	432,313
JPE Taylor	150,000	150,000	-	300,000
C Morrison	255,000	-	-	255,000
C Satterthwaite	NIL	95,942	-	95,942
RW Boyle (from 8 January 2010)	NIL	80,000	-	80,000
GTD Wilmot	NIL	-	-	NIL
M Lally	NIL	-	-	NIL

Directors and Directors' interests
The Directors of the Company during the year are detailed on page 24. All Directors served from 1 July 2009 unless otherwise stated. The Directors' interests in share options, long-term incentive plans and the Sharesave plan is disclosed in the Directors' Report on Remuneration on page 36. There have been no changes to the 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 2010 or 30 June 2009.

Report of the Directors *(continued)*

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 34 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. They are also provided with a printed copy of the annual report and accounts as soon as these have been made available to shareholders.

Significant agreements
The Group's bank facility agreement, referred to on page 21 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 32 to 34 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 26 to the financial statements.

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 elected to prepare 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 Directors, Advisers and Other Corporate Information section 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 Business 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.

Independent 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.

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

By order of the Board

IPH Roberts
Company Secretary 15 September 2010

Corporate Governance Statement

The Board of Centaur Media plc is accountable to the Company's shareholders for good Corporate Governance and in doing so is committed to the principles outlined in the 2008 FRC Combined Code on Corporate Governance, publicly available from the Financial Reporting Council, as well as compliance with the Companies Act 2006 and the Listing Rules.

Statement of compliance with the Combined Code

The statement below describes how the principles of Corporate Governance are applied and the extent of the Company's compliance with the provisions set out in Section 1 of the 2008 FRC Combined Code. The Company has complied with the 2008 FRC Combined Code throughout the financial year other than:

— Until 10 December 2009 Graham Sherren, who is not independent and formerly held the role of Chairman and Chief Executive, remained as Non-Executive Chairman until 10 December 2009. (A.2.2 and A.3.1). It has been announced that he will remain on the Board as a Non-Executive Director until December 2010. However, in view of the timing of the 2010 AGM he has decided not to offer himself for re-election at that meeting The reason that Graham Sherren remained as a Non-Executive Director was that the Board believed that his continuation as a director was important in giving the Group the benefit of his experience and knowledge of the publishing industry.

— Patrick Taylor was appointed Non-Executive Chairman on Graham Sherren's resignation on 10 December 2009. As there was no other suitably qualified and experienced Non-Executive Director available at the time to fulfil the role Patrick Taylor remained as chairman of the Audit Committee until a new Non-Executive with such skills and experience was appointed (C.3.1). Robert Boyle was appointed a Non-Executive Director on 8 January 2010 and immediately took over the role of chairman of the Audit Committee.

The Board of Directors

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

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

Board process

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

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

The Board held five scheduled meetings during the year. The Directors receive the Board 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 ("CEO") and Group Finance Director ("GFD"). 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.

Board and Committee meetings have been scheduled to start earlier and in some cases re-scheduled to ensure that adequate time is given to consider and discuss all agenda items.

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

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

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

The Non-Executive Directors have met together without the Executive Directors as required by the Combined Code.

Performance evaluation

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

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 Chairman and Company Secretary have met with each Director individually in order to consider the performance of the said director and the Board as a whole (other than Graham Sherren and Tom Scruby who are standing down later in 2010) and no matters of concern arose.

In addition the Senior Independent Director met with the Chairman to assess his performance and it was agreed that he had risen well to the challenges of his new role.

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. In light of the revised Code the Directors will be considering the value and appropriateness of introducing external evaluation of performance.

Board committees

The number of scheduled full Board meetings and Committee meetings during the year to 30 June 2010 along with attendance of Directors was as follows:

Corporate Governance Statement *(continued)*

Board committees (continued)	Scheduled Board Meetings	Audit Commitee Meetings	Renumeration Commitee Meetings	Nomination Commitee Meetings
No of meetings held	**5**	**3**	**4**	**2**
JPE Taylor*	5	1	4	2
GTD Wilmot	5	n/a	n/a	n/a
M Lally	5	n/a	n/a	n/a
GV Sherren	5	n/a	n/a	n/a
BTR Scruby	5	n/a	n/a	n/a
C Morrison	5	3	4	2
C Satterthwaite	5	3	4	2
RW Boyle*	2	2	n/a	n/a

*In reading the above table it should be noted that Robert Boyle did not join the Board until 8 January 2010 and has attended all scheduled meetings since that date. Patrick Taylor stood down from the Audit Committee at the same time but had attended all scheduled meetings prior to that date.

Board balance and independence

Throughout FY2010, the Board comprised two Executive Directors, Geoffrey Wilmot and Michael Lally, and five Non-Executive Directors, including the Non-Executive Chairman.

Of those Non-Executive Directors, Patrick Taylor, Colin Morrison and Christopher Satterthwaite are considered by the Board to be ‘independent’ of management for the purposes of the 2008 FRC Combined Code and have no relationships that may interfere with their independent judgement and thus in this regard the requirements of the 2008 FRC Combined Code are satisfied.

Robert Boyle was appointed as a Non-Executive Director from 8 January 2010 and is also considered to be independent.

The Board is further strengthened by the presence of Non-Executive Director, Tom Scruby, who was a Director of Centaur Communications Ltd from 1989 to 2004. In view of this he does not satisfy the independence criteria of the 2008 FRC Combined Code; however the Board continues to believe that Tom Scruby brings substantial benefit to the Board through his external experience and knowledge of Centaur.

It is recognised that Graham Sherren in the role of non-independent Chairman, having formerly held the role of Chief Executive Officer, did not satisfy the 2008 FRC Combined Code. However, Graham Sherren stood down as Chairman on 10 December 2009 although, given his extensive experience of the Company and the industry, the Board considered it sensible to ask Graham Sherren to continue as a Non-Executive Director for one further year before finally retiring. In view of the timing of the 2010 Annual General Meeting he has decided not to offer himself for re-election at that meeting.

As part of the process of appointing Patrick Taylor as Non-Executive Chairman his other significant commitments were disclosed to the Board and it was satisfied that these did not prevent him from giving adequate time to his role as Chairman. These commitments were:

- Non-Executive Director of Future plc. Patrick Taylor also acts as chairman of the Audit Committee and is a member of the Remuneration Committee;
- Non-Executive Chairman of his family owned company; Nonstop Adventure Limited;
- Non-Executive Director of a family owned company hydro electric generating company, Lowwood Products Limited;
- Trustee of the charity “Living Paintings”.

There is a clear division of responsibilities between the Chairman and Chief Executive. 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.
- Establishing effective communication with shareholders and ensuring that the Board understands their views.
- Regular contact with the Chief Executive.

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.

On his appointment as Chairman on 10 December 2009 Patrick Taylor stood down as Senior Independent Director and Christopher Satterthwaite was appointed in his place.

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.

Biographies of the Directors are set out on page 25. The Board believes that the Directors possess a wide range of commercial, financial and regulatory experience and ability which are relevant to the Company as a PLC in the media sector.

The Audit Committee

Patrick Taylor chaired the Audit Committee until the appointment of Robert Boyle who took over the role on 8 January 2010. Patrick Taylor ceased to be a member of the committee from that date. Both of these have been the members with recent and relevant financial experience. Its other members are Colin Morrison and Christopher Satterthwaite. All members of this committee are Non-Executive Directors.

The Audit Committee meets at least twice each year. 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.

Corporate Governance Statement *(continued)*

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.

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.

Whistle-blowing Policy

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 "whistleblower" informed of the outcome of enquiries and decisions taken with regard to the matter. Guidance is also given to raising matters externally.

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 HR Services Team of PricewaterhouseCoopers LLP, who are also the Company's auditors, provided specialist advice to the Company on the introduction of a new long-term incentive plan (the SELTIP) details of which are found in the Directors' Report on Remuneration at page 34. The fee in respect of this work will be £50,000.

The auditors have been in post since 2000 but for only six years as auditors of a listed company (Centaur was listed in March 2004). As noted in the Statement last year the Group reviewed their appointment in 2009 and it was agreed by the Board that they were judged to be performing a thorough, constructive and independent audit.

The Remuneration Committee

Patrick Taylor chaired the Remuneration Committee during the year and its other members are Colin Morrison and Christopher Satterthwaite. All members of this committee are Non-Executive Directors.

Colin Morrison was appointed as chairman of the committee from 1 July 2010 at which date Patrick Taylor ceased to be a member.

The Remuneration Committee meets at least twice each year. 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 Company – 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.

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

As has been noted a specialist team from PricewaterhouseCoopers LLP has provided the committee with some specialist advice in relation to executive incentive schemes.

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

The Company Secretary, with reference to independent remuneration research and professional advice and in accordance with the 2008 FRC Combined Code, also will provide regular updates to the Board on the framework for executive remuneration and its cost. The Board is then responsible for implementing the recommendations and agreeing the remuneration packages of individual Directors and the Company Secretary. The Directors are not permitted under the Articles to vote on their own terms and conditions of remuneration.

The Nomination Committee

Graham Sherren chaired the Nomination Committee until 10 December 2009. Its other members are Colin Morrison and Christopher Satterthwaite. Patrick Taylor was also a member until 10 December 2009 when he became chairman of the committee. Graham Sherren was not involved in the selection or appointment of the new Chairman.

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

With the appointment of Patrick Taylor as Chairman in December 2009 it was recognised that he was not eligible, under the Combined Code, to remain chairman of the Audit Committee and that none of the other Non-Executive Directors had the requisite skills and recent experience to fill this role. Taking into account the urgency of the matter together with the Board's knowledge and consideration of a number of suitable candidates it was decided that it was neither appropriate nor necessary to use the services of an external search consultancy or open advertising in the appointment. The Nomination Committee was confident that Robert Boyle satisfied all the requirements for this role and was delighted when he accepted the post.

On joining the Board Robert Boyle was also appointed chairman of the Audit Committee. All new directors receive a full induction pack on joining the Board and Robert Boyle undertook a number of induction meetings throughout the business shortly after he was appointed.

On his appointment as Non-Executive Chairman it was announced that Patrick Taylor intended to stand down from the Remuneration Committee and the Nomination Committee decided to appoint Colin Morrison to this post, as from 1 July 2010.

As part of its brief, the Nomination Committee continues to consider succession planning and, following the resignation of both Graham Sherren and Tom Scruby from the Board at the 2010 Annual General Meeting, the committee will be reviewing whether there is a need to replace one or both Directors and if so, the skills that would be required to best serve the needs of the Board going forward.

Corporate Governance Statement *(continued)*

Ian Roberts will be standing down as Company Secretary at the 2010 AGM and Claire Baty will take on this role. Claire Baty, who joined the Group from Thomson Legal & Regulatory in May 2006, having qualified as an ACCA at Mazars, is at present Centaur's Group Financial Controller.

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 has been appointed to approve the issue and allotment of shares in satisfaction of employee share schemes.

Internal control

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

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

An ongoing process, in accordance with the guidance of the Turnbull Committee on internal control, is established for identifying, evaluating and managing risks faced by the Group. The Directors recognise that they are responsible for systems of internal control and for reviewing its effectiveness and this they have done throughout the year. In reviewing the Group's risk profile four categories of risk are considered: strategic, hazard, operational and financial. These headings are then broken down unto various risk events and the likelihood of occurrence, potential severity and risk management processes and system are identified.

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

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

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

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

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

Relations with shareholders

Communication with shareholders is given a high priority. The Business Review gives 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 Company's business activities copies of all the regulatory announcements can be viewed on the Company's website (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 17 November 2010 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 initially as the Senior Independent Director and subsequently as Chairman, has met with a number of the Company's largest shareholders. Christopher Satterthwaite, in his capacity as Senior Independent Director since 10 December 2009, has not been requested to attend any meetings by any of the shareholders but remains available to do so at their request.

Going concern

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 resources to continue in operational existence for the foreseeable future.

Cash and cash equivalents at 30 June 2010 amounted to £1.1 million and although a revolving credit facility of up to £5 million with the Royal Bank of Scotland remains in place until May 2012 the Group has reported net cash at each period end during the last two financial years. The continuing strength of the Group's cash generation is reflected in a 112% conversion of adjusted operating profit into free cash flow during the year ended 30 June 2010 (page 22) and as indicated in the outlook statement on page 7, the Group is expecting a continued recovery in year-on-year trading performance during the new financial year.

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

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

Directors' Report on Remuneration

Information not subject to audit

The Directors' report on remuneration has been prepared in accordance with SI 2008/410 of the Companies Act 2006.

The Remuneration Committee
Details of the Remuneration Committee are found on page 30.

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 executives are rewarded for a combination of absolute and relative performance and 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.

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 Company's performance and the salary policy throughout the Group as a whole. Salary levels are reviewed annually.

Bonuses
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. Geoffrey Wilmot has a maximum bonus opportunity of 100% of base salary and Michael Lally has a maximum opportunity of 50% of base salary.

Long term incentive awards
Centaur's primary focus is on long-term, profitable growth. Its key strategic objectives include a target of long term double digit revenue growth and an increase in adjusted EBITDA margins to 25%. 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.

The objective of such policy is to ensure that Executive Directors are provided with appropriate remuneration and incentives to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their individual contributions to the long-term success of the Group.

i) Salaries
In setting remuneration levels the pay and employment conditions of employees within the Group are also taken into account. In this regard it is noted that the Executive Directors were, like all Group employees, subject to a pay freeze imposed throughout the Group in 2008/09 to reflect the sharp downturn in the Group's performance and in the economy generally.

The pay freeze was lifted for 2010/11 and Executive Directors' salaries were increased by 1.5%, in line with the guidelines issued for other employees in the Group. The level of salaries will continue to be reviewed in light of comparable market rates.

ii) Annual bonuses
Bonus schemes for the Executive Directors and Company Secretary are based on demanding but motivational performance targets that have usually been linked to one of the Company's key profit measures. Previously adjusted earnings per share was used, however from 2009/10 adjusted profit before taxation (PBTA) measure will be used. The reasons for this change of policy 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.

Bonuses payable to the CEO and GFD in respect of the year amounted to 45% and 40% of their salaries at 30 June 2010 i.e. just over 45% and 80% of the maximum bonus limit. In view of a desire to incentivise outperformance in the seasonally weaker first half-year the Committee decided to allocate a maximum 10% bonus entitlement to the interim results. Interim bonuses were paid in March 2010 based on achievement of adjusted EBITDA targets for the six months to 31 December 2009. The remaining bonus entitlement was calculated by reference to the PBTA performance for the year as a whole. PBTA bonus targets were set in relation to performance in excess of budget. PBTA of less than budget would have resulted in no bonus being paid.

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

For 2010/11 bonuses are again based on the achievement of PBTA targets. The maximum bonuses payable in respect of the year to 30 June 2011 are capped at 100% and 50% of annual salary for the CEO and GFD respectively. Interim bonuses will be paid of a maximum of 15% based on performance against budget targets. The remaining bonus entitlement will be calculated by reference to PBTA targets for the year to 30 June 2011.

iii) Long-term incentives
Details of the Company's long-term incentive arrangements are outlined below, together with details of the Executive Director's participation in them.

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

The Directors' service agreements
Geoffrey Wilmot's service agreement is dated 27 February 2004, amended on 23 November 2006 to reflect his appointment as Chief Executive Officer, and Michael Lally's agreement is dated 2 April 2007. 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.

Graham Sherren's service contract has been amended to reflect his status as a Non-Executive Director. While his contract continues to provide for a notice period of twelve months, in view of the timing of the forthcoming Annual General Meeting,

Directors' Report on Remuneration *(continued)*

Graham Sherren has given the Company notice of his intention to retire as a Director with effect from the AGM on 17 November 2010.

Patrick Taylor, Colin Morrison, Tom Scruby, Christopher Satterthwaite and Robert Boyle are Non-Executive Directors. The Non-Executive Directors do not have service contracts; they have a letter of appointment with the Company. Their appointments are for an initial three-year period with an extension for a further three-year period ("the Initial Period") and provide for a notice period of one month. The Initial Period expired during the year in respect of Patrick Taylor, Colin Morrison and Tom Scruby and the Company, having carefully reviewed the matter, decided to renew the appointments for further three-year terms. All retiring Directors are eligible for re-election. Any Non-Executive Director who has held office for a nine-year period or more shall be subject to re-election at each AGM. However, as stated elsewhere in this report, all existing Directors have chosen to submit to annual election at each AGM. Their letters of appointment provide for termination of Non-Executive Director's employment with one month's notice.

Pension arrangements

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

Long-term incentive arrangements

The Group has six long-term incentive arrangements in place. Four of these plans (the Long-term incentive plan, the Share option plan, the SELTIP and the Rollover plan) are available only to Executive Directors and other key employees. The Share incentive and Sharesave plans 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) Long-term incentive plan ("LTIP")

Until the introduction of the SELTIP (described at (vi) below) the LTIP had been intended to be the sole long-term incentive arrangement for the Company's key management. The Board believed that it would satisfactorily link reward with performance and would incentivise key management to deliver long-term shareholder value.

The maximum market value of shares over which awards would be granted to any individuals in any financial year would not exceed 100% of an individual's base salary. Awards would be granted under the LTIP either as a conditional allocation of ordinary shares in the Company, as nil (or nominal) cost options with a short exercise window or as forfeitable shares. Awards would normally vest three years after grant, subject to continuing employment and to the achievement of performance conditions. All awards made under this plan would take the form of conditional grants of free shares in the Company. Vesting would be based on a condition measuring the Company's Total Shareholder Return ("TSR") against a comparator group of companies over a fixed three year Performance Period commencing on the first day of the financial year in which the award is granted (save for the three year performance period applying to the initial awards which commenced on the date of grant). TSR is the increase in the Net Return Index (as calculated by a specific financial information provider as selected by the Committee) for each company over the Performance Period. This is calculated as the increase (if any) in the average Net Return Index during the final three months of the Performance Period compared with the average Net Return Index during the three months immediately before it.

The comparator group for the LTIP awards was as follows:

- Euromoney plc
- Future plc
- Huveaux plc
- Informa plc
- ITE plc
- Johnston Press plc
- Mecom Group plc
- Pearson plc
- Reed Elsevier plc
- Trinity Mirror plc
- UBM plc
- Wilmington plc
- Yell Group Plc

The percentage of an award that will vest is as follows:

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

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

These performance conditions were chosen at the time that the LTIP was proposed in 2006, on the advice of the Company's remuneration consultants, because they would encourage the Company's senior employees to generate greater returns to shareholders than its sector peers and provide a better link between reward and performance and incentivise key management to deliver long-term shareholder value. It was also believed that the scheme would bring the Company's long-term incentive arrangements into line with the market and best practice and would reflect the changed accounting treatment of share-based incentives.

The performance period for the 2006, 2007 and 2008 awards ended respectively on 12 June 2009, 30 June 2009 and 30 June 2010. The Company's TSR was below median for all of these periods and therefore none of the shares subject to these awards will vest. The Board considered that, because achievement of the vesting criteria had been rendered impossible by market conditions, the scheme had ceased to be an incentive for the key staff participating in it.

(ii) Share option plan

It was decided by the Remuneration Committee, in October 2008, to grant further share options to certain Directors and key members of management. In considering the grant the Committee noted that in the Notice of the EGM at which the LTIP was approved it stated that "The Remuneration Committee believes that the existing ESOP should be replaced with a new LTIP" and that only in "exceptional circumstances (such as the recruitment of a senior executive) further options may be granted under the ESOP". The Committee, however, was of the opinion that the current lack of value in the LTIP and the disincentive that this created constituted exceptional circumstances and thus further options should be granted under the ESOP.

Directors' Report on Remuneration *(continued)*

The options granted will be exercisable upon the achievement of certain adjusted EPS targets in respect of the financial year ending 30 June 2012 and can 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

The Committee had previously granted share options 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.

The 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 Company in a tax efficient manner. Part II of the plan has not been approved by the Inland Revenue.

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

(iii) 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.

(iv) 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.

(v) Sharesave plan

The Company 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. The Option price of the 2010 grants made was 41.24p, a discount of 20% on the share price determined at the pricing date. 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.

(vi) Senior Executive Long-Term Incentive Plan ("SELTIP")

The Remuneration Committee has reviewed the current remuneration policy in line with corporate governance best practice to see whether it supports the corporate strategy. This resulted in the introduction of The Centaur Media Plc 2010 Senior Executive Long-Term Incentive Plan (the "SELTIP"). The SELTIP will be the sole discretionary share plan operated by the Company for participants.

The introduction of the SELTIP does not increase the total potential compensation value of the packages provided to the Executive Directors. The rationale behind the SELTIP and its proposed terms are 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 first awards to be made under the SELTIP will be made in Autumn 2010. The key features of the SELTIP are as follows:

— At the beginning of the Plan Period of three financial years, participants will receive an Award of Bonus Units. There is a maximum contribution of 100% of salary p.a. 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.
— The restricted shares will be held in an Employee Benefit Trust ("EBT").
— 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.

The Company consulted with its major shareholders on the key elements of the SELTIP prior to finalising its design. The Company is grateful to its major shareholders for their interest and comments during the consultation process and their support for the SELTIP.

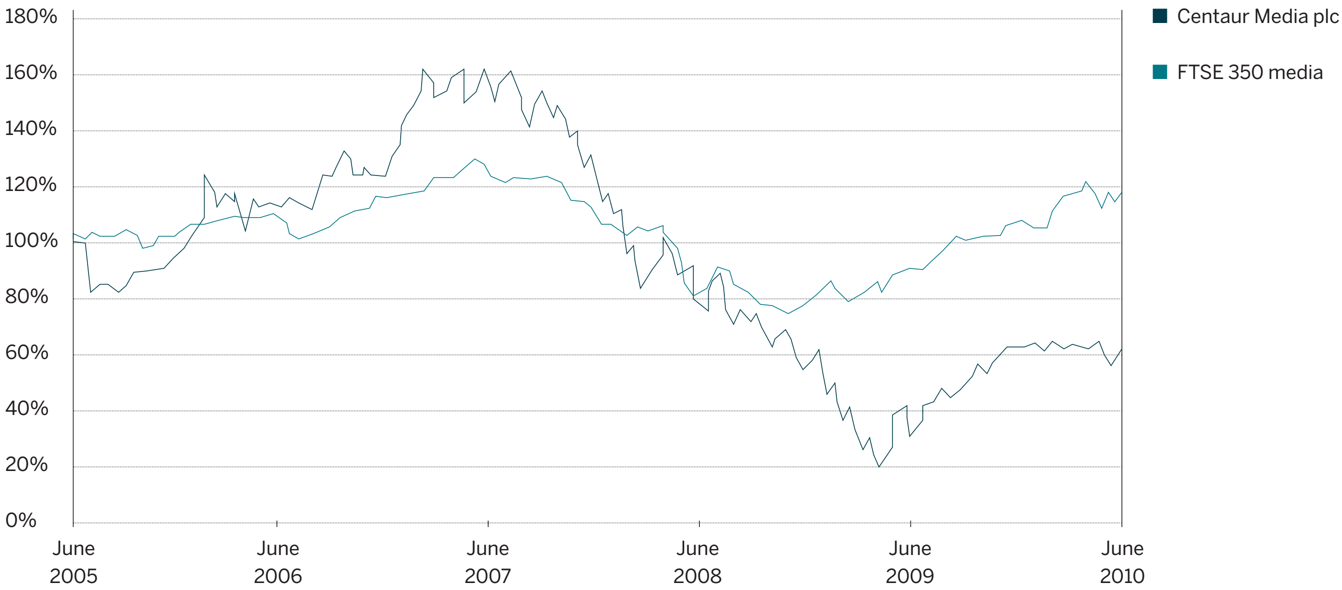
Performance graphs

The graphs opposite 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.

Directors' Report on Remuneration *(continued)*

Share price

Total shareholder return



Directors' Report on Remuneration *(continued)*

Information subject to audit

Directors' interests

The Directors holding office during the year to 30 June 2010 are shown on page 24 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 2009	Number at 30 June 2010
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
					1,560,110	**1,560,110**
M J Lally	9.03.04	9.03.07	9.03.14	100.0	217,677	217,677
	9.03.04	9.03.05	9.03.14	57.87	26,743	26,743
	29.10.08	30.06.12	29.10.18	51.75	450,000	450,000
					694,420	**694,420**

The market price at 30 June 2010 was 47.3p (FY2009: 39.0p) and the range during the year was 32.0p to 54.0p (FY2009: 16.8p to 75.5p). The average market price during the year was 46.8p (FY2009: 43.5p).

Long-term incentive plan

The following Directors have been awarded conditional free shares under the long-term incentive plan:

	Date of award	Vesting date	Number at 30 June 2009	Granted in year	Vested in year	Lapsed in year	Number at 30 June 2010
GTD Wilmot	19.03.08	19.03.11	300,000	-	-	(300,000)	-
			300,000	**-**	**-**	**(300,000)**	**-**
M J Lally	19.03.08	19.03.11	120,000	-	-	(120,000)	-
			120,000	**-**	**-**	**(120,000)**	**-**

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 2009	Number at 30 June 2010
GV Sherren	24.04.08	01.06.11	01.12.11	64.70	14,528	14,528
					14,528	**14,528**
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
					74,808	**74,808**

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 2010. 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 2010	Salaries and fees £	Bonus £	Pension £	Other benefits £	Total £
Executive					
GTD Wilmot	262,500	118,125	45,938	23,617	450,180
M J Lally	156,975	62,791	14,128	11,517	245,411
Non Executive					
GV Sherren	125,000	-	-	41,603	166,603
JPE Taylor	64,654	-	-	-	64,654
BTR Scruby	40,000	-	-	-	40,000
C Morrison	40,000	-	-	-	40,000
C Satterthwaite	40,000	-	-	-	40,000
R Boyle	16,737	-	-	-	16,737
	745,866	**180,916**	**60,066**	**76,737**	**1,063,585**

Year ended 30 June 2009	Salaries and fees £	Bonus £	Pension £	Other benefits £	Total £
Executive					
GTD Wilmot	262,500	-	45,938	23,550	331,988
M J Lally	156,975	-	14,128	10,640	181,743
Non Executive					
GV Sherren	125,000	-	-	44,914	169,914
JPE Taylor	45,000	-	-	-	45,000
BTR Scruby	40,000	-	-	-	40,000
C Morrison	40,000	-	-	-	40,000
C Satterthwaite	40,000	-	-	-	40,000
	709,475	**-**	**60,066**	**79,104**	**848,645**

By order of the Board

C Morrison
Chairman of the Remuneration Committee 15 September 2010

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 2010 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statements of Changes in Equity, the 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 32, 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 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 Sections 495 to 497 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.

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 2010 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' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006; and
— the information given in the Directors' Report 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' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
— certain disclosures of Directors' remuneration specified by law are not made; or
— we have not received all the information and explanations we require for our audit.

Under the Listing Rules we are required to review:
— the Directors' statement, set out on page 31, in relation to going concern; and
— the parts of the Corporate Governance Statement relating to the Company's compliance with the nine provisions of the June 2008 Combined Code specified for our review.

Ian Wishart
Senior Statutory Auditor 15 September 2010

For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

Consolidated Statement of Comprehensive Income for the year ended 30 June 2010

Continuing operations	Note	2010 £m	2009 £m
Revenue	1	**59.9**	66.3
Cost of sales		**(33.4)**	(37.4)
Gross profit		**26.5**	28.9
Distribution costs		**(2.9)**	(3.6)
Administrative expenses		**(20.9)**	(23.7)
Adjusted EBITDA	1	6.6	7.0
Depreciation of property, plant and equipment		**(0.9)**	(0.8)
Amortisation of software		**(1.9)**	(1.5)
Amortisation of acquired intangibles		**(1.1)**	(1.0)
Share based payments	22	**0.3**	(0.4)
Exceptional cost	2	**(0.3)**	(1.7)
Operating profit from continuing operations		**2.7**	1.6
Finance (expense)/income	3	**(0.1)**	0.1
Profit from continuing operations before taxation		**2.6**	1.7
Taxation	6	(0.6)	(0.8)
Profit for the year attributable to equity shareholders		**2.0**	0.9
Total comprehensive income for the period attributable to owners of the company		**2.0**	0.9
Earnings per share for profit attributable to the owners of the company	7		
Basic		**1.4p**	0.6p
Fully diluted		**1.4p**	0.6p

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

Consolidated Statement of Changes in Equity for the year ended 30 June 2010

	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 2008	15.0	(8.9)	0.7	151.6	3.0	0.1	161.5
Profit for the year and total comprehensive income for the year	-	-	-	0.9	-	-	0.9
Transactions with owners							
Dividends	-	-	-	(4.9)	-	-	(4.9)
Treasury shares purchased	-	(0.9)	-	-	-	-	(0.9)
Share options							
Fair value of employee services	-	-	-	-	0.4	-	0.4
As at 30 June 2009	**15.0**	**(9.8)**	**0.7**	**147.6**	**3.4**	**0.1**	**157.0**
Profit for the year and total comprehensive income for the year	-	-	-	2.0	-	-	2.0
Transactions with owners							
Dividends	-	-	-	(2.2)	-	-	(2.2)
Share options							
Fair value of employee services	-	-	-	-	(0.3)	-	(0.3)
As at 30 June 2010	**15.0**	**(9.8)**	**0.7**	**147.4**	**3.1**	**0.1**	**156.5**

At 30 June 2010, 9,321,687 (2009: 9,326,467) 10p ordinary shares are held in treasury and 725,000 (2009: 725,000) 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 2009 and 30 June 2010 represent the total charge/(credit) 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 2010

	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 2008	15.0	(7.9)	0.7	144.9	3.0	0.1	155.8
Loss for the year	-	-	-	(1.3)	-	-	(1.3)
Transactions with owners							
Dividends	-	-	-	(4.9)	-	-	(4.9)
Treasury shares purchased	-	(0.9)	-	-	-	-	(0.9)
Share options							
Fair value of employee services	-	-	-	-	0.4	-	0.4
As at 30 June 2009	**15.0**	**(8.8)**	**0.7**	**138.7**	**3.4**	**0.1**	**149.1**
Loss for the year	-	-	-	(1.5)	-	-	(1.5)
Transactions with owners							
Dividends	-	-	-	(2.2)	-	-	(2.2)
Share options							
Fair value of employee services	-	-	-	-	(0.3)	-	(0.3)
As at 30 June 2010	**15.0**	**(8.8)**	**0.7**	**135.0**	**3.1**	**0.1**	**145.1**

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 £1.5m (FY2009: loss of £1.3m).

Consolidated Balance Sheet at 30 June 2010

	Note	2010 £m	2009 £m
Non-current assets			
Goodwill	8	**140.7**	140.3
Other intangible assets	9	**16.2**	16.1
Property, plant and equipment	10	**3.8**	3.6
Deferred tax assets	20	**0.5**	0.3
		161.2	160.3
Current assets			
Inventories	12	**1.2**	1.0
Trade and other receivables	13	**11.7**	11.0
Cash and cash equivalents	14	**1.1**	0.7
		14.0	12.7
Current liabilities			
Financial liabilities	15	**0.1**	0.1
Trade and other payables	16	**8.8**	8.3
Deferred income	17	**7.1**	6.5
Current tax liabilities	18	**0.5**	-
Provisions	19	**0.3**	-
		16.8	14.9
Net current liabilities		**(2.8)**	(2.2)
Non-current liabilities			
Financial liabilities	15	**0.6**	-
Provisions	19	**0.2**	-
Deferred tax liabilities	20	**1.1**	1.1
		1.9	1.1
Net assets		**156.5**	157.0
Capital and reserves attributable to owners of the parent			
Share capital	21	**15.0**	15.0
Treasury shares		**(9.8)**	(9.8)
Share premium		**0.7**	0.7
Other reserves		**3.2**	3.5
Retained earnings		**147.4**	147.6
Total shareholders' equity		**156.5**	157.0

The financial statements were approved by the Board of Directors on 15 September 2010 and were signed on its behalf by:

MJ Lally
Group Finance Director

Company Balance Sheet at 30 June 2010

	Note	2010 £m	2009 £m
Non-current assets			
Investments in subsidiaries	11	**146.0**	146.0
		146.0	146.0
Current assets			
Trade and other receivables	13	**2.8**	3.1
Cash and cash equivalents	14	**-**	0.2
		2.8	3.3
Current liabilities			
Borrowings	15	**3.2**	0.1
Trade and other payables	16	**0.5**	0.1
		3.7	0.2
Net current (liabilities)/assets		**(0.9)**	3.1
Net assets		**145.1**	149.1
Capital and reserves attributable to owners of the parent			
Share capital	21	**15.0**	15.0
Treasury shares		**(8.8)**	(8.8)
Share premium		**0.7**	0.7
Other reserves		**3.2**	3.5
Retained earnings		**135.0**	138.7
Total shareholders' equity		**145.1**	149.1

The financial statements were approved by the Board of Directors on 15 September 2010 and were signed on its behalf by:

MJ Lally
Group Finance Director

Consolidated Cash Flow Statement for the year ended 30 June 2010

	Note	2010 £m	2009 £m
Cash flows from operating activities			
Cash generated from operations	24	**6.6**	6.0
Tax paid		**(0.3)**	(2.3)
Cash flows generated from operating activities		**6.3**	3.7
Cash flows from investing activities			
Interest received		-	0.1
Acquisition of subsidiaries (net of cash acquired)		**(1.3)**	-
Proceeds from the disposal of businesses		-	0.1
Purchase of property, plant and equipment		**(0.2)**	(2.4)
Purchase of software		**(1.9)**	(2.5)
Purchase of other intangible assets		-	(0.2)
Cash flows from investing activities		**(3.4)**	(4.9)
Cash flows from financing activities			
Net proceeds from issue of ordinary share capital		-	-
Treasury shares purchased		-	(0.9)
Repayment of loan notes		**(0.1)**	-
Interest paid		**(0.1)**	(0.1)
Finance lease repayments		**(0.1)**	-
Dividends paid		**(2.2)**	(4.9)
Cash flows from financing activities		**(2.5)**	(5.9)
Net increase/(decrease) in cash and cash equivalents		**0.4**	(7.1)
Cash and cash equivalents at 1 July 2009		**0.7**	7.8
Cash and cash equivalents 30 June 2010		**1.1**	0.7

Company Cash Flow Statement for the year ended 30 June 2010

	Note	2010 £m	2009 £m
Cash flows from operating activities			
Cash flows generated from operating activities	24	**(1.1)**	5.9
Cash flows from investing activities			
Interest paid		-	(0.1)
Treasury shares purchased		-	(0.9)
Repayment of loan notes		(0.1)	-
Dividends paid		(2.2)	(4.9)
Cash flows from financing activities		(2.3)	(5.9)
Net decrease in cash and cash equivalents		**(3.4)**	-
Cash and cash equivalents at 1 July 2009		**0.2**	0.2
Cash and cash equivalents 30 June 2010		**(3.2)**	0.2

Statement of Accounting Policies

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

Basis of preparation

The consolidated and Company financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and International Financial Reporting Interpretations Committee (IFRIC) applicable at 30 June 2010 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. 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.

The following new standards, amendments to standards or interpretations are mandatory for the first time for the financial year ended 30 June 2010.

— IFRS 3 (revised), 'Business combinations', and consequential amendments to IAS 27, 'Consolidated and separate financial statements', IAS 28, 'Investments in associates', and IAS 31, 'Interests in joint ventures', are effective prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009.

The revised standard continues to apply the acquisition method to business combinations but with some significant changes compared with IFRS 3. For example, all payments to purchase a business are recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently re-measured through the income statement. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. All acquisition-related costs are expensed. The revised standard was applied in accounting for the acquisition of Taxbriefs (note 25).

— IAS 1 (Revised), 'Presentation of financial statements' – Comprehensive revision including a "statement of comprehensive income" (effective from 1 January 2009), which has impacted the presentational disclosure of the financial statements but has no impact on the carrying values of items.
— IFRS 8, 'Operating segments' replaces IAS 14, 'Segment reporting', and requires a 'management approach' to be adopted, under which segment information is presented on the same basis as that used for internal reporting purposes. The new standard had no effect on the segmental format being presented by the Group.

Standards, amendments and interpretations to existing standards effective in 2010 but not relevant to the Group:
— IFRIC 17, 'Distributions of non-cash assets to owners' (effective 1 July 2009)
— IFRIC 18, 'Transfers of assets from customers', (effective 1 July 2009)
— Amendment to IAS 32, "Financial instruments: Presentation", and IAS 1, 'Presentation of financial statements' on 'Puttable financial instruments and obligations arising on liquidation' (effective 1 January 2009)
— IAS 23 (revised), 'Borrowing costs' (effective 1 January 2009)
— Amendment to IFRS 2, 'Share-based payments' on 'Vesting conditions and cancellations' (effective 1 January 2009)
— IFRIC 13, 'Client loyalty programmes relating to IAS 18, Revenue' (effective 1 July 2008 but EU endorsed for use 1 January 2009)
— 'IFRS 1 (revised) 'First time adoption' (effective 1 July 2009)
— IAS 27 (revised) 'Consolidated and separate financial statements' (effective 1 July 2009)
— Amendment to IAS 39, 'Financial instruments: Recognition and measurement', on Eligible hedged items (effective 1 July 2009)
— Amendment to IFRS 1, 'First time adoption of IFRS' and IAS 27 'Consolidated and separate financial statements' on the Cost of an investment in a subsidiary, jointly controlled entity or associate (effective 1 July 2009)

The following new standards, new interpretations and amendments to standards and interpretations have been issued but were not effective for the financial year ended 30 June 2010 and have not been early adopted:

— IFRS 9, 'Financial instruments', issued in December 2009. This addresses the classification and measurement of financial assets and is likely to affect the Group's accounting for its financial assets. The standard is not applicable until 1 January 2013 but is available for early adoption.
— Revised IAS 24, 'Related party disclosures', issued in November 2009. It supersedes IAS 24, 'Related party disclosures', issued in 2003. The revised IAS 24 is required to be applied from 1 January 2011. Earlier application, in whole or in part, is permitted.
— 'Classification of rights issues' (Amendment to IAS 32), issued in October 2009. For rights issues offered for a fixed amount of foreign currency, current practice appears to require such issues to be accounted for as derivative liabilities. The amendment states that if such rights are issued pro rata to all the entity's existing shareholders in the same class for a fixed amount of currency, they should be classified as equity regardless of the currency in which the exercise price is denominated. The amendment should be applied for annual periods beginning on or after 1 July 2010. Earlier application is permitted.
— 'Prepayments of a minimum funding requirement' (Amendments to IFRIC 14), issued in November 2009. The amendments correct an unintended consequence of IFRIC 14, 'IAS 19 – The limit on a defined benefit asset, minimum funding requirements and their interaction'. Without the amendments, entities are not permitted to recognise as an asset some voluntary prepayments for minimum funding contributions. The amendments are effective for annual periods beginning 1 July 2011. Earlier application is permitted.
— IFRIC 19, 'Extinguishing financial liabilities with equity instruments'. This clarifies the requirements of IFRSs when an entity renegotiates the terms of a financial liability with its creditor and the creditor agrees to accept the entity's shares or other equity instruments to settle the financial liability fully or partially. The interpretation is effective for annual periods beginning on or after 1 July 2010. Earlier application is permitted.

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.

Statement of Accounting Policies *(continued)*

Additional presentation within the consolidated statement of comprehensive income
The Group has presented separately on the face of the consolidated statement of comprehensive income on page 39 an additional profit measure of adjusted EBITDA. Adjusted EBITDA is earnings before interest, tax, depreciation, amortisation and excluding exceptional and other significant non-cash items. This presentation has been provided as the Directors believe that this measure reflects more clearly the ongoing operations of the Group. In 2010 and 2009, share based payment costs have been treated as a significant non-cash item.

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

Consolidation
The consolidated financial statements incorporate the financial statements of Centaur Media plc and all its subsidiaries 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.

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 exhibitions and conferences provided in the normal course of business, net of discounts and value added tax.

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

Revenue from subscriptions to publications and digital services is deferred and recognised in the statement of comprehensive income 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.

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

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

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

For the purposes of impairment testing, goodwill is allocated to cash generating units, which are considered to be individual magazine or digital titles. Goodwill is then tested for impairment at the level of the reportable segments, which is considered to be the lowest level for which there are separately identifiable cash flows. 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.

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:

Computer software	- 3 - 5 years
Brands and publishing rights	- 20 years
Customer relationships	- 10 years or the length of the contract if shorter
Website development costs	- 3 - 5 years
Acquired content	- 5 years
Non compete arrangements	- 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:

Leasehold improvements	- 10 years or the expected length of the lease if shorter
Fixtures and fittings	- 10 years
Computer equipment	- 3 - 5 years
Motor vehicles	- 4 years

Statement of Accounting Policies

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

Impairment of assets
Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events indicate that the carrying value may not be recoverable. An impairment loss is recognised to the extent that the carrying value exceeds the higher of the asset's fair value less cost to sell and its value in use. An asset's value in use is calculated by discounting an estimate of future cash flows by 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. For raw materials, cost is the purchase price. Work in progress comprises costs incurred relating to publications, exhibitions and conferences prior to the publication date or the date of the event. For goods for resale, cost is the purchase price, or, in the case of publications, the direct cost of production. Net realisable value is based on estimated future selling price less all the further costs to completion and all relevant marketing, selling and distribution costs.

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

Leases
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 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 income statement 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-marketing 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. 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.

Statement of Accounting Policies *(continued)*

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

Segmental reporting
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.

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 general meeting.

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

i) 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.

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

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 'administrative 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 'administrative 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.

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

— Loan notes
Loan notes are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of comprehensive income over the period of the borrowings using the effective interest method.

— 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.

Notes to the Financial Statements

1. Segmental reporting

The Group is currently organised into five main business segments. The products and services that each segment offers are described in detail on pages 12 to 16.

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, intangible assets and goodwill and includes additions resulting from acquisitions through business combinations.

Geographical segments

Substantially all of the Group's net assets are located and 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 consider that the Group operates in a single geographical segment, being the United Kingdom, and therefore geographical reporting is not required.

1. Segmental reporting *(continued)*

Year ended 30 June 2010	Legal and Financial £m	Marketing and Creative £m	Construction and Engineering £m	Perfect Information £m	General Business Services £m	Un-allocated £m	Group £m
Continuing operations							
Revenue	**17.1**	**14.9**	**15.0**	**5.4**	**7.5**	**-**	**59.9**
Adjusted EBITDA	2.7	1.0	1.2	2.0	(0.3)	-	6.6
Depreciation of property, plant and equipment	(0.2)	(0.3)	(0.2)	(0.1)	(0.1)	-	(0.9)
Amortisation of software	(0.4)	(0.4)	(0.3)	(0.7)	(0.1)	-	(1.9)
Amortisation of acquired intangibles	(0.1)	(0.1)	(0.4)	-	(0.5)	-	(1.1)
Share based payments	-	-	-	-	-	0.3	0.3
Exceptional cost	(0.3)	-	-	-	-	-	(0.3)
Segment result	**1.7**	**0.2**	**0.3**	**1.2**	**(1.0)**	**0.3**	**2.7**
Finance expense	-	-	-	-	-	(0.1)	(0.1)
Profit/(loss) before tax	1.7	0.2	0.3	1.2	(1.0)	0.2	2.6
Taxation	-	-	-	-	-	(0.6)	(0.6)
Profit/(loss) for the year from continuing operations	**1.7**	**0.2**	**0.3**	**1.2**	**(1.0)**	**(0.4)**	**2.0**
Profit/(loss) for the year attributable to equity shareholders	**1.7**	**0.2**	**0.3**	**1.2**	**(1.0)**	**(0.4)**	**2.0**
Segment assets	61.6	46.0	37.5	12.0	16.5	-	173.6
Corporate assets	-	-	-	-	-	1.6	1.6
Consolidated total assets	**61.6**	**46.0**	**37.5**	**12.0**	**16.5**	**1.6**	**175.2**
Segment liabilities	4.5	4.1	3.7	2.7	2.1	-	17.1
Corporate liabilities	-	-	-	-	-	1.6	1.6
Consolidated total liabilities	**4.5**	**4.1**	**3.7**	**2.7**	**2.1**	**1.6**	**18.7**
Other items							
Capital expenditure	1.5	0.7	0.5	1.1	0.2	-	4.0
Impairment of trade receivables	-	0.1	0.1	-	0.1	-	0.3

1. Segmental reporting *(continued)*

Year ended 30 June 2009	Legal and Financial £m	Marketing and Creative £m	Construction and Engineering £m	Perfect Information £m	General Business Services £m	Un-allocated £m	Group £m
Continuing operations							
Revenue	**17.6**	**17.3**	**17.3**	**5.2**	**8.9**	**-**	**66.3**
Adjusted EBITDA	1.9	0.8	2.4	2.0	(0.1)	-	7.0
Depreciation of property, plant and equipment	(0.2)	(0.2)	(0.2)	(0.1)	(0.1)	-	(0.8)
Amortisation of software	(0.2)	(0.3)	(0.3)	(0.5)	(0.2)	-	(1.5)
Amortisation of acquired intangibles	(0.1)	-	(0.4)	-	(0.5)	-	(1.0)
Share based payments	-	-	-	-	-	(0.4)	(0.4)
Exceptional cost	(0.4)	(0.7)	(0.3)	(0.1)	(0.2)	-	(1.7)
Segment result	**1.0**	**(0.4)**	**1.2**	**1.3**	**(1.1)**	**(0.4)**	**1.6**
Finance income	-	-	-	-	-	0.1	0.1
Profit/(loss) before tax	1.0	(0.4)	1.2	1.3	(1.1)	(0.3)	1.7
Taxation	-	-	-	-	-	(0.8)	(0.8)
Profit/(loss) for the year from continuing operations	**1.0**	**(0.4)**	**1.2**	**1.3**	**(1.1)**	**(1.1)**	**0.9**
Profit/(loss) for the year attributable to equity shareholders	**1.0**	**(0.4)**	**1.2**	**1.3**	**(1.1)**	**(1.1)**	**0.9**
Segment assets	59.3	45.7	38.3	11.8	16.9	-	172.0
Corporate assets	-	-	-	-	-	1.0	1.0
Consolidated total assets	**59.3**	**45.7**	**38.3**	**11.8**	**16.9**	**1.0**	**173.0**
Segment liabilities	2.9	3.8	3.8	2.5	1.8	-	14.8
Corporate liabilities	-	-	-	-	-	1.2	1.2
Consolidated total liabilities	**2.9**	**3.8**	**3.8**	**2.5**	**1.8**	**1.2**	**16.0**
Other items							
Capital expenditure	1.5	1.3	1.1	0.9	0.5	-	5.3
Impairment of trade receivables	0.1	0.2	0.2	-	0.1	-	0.6

2. Exceptional cost

	2010 £m	2009 £m
Closure of Perfect Analysis		
Post closure costs	-	0.1
	-	0.1
Reorganisation of publishing operations		
Redundancies	-	1.0
Post closure costs	-	0.5
	-	1.5
Acquisition related costs	0.1	-
Onerous lease provision	0.2	0.1
Total	0.3	1.7

In May 2010, the entire share capital of Taxbriefs Holdings Limited ("Taxbriefs") was acquired by Centaur Communications Limited, and the related professional fees and stamp duty have been treated as exceptional costs and are included in acquisition related costs.

Immediately following the acquisition a decision was made to relocate the Taxbriefs business to the Centaur West End offices, resulting in an exceptional charge for the remaining costs for the lease over the empty premises.

Exceptional costs in the 12 months to 30 June 2009 included the cost of a number of restructuring initiatives that commenced in the previous financial year. £1.0m related to redundancy costs while £0.5m related to post closure costs relating to magazine titles that were discontinued during the year.

3. Finance (expense)/income

	2010 £m	2009 £m
Interest payable on revolving credit facility	(0.1)	-
Interest receivable on bank deposits	-	0.1
Interest (payable)/receivable	(0.1)	0.1

4. Profit before taxation

Profit before taxation is stated after charging/(crediting):	Note	2010 £m	2009 £m
Employee benefit expense	5	27.4	29.9
Exceptional cost	2	0.3	1.7
Inventories			
— Cost of inventories recognised as an expense (included in cost of sales)		9.3	12.7
Depreciation of owned property, plant and equipment	10	0.9	0.8
Amortisation of intangibles (included in administrative expenses)	9	3.0	2.5
Operating lease rentals			
— Minimum lease payments		2.7	2.8
— Subleases		(0.5)	(0.5)
Repairs and maintenance expenditure on property, plant and equipment		0.1	0.2
Trade receivables impairment		0.3	0.6

Services provided by the Group's auditor	2010 £'000	2009 £'000
Audit Fees		
Fees payable to Company's auditor for the audit of parent Company and consolidated financial statements	30	32
Fees payable to the Company's auditor and its associates for other services		
— The audit of the Company's subsidiaries pursuant to legislation	75	89
— Other services pursuant to legislation	24	25
— Services relating to remuneration	50	-
— All other services	2	2
	181	148

5. Directors & employees

	Note	Group 2010 £m	Group 2009 £m	Company 2010 £m	Company 2009 £m
Wages and salarie		**24.3**	25.9	**1.2**	1.0
Social security costs		**2.8**	3.0	**0.1**	0.1
Other pension costs	28	**0.6**	0.6	**0.1**	0.1
Equity settled share-based payments	22	**(0.3)**	0.4	**(0.2)**	0.1
		27.4	29.9	**1.2**	1.3

The average monthly number of persons employed during the year, including Directors, was:	Group 2010 Number	Group 2009 Number	Company 2010 Number	Company 2009 Number
Editorial	**152**	171	-	-
Production	**39**	40	-	-
Sales	**126**	155	-	-
Product management and support	**158**	165	-	-
Central services	**153**	164	**9**	9
	628	695	**9**	9

All employees are based in the UK.

Key management compensation	2010 £m	2009 £m
Salaries and short term employee benefits	**2.9**	2.3
Other pension costs	**0.2**	0.2
Share based payments	-	0.3
	3.1	2.8

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

Details of Directors' remuneration is included in the Directors' Report on Remuneration on page 37.

6. Taxation

(a) Analysis of charge in year	2010 £m	2009 £m
Current tax		
— Current year	**0.8**	0.6
— Adjustment in respect of prior year	-	(0.2)
	0.8	0.4
Deferred tax		
— Origination and reversal of temporary differences	**(0.2)**	0.2
— Adjustment in respect of prior year	-	0.2
	(0.2)	0.4
Taxation	**0.6**	0.8

(b) Tax on items charged to equity

Deferred tax charge on share based payments	-	-

(c) Factors affecting tax charge for the year
The tax assessed for the year is lower (FY2009: higher) than the standard rate of corporation tax in the UK (28%). The differences are explained below:

	2010 £m	2009 £m
Profit before tax	**2.6**	1.7
Profit before tax multiplied by standard rate of corporation tax in the UK of 28.0% (FY2009: 28.0%)	**0.7**	0.5
Effects of:		
Expenses not deductible for tax purposes	-	0.2
Deferred tax credit on share based payments taken to the statement of comprehensive income	**(0.1)**	0.1
Total taxation	**0.6**	0.8

7. Earnings per share

Basic earnings per share (EPS) is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of shares in issue during the year. 725,000 (2009: 725,000) shares held in the employee benefit trust and 9,321,687 (2009: 9,326,467) 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. The Company has two classes of dilutive potential ordinary shares: 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; and the contingently issuable shares under the Company's long-term incentive plan to the extent that the conditions are met at the reporting date.

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.

Total operations	Note	Earnings	2010 Weighted average number of shares	Per share amount	Earnings	2009 Weighted average number of shares	Per share amount
		£m	Millions	Pence	£m	Millions	Pence
Basic EPS		2.0	140.2	1.4	0.9	140.6	0.6
Effect of dilutive securities							
Options		-	1.9	-	-	0.5	-
Diluted basic EPS		2.0	142.1	1.4	0.9	141.1	0.6
Adjusted EPS							
Earnings attributable to ordinary shareholders from continuing operations		2.0	140.2	1.4	0.9	140.6	0.6
Amortisation of acquired intangibles	9	1.1	-	0.8	1.0	-	0.7
Exceptional cost	2	0.3	-	0.2	1.7	-	1.3
Tax effect of above adjustments		(0.3)	-	(0.2)	(0.7)	-	(0.5)
Adjusted EPS		3.1	140.2	2.2	2.9	140.6	2.1
Effect of dilutive securities							
Options		-	1.9	-	-	0.5	-
Diluted adjusted EPS		3.1	142.1	2.2	2.9	141.1	2.1

8. Goodwill

	Total £m
Cost	
At 1 July 2009	140.3
Additions	0.4
At 30 June 2010	**140.7**
Net book amount	
At 30 June 2009	140.3
At 30 June 2010	**140.7**

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

Goodwill by segment
Each individual magazine and digital title is deemed to be a Cash Generating Unit (CGU). Goodwill is attributed to individual CGUs but is grouped together at segmental level for the purposes of the annual impairment review of goodwill, being the lowest level for which cash flows are separately identifiable. The following table shows the allocation of goodwill to segments at 30 June 2010:

	Legal and Financial £m	Marketing and Creative £m	Construction and Engineering £m	Perfect Information £m	General Business Services £m	Total £m
At 30 June 2009	53.2	40.5	30.1	8.7	7.8	140.3
Additions	0.4	-	-	-	-	0.4
At 30 June 2010	**53.6**	**40.5**	**30.1**	**8.7**	**7.8**	**140.7**

Impairment testing of goodwill
During the year goodwill was tested for impairment in accordance with IAS 36. In assessing whether a write-down of goodwill is required in the carrying value of the related asset, the carrying value of the group of CGUs is compared with its recoverable amount. The recoverable amount has been 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 11.5% (FY2009: 11.8%). 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, discount rate and the terminal growth rate.

The Group has used formally approved budgets for the first six years of the value-in-use calculation, and applied a terminal growth rate of 3%. This timescale and the terminal growth rate are both considered appropriate given the cyclical nature of Group revenues.

The assumptions used in the calculations of value-in-use for each segment have been derived from past experience. No impairment was noted following the annual impairment review.

The forecasts are most sensitive to changes in the forecast growth rates and the discount factor applied. However, neither a reduction of 10% in revenues nor an increase of 1% in the discount factor would generate a suggested impairment in any CGU.

9. Other intangible assets

2010	Computer software £m	Brands and publishing rights £m	Customer relationships £m	Websites and content £m	Non-compete £m	Total £m
Cost						
At 1 July 2009	16.5	9.3	3.7	0.4	0.5	30.4
Additions – business combinations	-	0.8	0.4	-	-	1.2
Additions – separately	0.9	-	-	-	-	0.9
Additions – internally generated	1.0	-	-	-	-	1.0
Disposals	(7.2)	-	-	-	-	(7.2)
At 30 June 2010	**11.2**	**10.1**	**4.1**	**0.4**	**0.5**	**26.3**
Accumulated amortisation						
At 1 July 2009	11.2	1.4	1.2	0.3	0.2	14.3
Charge for the year	1.9	0.6	0.3	0.1	0.1	3.0
Disposals	(7.2)	-	-	-	-	(7.2)
At 30 June 2010	**5.9**	**2.0**	**1.5**	**0.4**	**0.3**	**10.1**
Net book amount						
At 30 June 2009	5.3	7.9	2.5	0.1	0.3	16.1
At 30 June 2010	**5.3**	**8.1**	**2.6**	**-**	**0.2**	**16.2**

2009	Computer software £m	Brands and publishing rights £m	Customer relationships £m	Websites and content £m	Non-compete £m	Total £m
Cost						
At 1 July 2008	14.0	9.2	3.7	0.4	0.5	27.8
Additions – separately	1.8	0.2	-	-	-	2.0
Additions – internally generated	0.9	-	-	-	-	0.9
Disposals	(0.2)	(0.1)	-	-	-	(0.3)
At 30 June 2009	**16.5**	**9.3**	**3.7**	**0.4**	**0.5**	**30.4**
Accumulated amortisation						
At 1 July 2008	9.8	1.0	0.8	0.2	0.1	11.9
Charge for the year	1.5	0.4	0.4	0.1	0.1	2.5
Disposals	(0.1)	-	-	-	-	(0.1)
At 30 June 2009	**11.2**	**1.4**	**1.2**	**0.3**	**0.2**	**14.3**
Net book amount						
At 30 June 2008	4.2	8.2	2.9	0.2	0.4	15.9
At 30 June 2009	**5.3**	**7.9**	**2.5**	**0.1**	**0.3**	**16.1**

Computer software capitalised in 2010 and 2009 principally relates to the development of software used in websites and digital products, and also to the development of new products in the Perfect Information segment. The addition to brands and publishing rights and customer relationships in FY2010 relates to the Taxbriefs business which was purchased in May 2010 (see note 25). The additions to brands and publishing rights in FY2009 relates to Real Homes which was purchased from Hachette Filipacchi (UK) Limited in December 2008. The disposal of brands and publishing rights in FY2009 relates to ABTN. Amortisation charges in 2010 and 2009 have been charged to administrative expenses.

10. Property, plant & equipment

2010	Leasehold Improvements £m	Fixtures and Fittings £m	Computer Equipment £m	Total £m
Cost				
As at 1 July 2009	3.5	2.4	2.9	8.8
Additions	0.1	0.9	0.1	1.1
Disposals	(0.1)	(0.3)	(1.3)	(1.7)
At 30 June 2010	**3.5**	**3.0**	**1.7**	**8.2**
Accumulated Depreciation				
As at 1 July 2009	1.2	1.7	2.3	5.2
Charge for the year	0.4	0.2	0.3	0.9
Disposals	(0.1)	(0.3)	(1.3)	(1.7)
At 30 June 2010	**1.5**	**1.6**	**1.3**	**4.4**
Net book amount				
At 30 June 2009	2.3	0.7	0.6	3.6
At 30 June 2010	**2.0**	**1.4**	**0.4**	**3.8**

2009	Leasehold Improvements £m	Fixtures and Fittings £m	Computer Equipment £m	Total £m
Cost				
As at 1 July 2008	1.9	2.0	2.5	6.4
Additions	1.6	0.4	0.4	2.4
At 30 June 2009	**3.5**	**2.4**	**2.9**	**8.8**
Accumulated Depreciation				
As at 1 July 2008	0.9	1.5	2.0	4.4
Charge for the year	0.3	0.2	0.3	0.8
At 30 June 2009	**1.2**	**1.7**	**2.3**	**5.2**
Net book amount				
At 30 June 2008	1.0	0.5	0.5	2.0
At 30 June 2009	**2.3**	**0.7**	**0.6**	**3.6**

Included in property, plant and equipment are assets purchased under finance leases with a total net book value of £0.8m.

11. Investments

Company	Investments in subsidiary undertakings £m
At 1 July 2009 and 30 June 2010	**146.0**

The following table shows the principal trading subsidiary undertakings as at 30 June 2010:

Name	Class of share capital	Proportion held %	Principal activity
Centaur Communications Limited[1]	Ordinary	100.00	Holding company and agency services
Chiron Communications Limited	Ordinary	100.00	Magazine publishing
Ascent Publishing Limited	Ordinary	100.00	Magazine publishing
Perfect Information Limited	Ordinary	96.691	Financial information services
Pro-Talk Limited	Ordinary	100.00	Digital publisher
Taxbriefs Holdings Limited	Ordinary	100.00	Holding company
Taxbriefs Limited	Ordinary	100.00	Technical publishing

Notes on the above table:
1 Directly owned by Centaur Media plc.

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

No minority interest has been recognised by the Group in relation to Perfect Information Limited as the company had net liabilities at 30 June 2010 and 30 June 2009.

12. Inventories

	Group 2010 £m	Group 2009 £m
Work in progress	**1.2**	1.0
	1.2	1.0

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

13. Trade & other receivables

	Group 2010 £m	Group 2009 £m	Company 2010 £m	Company 2009 £m
Amounts falling due within one year:				
Trade receivables	**6.8**	6.3	-	-
Less: provision for impairment of receivables	**(0.3)**	(0.6)	-	-
Trade receivables – net	**6.5**	5.7	-	-
Receivables from subsidiaries	-	-	**2.3**	2.6
Other receivables	**1.2**	1.5	**0.4**	0.4
Prepayments and accrued income	**4.0**	3.8	**0.1**	0.1
	11.7	11.0	**2.8**	3.1

The ageing of trade receivables at 30 June 2010, according to their original due date, is detailed below:

	2010 £m Gross	2010 £m Provision	2009 £m Gross	2009 £m Provision
Relating to future revenues	**1.6**	-	1.7	-
Current	**3.7**	-	3.2	-
31-60 days	**1.0**	**(0.1)**	0.8	(0.2)
61-90 days	**0.2**	-	0.1	(0.1)
Over 90 days	**0.3**	**(0.2)**	0.5	(0.3)
	6.8	**(0.3)**	6.3	(0.6)

The amount relating to future revenues forms part of deferred income in note 17. The movement in the provision for impairment of receivables is detailed below:

	Group 2010 £m	Group 2009 £m
Balance at start of year	**0.6**	0.4
Utilised	**(0.6)**	(0.4)
Additional provision charged to the statement of comprehensive income	**0.3**	0.6
Balance at end of year	**0.3**	0.6

The Group's policy requires customers to pay it 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.

14. Cash & cash equivalents

	Group 2010 £m	Group 2009 £m	Company 2010 £m	Company 2009 £m
Cash at bank and in hand	1.1	**0.7**	-	0.2

Total cash at bank and in hand at 30 June 2009 included an amount of £0.1 million held on behalf of the holders of loan notes in Centaur Media plc (see note 15). This amount was therefore a restricted balance and was not available for use by the Group in its day to day operations. The unrestricted cash available for use in the day to day operations of the Group at 30 June 2009 was £0.6 million. There was no restricted cash balance at 30 June 2010.

15. Financial liabilities

	Group 2010 £m	Group 2009 £m	Company 2010 £m	Company 2009 £m
Current liabilities				
Finance lease creditor	**0.1**	-	-	-
Bank overdraft	-	-	**3.2**	-
Loan notes	-	0.1	-	0.1
	0.1	0.1	**3.2**	0.1
Non-current liabilities				
Finance lease creditor	**0.6**	-	-	-
	0.6	-	-	-

Finance lease creditor
Lease liabilities are effectively secured as the rights to the leased asset revert to the lessor in the event of default.

	2010 £m	2009 £m
Gross finance lease liabilities – minimum lease payments		
No later than 1 year	**0.2**	-
Later than 1 year and no later than 5 years	**0.7**	-
	0.9	
Future finance charges on finance leases	**(0.2)**	-
Present value of finance lease liabilities	**0.7**	-

15. Financial liabilities *(continued)*

The present value of finance lease liabilities is as follows:	2010 £m	2009 £m
No later than 1 year	0.1	-
Later than 1 year and no later than 5 years	0.6	-
Present value of finance lease liabilities	0.7	-

Loan notes
The loan notes were issued following the acquisition of the Centaur Communications Group in 2004. The loan notes in the Company have been issued in amounts and multiples of £1 with a variable rate of interest of 0.75% below LIBOR for each relevant interest period. Unless previously redeemed or purchased the loan notes will be redeemed in full at par on 31 March 2011. The loan notes are redeemable at the option of each note holder on 30 June and 31 December in each year up to 31 March 2011 by giving not less than 30 days notice. During 2010, loan notes of £0.1m were redeemed.

16. Trade & other payables

	Group 2010 £m	Group 2009 £m	Company 2010 £m	Company 2009 £m
Trade payables	2.4	2.7	-	-
Payables to subsidiaries	-	-	0.1	0.1
Social security and other taxes	2.7	1.5	0.1	-
Other payables	0.1	0.1	-	-
Accruals	3.6	4.0	0.3	-
	8.8	8.3	0.5	0.1

17. Deferred income

	Group 2010 £m	Group 2009 £m
Deferred income	7.1	6.5

18. Current tax liabilities

	Group 2010 £m	Group 2009 £m
Corporation tax	0.5	-

19. Provisions

	Deferred consideration £m	Onerous lease £m	Total £m
Arising on acquisition	0.2	0.1	**0.3**
Charge to statement of comprehensive income (recognised within exceptional costs)	-	0.2	**0.2**
At 30 June 2010	0.2	0.3	**0.5**
Current	0.2	0.1	**0.3**
Non-current	-	0.2	**0.2**
	0.2	0.3	**0.5**

The deferred consideration provision arises in connection with the acquisition of the entire share capital of Taxbriefs Holdings Limited ("Taxbriefs" – see note 25) by Centaur Communications Limited. The maximum amount payable is £0.4m in May 2011; however this is subject to various deductions for post-acquisition costs incurred. The amount provided represents the Directors' best estimate of the amount to be paid.

Immediately following the acquisition of Taxbriefs, a decision was made to relocate the business to the Centaur West End offices, resulting in an exceptional charge for the remaining costs for the lease over the empty premises.

20. Deferred tax

The movement on the deferred tax account is shown below:	Group 2010 £m	Group 2009 £m
Liability at 1 July	**(0.8)**	(0.4)
Recognised in the statement of comprehensive income	**0.2**	(0.4)
Net liability at 30 June	**(0.6)**	(0.8)

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.

Deferred tax liabilities	Other temporary differences £m
At 1 July 2009 and 30 June 2010	**1.1**

20. Deferred tax *(continued)*

Deferred tax assets	Accelerated capital allowances £m	Other temporary differences £m	Group Total £m
At 1 July 2009	0.3	-	**0.3**
Recognised in statement of comprehensive income	0.1	0.1	**0.2**
At 30 June 2010	0.4	0.1	**0.5**

Net deferred tax liability

At 30 June 2010			**(0.6)**
At 30 June 2009			**(0.8)**

A number of changes to the UK Corporation tax system were announced in the June 2010 Budget Statement. The Finance (No 2) Act 2010 is expected to include legislation to reduce the main rate of corporation tax from 28% to 27% from 1 April 2011. Further reductions to the main rate are proposed to reduce the rate by 1% per annum to 24% by 1 April 2014. The changes had 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 resulting from the changes to be enacted in the Finance (No. 2) Act 2010.

21. Share capital

	Group and Company 2010 £m	Group and Company 2009 £m
Authorised		
200,000,000 (2009: 200,000,000) ordinary shares of 10p each	**20.0**	20.0
Issued and fully paid:		
Ordinary shares of 10p each		
Shares at 1 July 2009: 150,207,960 (1 July 2008: 150,207,960)	**15.0**	15.0
As at 30 June 2010: 150,207,960 shares (2009: 150,207,960)	**15.0**	15.0

21. Share capital *(continued)*

Potential issues 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 during 2010 or 2009.

In addition, under the Group's long-term incentive plan for senior managers and Executive Directors, such individuals held rights over ordinary shares that may result in the issue of 10p ordinary shares.

A Sharesave plan was launched during FY2008 and options have granted under this plan in each subsequent financial year as detailed in note 22.

The number of shares subject to options (or, in the case of the LTIPs, the numbers awarded), 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	2010 Number of potential issues of shares	2009 Number of potential issues of shares
30 June 2004	Rollover options	41.67	10 March 2005 to 9 March 2014	172,777	172,777
30 June 2004	Rollover options	57.87	10 March 2005 to 9 March 2014	130,158	130,158
30 June 2004	Share Option plan	100.00	10 March 2007 to 9 March 2014	1,692,418	2,051,445
30 June 2005	Share Option plan	88.50	29 September 2007 to 29 September 2014	1,120,000	1,180,000
30 June 2008	LTIP	n/a	19 March 2011	-	620,000
30 June 2008	Sharesave plan	64.70	1 June 2011 to 1 December 2011	101,398	175,194
30 June 2008	Sharesave plan	64.70	1 June 2013 to 1 December 2013	70,926	120,226
30 June 2009	Share Option plan	51.75	29 September 2012 to 29 October 2018	3,190,000	3,190,000
30 June 2009	Sharesave plan	20.92	1 July 2012 to 1 January 2013	2,004,913	2,156,418
30 June 2009	Sharesave plan	20.92	1 July 2014 to 1 January 2015	1,333,076	1,333,076
30 June 2010	Sharesave plan	41.24	1 July 2013 to 1 January 2014	242,490	-
30 June 2010	Sharesave plan	41.24	1 July 2015 to 1 January 2016	33,933	-
				10,092,089	11,129,294

22. Share based payments

The Group had four share-based payment arrangements during the year:

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.

22. Share based payments *(continued)*

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.

At 30 June 2010, the following options were outstanding over the shares of Centaur Media plc:

Plan	Exercise price (pence)	2010 Number	2010 Contractual remaining life (years)	2009 Number	2009 Contractual remaining life (years)
Rollover plan	41.67	172,777	3.70	172,777	4.70
Rollover plan	57.87	130,158	3.70	130,158	4.70
Share Option plan	100.00	1,692,418	3.70	2,051,445	4.70
Share Option plan	88.50	1,120,000	4.25	1,180,000	5.25
Share Option plan	51.75	3,190,000	8.34	3,190,000	9.34
		6,305,353	6.14	6,724,380	7.00

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

	2010 Number	2010 Weighted average exercise price (pence)	2009 Number	2009 Weighted average exercise price (pence)
Outstanding at 1 July	6,724,380	72.78	4,663,737	99.66
Granted during the year	-	-	3,190,000	51.75
Forfeited during the year	(419,027)	98.35	(1,129,357)	99.39
Outstanding at 30 June	6,305,353	71.08	6,724,380	72.78
Exercisable at 30 June	3,115,353	90.87	3,534,380	90.75

22. Share based payments *(continued)*

Long-term incentive plan

The Long-term incentive plan (the "LTIP") was approved at an Extraordinary General Meeting of the Company on 4 May 2006. Awards were made on 13 June 2006 ("2006 LTIP awards"), 26 April 2007 ("2007 LTIP awards") and 19 March 2008 ("2008 LTIP awards"). The awards all took the form of conditional grants of free ordinary shares of 10p each in Centaur Media plc. The awards would have vested three years after grant date, subject to continuing employment and the achievement of performance conditions as detailed in the Directors' remuneration report (pages 33).

The performance period for the 2008 awards ended 30 June 2010. The Company's TSR was below median for this period and therefore none of the shares subject to these awards will vest. Consequently, there were no awards outstanding at 30 June 2010:

Plan	**2010 Number**	**2010 Contractual remaining life (years)**	2009 Number	2009 Contractual remaining life (years)
2006 LTIP Awards:	-	-	-	-
2007 LTIP Awards	-	-	-	-
2008 LTIP Awards	-	-	620,000	1.72
Total	-	-	620,000	1.72

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

	2010 Number	2009 Number
Outstanding at 1 July	**620,000**	1,325,000
Lapsed during the year	**(620,000)**	(705,000)
Outstanding at 30 June	-	620,000

Sharesave plan

In FY2008, the Company introduced 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.

The Option price of the 2010 grants made was 41.24p, a discount of 20% on the share price determined at the pricing date. Other than continuing employment, there are no other performance conditions attached to the plan.

22. Share based payments *(continued)*

The following Sharesave plan awards were outstanding at 30 June 2010:

Plan	2010 Number	2010 Contractual remaining life (years)	2009 Number	2009 Contractual remaining life (years)
2008 3 year plan	**101,398**	**0.82**	175,194	1.82
2008 5 year plan	**70,926**	**2.82**	120,226	3.82
2009 3 year plan	**2,004,913**	**1.84**	2,156,418	2.84
2009 5 year plan	**1,333,076**	**3.84**	1,333,076	4.84
2010 3 year plan	**242,490**	**2.82**	-	-
2010 5 year plan	**33,933**	**4.82**	-	-
Total	**3,786,736**	**2.83**	3,784,914	3.33

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

	2010 Number	2009 Number
Outstanding at 1 July	**3,784,914**	791,972
Exercised during the year	**(4,780)**	-
Granted during the year	**276,423**	3,489,494
Forfeited during the year	**(269,821)**	(496,552)
Outstanding at 30 June	**3,786,736**	3,784,914

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

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

Plan	Date of grant	Estimated fair value at grant date (pence)	Share price at grant date (pence)	Exercise price (pence)	Expected volatility %	Expected dividend growth %	Risk free Interest rate %
Share Option Plan	9.3.04	24.50	100.00	100.00	22.1	1.5	4.6
Share Option Plan	29.9.04	21.40	88.50	88.50	22.1	1.7	4.8
Share Option Plan	29.10.08	7.81	53.00	51.75	34.4	8.12	4.2
2008 Sharesave (3 year plan)	24.4.08	16.67	72.00	64.70	32.3	5.14	4.54
2008 Sharesave (5 year plan)	24.4.08	16.81	72.00	64.70	29.6	5.14	4.56
2009 Sharesave (3 year plan)	30.4.09	13.61	37.30	20.92	54.2	9.40	2.03
2009 Sharesave (5 year plan)	30.4.09	10.85	37.30	20.92	45.2	9.40	2.65
2010 Sharesave (3 year plan)	23.4.10	20.77	50.50	41.24	57.7	3.17	2.02
2010 Sharesave (5 year plan)	23.4.10	20.66	50.50	41.24	48.1	3.17	2.88

22. Share based payments *(continued)*

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, 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.

The total credit (FY2009: charge) for the year relating to employee share based payment plans was £0.3 million (FY2009: £0.4 million), all of which related to equity-settled share based payment transactions.

23. Dividends

	2010 £m	2009 £m
Equity dividends		
Final dividend paid for FY2009: 1.0p per 10p ordinary share (2009: 3.0p paid for FY2008)	**1.4**	4.2
Interim paid for FY2010: 0.6p per 10p ordinary share (2009: 0.5p paid for FY2009)	**0.8**	0.7
	2.2	4.9

A final dividend of 1.1p per share is proposed by the Directors, and subject to shareholder approval at the Annual General Meeting, will be paid on 10 December 2010.

24. Notes to the cash flow statement

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

Cash generated from continuing operations	**Group 2010 £m**	Group 2009 £m	**Company 2010 £m**	Company 2009 £m
Profit/(loss) for the year	**2.0**	0.9	**(1.5)**	(1.3)
Adjustments for:				
Tax	**0.6**	**0.8**	**-**	-
Depreciation	**0.9**	0.8	**-**	-
Amortisation of intangibles	**3.0**	2.5	**-**	-
Finance income	**-**	(0.1)	**-**	(0.1)
Finance cost	**0.1**	-	**-**	-
Share option (credit)/charge	**(0.3)**	0.4	**(0.2)**	0.2
Changes in working capital (excluding effects of acquisitions and disposals of subsidiaries)				
(Increase)/decrease in inventories	**(0.2)**	0.2	**-**	-
(Increase)/decrease in trade and other receivables	**(0.3)**	5.7	**0.2**	40.1
Increase/(decrease) in trade and other payables	**0.6**	(5.2)	**0.4**	(33.0)
Increase in provisions	**0.2**	-	**-**	-
Cash generated from continuing operations	**6.6**	6.0	**(1.1)**	5.9

25. Acquisitions

During the year, Centaur Communications Limited acquired the entire share capital of Taxbriefs Holdings Limited. The following table sets out, at the date of acquisition, the carrying value and the provisional fair value of the assets and liabilities acquired. All intangible assets were recognised at their respective fair values. The residual excess over the net assets acquired is recognised as goodwill in the financial statements.

	Note	Carrying values pre acquisition £m	Fair value £m
Intangible fixed assets (excluding goodwill)		0.1	1.2
Trade and other receivables		0.4	0.4
Trade and other payables		(0.5)	(0.5)
Cash and cash equivalents		0.2	0.2
Net assets acquired		0.2	1.3
Goodwill			0.4
Consideration			1.7
Consideration satisfied by			
Cash			1.5
Deferred contingent consideration	19		0.2
			1.7

Goodwill is principally attributable to the workforce and anticipated operating synergies.

The maximum deferred contingent consideration payable is £0.4m in May 2011; however this is subject to various deductions for post-acquisition costs incurred. The amount provided of £0.2m represents the Directors' best estimate of the amount to be paid.

From the dates of acquisition to 30 June 2010, the acquisition contributed £0.4 million to revenue, £0.2 million to operating profit and £0.2 million to net profit.

The results of operations of the Group, as if the above acquisition been made as at the beginning of the year are as follows:

	Group Pro forma 2010 £m
Revenue	62.1
Profit before tax	2.2

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

26. 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 2010 in the management of the Group's financial risks.

Currency risk
Substantially all the Group's net assets are located and all turnover and adjusted EBITDA is generated in the United Kingdom and consequently foreign exchange risk is limited and the results of the Group are not sensitive to movements in currency rates. However the Group does have Euro, Hong Kong $, US $ and UAE Dirham denominated bank accounts to minimise any recognised losses arising from currency fluctuations.

Interest rate risk
At 30 June 2010 the Group has no overdrafts or short term or long term borrowings (other than cash held on behalf of the holders of Centaur Media plc loan stock) and therefore also has only limited sensitivity to movements in interest rates.

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.

Liquidity risk
The day to day operations of the Group for the year have been financed primarily by cash and at 30 June 2010 cash and cash equivalents amounted to £1.1 million (2009: £0.7 million). In 2009, this included an amount of £0.1 million held on deposit on behalf of the holders of Centaur Media plc loan stock which represented a restricted balance and therefore could not be used in the day to day operations of the business. Unrestricted cash balances at 30 June 2009 were therefore £0.6 million.

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

Capital risk
As the Group has no overdrafts or short term or long term borrowings the Directors do not consider that there is any material capital risk exposure.

26. Financial instruments *(continued)*

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

All financial assets have been classified as loans and receivables. All financial liabilities have been classified as other financial liabilities. The fair value of financial instruments at 30 June 2010 was:

	Note	2010 Book value £m	2010 Fair value £m	2009 Book value £m	2009 Fair value £m
Variable rate unsecured loan notes	15	-	-	(0.1)	(0.1)
Finance lease creditor	15	(0.7)	(0.7)	-	-
Trade and other payables	16	(8.8)	(8.8)	(8.3)	(8.3)
Trade and other receivables	13	11.7	11.7	11.0	11.0
Other current liabilities	19	(0.3)	(0.3)	-	-
Other non-current liabilities	19	(0.2)	(0.2)	-	-
Cash and cash equivalents	14	1.1	1.1	0.7	0.7

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

Maturity of financial liabilities
The maturity profile of the Group's financial liabilities at 30 June 2010 was as follows:

	2010 £m	2009 £m
In one year or less or on demand	(0.1)	(0.1)
2 to 5 years	(0.6)	-
Over 5 years	-	-
	(0.7)	(0.1)

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

Borrowing facilities
The undrawn facilities available at 30 June 2010 were as follows:

	2010 £m	2009 £m
Expiring later than one year and less than 5 years	4.8	5.0

27. Share based payments *(continued)*

	2010 Property £m	2009 Property £m	**2010 Vehicles, plant and equipment £m**	2009 Vehicles, plant and equipment £m
Commitments under non-cancellable operating leases payable:				
— Within 1 year	**2.6**	2.6	**0.1**	0.2
— Later than one year and less than 5 years	**6.4**	8.0	**0.1**	0.6
— After 5 years	**2.1**	3.0	**-**	-
	11.1	13.6	**0.2**	0.8

28. Pension schemes

The Group contributes to individual and collective money purchase pension schemes in respect of Directors and employees once they have completed the requisite period of service. The charge for the year in respect of these pension schemes, which are defined contribution schemes, is shown in note 5. Included within other creditors is an amount of £0.1 million (2009: £0.1 million) payable in respect of the money purchase pension schemes.

29. Capital commitments

The Group had no capital commitments at 30 June 2010 (2009: £0.2 million).

30. Related party transactions

Group
Key management compensation is disclosed in note 5. The amounts repaid to key management in relation to loan notes are disclosed in note 15. There were no other material related party transactions.

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

	2010 £m	2009 £m
Recharge of administrative expenses	**0.1**	0.1
Interest receivable	-	(0.1)

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

The Art Room: Design & Art Direction
Colin McHenry: Group Art Director
Russell Dowling: Designer

Mick Marston: Illustrator
Martin Burton: Photographer

Claire Baty: Group Financial Controller
Gurjeet Bagri: Group Chief Accountant

Printed by St. Ives Westerham Press
Using think[4] from Howard Smith Paper Group.
A Carbon Balanced paper, with 50% recycled content
and FSC (Forest Stewardship Council) certification.