29 March 2017

Centaur Media Plc

Preliminary results for the year ended 31 December 2016

Further progress in re-aligning Centaur's portfolios

Centaur Media Plc (LSE: CAU), the business to business information, insight and events group, is today publishing its preliminary results for the year ended 31 December 2016.

Financial Highlights

- Reported revenues +3% to £72.5m; underlying[1] revenues +2%
    - Digital premium content revenues +19% (reported and underlying[1])
    - Underlying live events revenues +10%; reported live events revenues +13%
    - Advertising revenues -10% (reported and underlying[1])

- Adjusted operating profits[2] £9.1m (2015: £10.5m); adjusted[2] operating margin 12.6% (2015: 14.9%)

- Reported operating loss narrowed to £3.9m (2015: £4.7m)

- Strong cash flow performance:
    - £12.4m positive working capital swing from a £6.4m outflow in 2015 to a £6.0m inflow in 2016
    - Adjusted operating cash flow[3] of £13.9m (2015: £3.3m) with cash conversion[4] of 153% (2015: 31%). Operating cash flow of £15.3m (2015: £6.1m)
    - Further reduction in net debt[5] to £14.1m (2015: £17.9m)

- A reported loss before tax of £4.4m (2015: £5.6m) was driven by a non-cash impairment of goodwill charge of £7.2m (2015: £11.9m), an additional, separately reported charge for impairment of trade receivables of £1.8m (2015: £nil) and £1.2m (2015: £0.7m) of exceptional operating costs relating to restructuring.

- Adjusted[2] diluted EPS of 4.5 pence down 15% (2015: 5.3 pence). Diluted EPS of (3.8) pence (2015: (4.8) pence)

- Final dividend of 1.5p making total for the year of 3.0p, in line with last year

Strong operational progress

- Improving revenue mix:
    - Digital revenues increase by 9% from £27.6m to £30.0m
    - Digital premium content increase by 19% from £14.5m to £17.3m
    - Underlying[1] exhibition revenues increase by 13% from £13.5m (excluding AMS) to £15.3m
- Focusing on priority markets:
    - *Oystercatchers* acquisition adds additional dimension to Marketing segment offer
    - Evaluating acquisition opportunities in core markets to further reinforce B2B core offering
    - Exploring disposal of Home Interest during 2017
- Monetising content:
    - *Lawyer.com* paywall in place, premium content growth +48%
    - *Marketing Week* launches successful Elearning platform
- Digital publishing migration:
    - Application of WordPress platform
    - Improved unique users across all publishing brand sites
- Swag Mukerji appointed to Board as Chief Financial Officer

- The fall in high margin advertising revenues will result in a 2017 profit reduction which is expected to reverse in 2018 as the strategy to address the industry trend by monetising content and expertise materialises

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[1] Underlying revenue growth rates adjust for the acquisition of Oystercatchers and the biennial contribution from the *Advanced Manufacturing Show ('AMS')* in 2015. See note 1(b).

[2] Adjusted results exclude adjusting items, as detailed in note 1(b).

[3] See note 1(b) for explanation and reconciliation of adjusted operating cash flow.

[4] Cash conversion is calculated as adjusted operating cash flow / adjusted operating profit

[5] See note 1(b) for explanation of net debt and note 15 for reconciliation to statutory measures.

[6] Refer to note 1(b) for explanation and reconciliation of adjusted EBITDA

Commenting on the results, Andria Vidler, Chief Executive said:

"We've delivered results for the year in line with expectations despite continuing headwinds in the advertising market.

We achieved these results whilst managing significant change in the business, as we reposition Centaur for the future. We have made good progress with our revenue mix, with digital increasing to 41% of total revenues.

Whilst the state of the advertising market continues to present us with near term challenges in some of our portfolio, we expect increasing digital subscription revenues to benefit performance in future years. We are confident that our strategy of converting non-paying readers into paying customers is building long term value for our shareholders."

Enquiries

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Introduction

Despite a challenging marketplace, we are pleased to report a year of progress. The investments made over the past three years in our infrastructure have improved our operational capabilities. As a result, we have seen further good growth in our digital offering and a strengthening of our leading brands.

The industry-wide headwinds of falling advertising expenditure, especially in relation to print, continued in 2016 and these accelerated as a result of uncertainty introduced by the EU referendum. Centaur reacted promptly by addressing our actual and budgeted cost base to save £2m.

The reduction in print advertising had a negative impact on Group profit margins due to the high 'drop through' of this revenue stream. This has further reinforced our determination to reduce as far as possible our reliance on advertising revenues, whilst focusing our efforts on those sectors that offer attractive long-term growth and profit opportunity.

We continue to seek carefully targeted acquisitions in these priority sectors and we were pleased to acquire *Oystercatchers*, a specialist marketing consultancy, in September. *Oystercatchers* is already having a positive impact across the business as a whole. It has an excellent roster of clients, as well as talented management. Together with *Econsultancy* and Centaur's other marketing assets, *Oystercatchers* enhances our Group-wide marketing services capabilities, offering opportunities for us to cross-sell services to a wider client base as well as a broader geography.

Current trading outlook

We have delivered results for 2016 in line with expectations, despite a strong headwind in the advertising market. We achieved these results whilst managing further significant changes in the business.

In the first months of the current financial year, the advertising market remains challenging. We are therefore committed to focusing even harder on building digital subscriptions and de-emphasising our print revenues.

The fall in high margin advertising revenues will inevitably result in a short-term profit reduction. However our strategy is to address this industry trend by monetising our content and expertise. The growth of our digital premium content demonstrates progress in this strategy and we are confident that this will benefit our financial performance in the medium term.

As we enter the next chapter in reshaping Centaur, the investment we are making into our digital products and improved overall revenue mix will increasingly enhance performance going forward. We remain confident that our strategy is building long-term value for our shareholders.

Results and dividend

Revenues for the year ended 31 December 2016 were £72.5m, with underlying[1] revenue growth of 2% (reported revenue growth of 3%), driven principally by growth in digital premium content and live events. Adjusted operating profits[2] for the same period were £9.1m (2015: £10.5m), with an adjusted operating profit margin of 12.6% (2015: 14.9%). On a reported basis the Group made an operating loss of £3.9m (2015: loss of £4.7m), driven by a non-cash charge in relation to an impairment of goodwill, an additional, separately reported charge relating to an impairment of trade receivables of £1.8m (2015: £nil) and an exceptional restructuring charge of £1.2m (2015: £0.7m). Diluted EPS was (3.8) pence (2015: (4.8) pence).

Net debt[5] at 31 December was £14.1m (2015: £17.9m), reflecting a very significant improvement in cash conversion[4] throughout 2016 at 153% (2015: 31%).

In 2016 our digital premium content revenues grew by 19% and our total digital and live events revenues accounted for 84% of Group revenues (2015: 78%).

We responded to the decline in advertising by initiating a programme of restructuring and cost reduction across central overheads as well as those parts of the business that remain advertising dependent. These initiatives were completed in the second half of 2016 and delivered annualised savings of £2m. We continue to focus on our costs during the current year.

In light of this performance, the Board is recommending a final dividend of 1.5 pence per share, to give an unchanged total dividend for the year of 3.0 pence per share.

Board changes

Our Senior Independent Director, Chris Satterthwaite, stepped down during 2016 after 9 years as a Non-Executive Director of the Group. Chris was succeeded as Senior Independent Director by William Eccleshare who is Chairman and CEO of Clear Channel International. William joined the Board on 1 July 2016.

We were very pleased to appoint Swag Mukerji as Chief Financial Officer and to the Board in October 2016. Previously Swag had a number of senior finance and general management roles with both blue chip FMCG companies and private equity backed businesses. Swag replaced Mark Kerswell who resigned as Group Finance Director in July 2016 after five years with the Group.

Group operating review

Revenues and operating results for the years ended 31 December 2016 and 31 December 2015 are set out below.

	2016 £m	2015 £m	Reported growth %	Underlying growth[1] %
Revenue	**72.5**	70.5	3%	2%
Operating loss	**(3.9)**	(4.7)	17%	
Operating margin	**(5.4)%**	(6.7)%		
Adjusted operating profit[2]	**9.1**	10.5	(13)%	
Adjusted operating margin[2]	**12.6%**	14.9%		

Also summarised on the same basis as above are the trends across the Group's three core revenue categories: premium content, live events and advertising.

	2016 £m	2015 £m	Reported growth %	Underlying growth[1] %
Premium content	**20.8**	19.9	5%	5%
Live events	**30.7**	27.2	13%	10%
Advertising	**20.2**	22.5	(10)%	(10)%
Other	**0.8**	0.9	(11)%	(11)%
Total revenues	**72.5**	70.5	3%	2%

On an underlying[1] basis, digital premium content revenues grew by 19% to £17.3m (2015: £14.5m) and total premium content revenues grew by 5%, with good momentum across the Group's digital subscription products, including *Celebrity Intelligence*, *Fashion & Beauty Monitor* and *Econsultancy*.

Reported live events revenues reflect the acquisition of *Oystercatchers* in 2016 and the biennial AMS event in 2016. Adjusted for these items, underlying[1] revenues grew by 10%, reflecting further strong performances from the larger events in the Group, offset by weakness in smaller, more sponsorship-dependent events. Exhibition revenues contributed £15.3m (2015: £13.5m) to underlying[1] live events revenues in 2016.

Total advertising revenues declined by 10%, with a weakening ahead of the UK's EU referendum. Within this, digital revenues were down 3%, while print advertising declined by 20%. This weakness accelerated through the year, with total advertising revenues falling by 6% in the first half and 13% in the second half, as compared to 2015.

Deferred revenues at 31 December 2016 of £16.9m were in line with the same time last year (2015: £17.0m). Growth in digital and live events deferred revenues has been offset by a decline in print deferred revenue and timing differences around invoicing.

Adjusted operating profits[2] of £9.1m (2015: £10.5m) declined by £1.4m, reflecting strong performances in Marketing and Home Interest offset by a decline in advertising revenues and an increase in commercial investment. The fall in adjusted operating profit[2] margins to 12.6% (2015: 14.9%) reflects these trends with a high level of operational gearing attached to advertising revenues. After adjusting items, the Group made an operating loss of £3.9m (2015: £4.7m), primarily driven by a non-cash impairment of goodwill in the Financial Services sector (2015: Professional sector), an additional, separately reported charge in relation to the impairment of trade receivables of £1.8m (2015: £nil) and exceptional restructuring costs of £1.2m (2015: £0.7m).

Significant progress has been made on reducing receivables and collecting cash during the year, with receivables falling to £14.6m from £20.6m in December 2015 (and £22.4m in March 2016). The rate of cash conversion[4] was 153% (2015: 31%) driving a reduction of net debt[5] to £14.1m at the end of December 2016 (2015: £17.9m). Leverage (net debt[5] to adjusted EBITDA[6]) at 31 December 2016 was 1.1 times (2015: 1.3 times), and 1.0 times excluding the impact of *Oystercatchers*.

Review of operations

Centaur has evolved from its controlled circulation advertising legacy to a more focused, digitally aligned group. It now offers market insight, data, advice, consultancy and events that enable businesses to optimise their performance. By using the skills, data, communities and unique market knowledge from our publishing heritage we are increasingly producing and distributing thought leadership, specialist content and effective online tools. Together with the bespoke marketing solutions that leverage our deep relationships, these products and services are highly valued and are increasingly monetised by direct sale to our customers, rather than being supported by advertising revenue.

Despite market challenges, we have benefited from good progress with a number of our initiatives:

- All publishing sites are now functioning on a common, fully-responsive digital platform
- 'Desktop For Publishers' rolled out across all publishing sites to enable better insight and use of available inventory as well as programmatic products to ensure inventory is being sold across all available segments
- Re-energised legacy brands, with improved product offering enabling our teams to begin new conversations with clients, in turn leading to stronger partner-client relationships around content marketing
- Sales teams mostly operating on the same CRM system, enabling each portfolio to identify key account managers who could facilitate broader conversations across the Group

In respect of our four market segments, 69% of Group revenues are weighted towards the Marketing and Professional segments, with Financial Services and Home Interest accounting for the remainder.

Across each of these segments we are pursuing common operational strategies that:

- Put our customers at the heart of what we do by evolving the brands they trust and developing new products that significantly enhance their performance
- Accelerate our digital growth and reduce our exposure to print advertising
- Improve customer experience in every contact with the Group, ensuring high customer satisfaction and a business partnership relationship
- Increase agility, co-operation and efficiency across all of our operations

Portfolio Review

Marketing

This segment includes all of the Group's brands that serve marketing and creative professions in key market sectors, including *Econsultancy*, *Marketing Week*, *Festival of Marketing*, *Celebrity Intelligence*, *Fashion & Beauty Monitor*, *Design Week*, *Creative Review* and *Oystercatchers*.

Driving digital innovation has been the key focus for the segment during 2016 with around 20% of its underlying[1] revenue growth coming from new product development. *Marketing Week*, in conjunction with *Econsultancy*, launched its first digital Elearning course (the Mini MBA in Marketing) as part of developing a Centaur-wide online classroom platform to increase both public and corporate training revenue streams.

Marketing Week, alongside *Creative Review* and *Design Week*, has also introduced new specialist content including career development and leadership seminars which proved popular and has enabled them to launch new paid-for products. Due to the success of *Marketing Week's* digital offering we have been able to accelerate the shift away from print-based revenue streams. *Marketing Week* reduced the frequency of its print magazine issues in 2016 and will continue this shift in 2017.

Focused on connecting media agencies and brands with data, news, events and content, *Fashion & Beauty Monitor* and *Celebrity Intelligence* both improved their performance by introducing market insight and research reports. During 2017, the incorporation of real-time data feeds will enable greater automation and cost reduction, and improve the product offering and market competitiveness.

Econsultancy performed well in 2016 with 25% growth in subscription revenues which now represent 46% (2015: 41%) of its total revenues. Our sales and content teams have now been realigned on a core sector basis to build deeper customer-focused relationships through enterprise partnerships, tailored marketing and more sector specific content. *Econsultancy* also launched an online classroom in response to market demand for customised capability and on-demand solutions. This innovation will enable increased yields as part of its new premium subscription offering.

While *Oystercatchers* was only part of Centaur for the final quarter, its strong performance in 2016 confirms the reasons for its acquisition. Its expanded offering covers five disciplines of consultancy, predominantly focused around building more effective agency/client relationships: ways of working, agency evaluation, marketing model recommendation, training and pitches. This expansion has enabled it to attract a powerful client portfolio (including Coca Cola, EY, Sainsbury's, TSB and Royal Mail). In addition, its Marketing Excellence Training programme was named the UK's most acclaimed by TMT News in 2016. *Oystercatchers*, with its agency and consulting heritage, and *Econsultancy*, with its digital performance and training heritage, naturally form a strong combination. It is envisaged that *Oystercatchers'* senior client relationships will bring wider benefits to Centaur as a whole.

The Marketing segment has made significant progress, developing deep client relationships in order to sell multiple products across multiple brands. Revenues from the top 20 clients grew by 60% year on year, with three clients (2015: one client) delivering more than £0.5m of revenue through a combination of advertising, premium content and live events.

Operating Performance

	2016 £m	**2015 £m**	**Reported growth %**	**Underlying growth[1] %**
Revenue	**29.7**	27.0	10%	6%
Operating profit	**0.9**	2.2	(59)%	
Operating margin	**3.0%**	8.1%		
Adjusted operating profit[2]	**4.2**	4.1	2%	
Adjusted operating margin[2]	**14.1%**	15.2%		

There was good momentum across both digital premium content and live events revenues offset by a 7% decline in advertising revenues. Around 45% of this segment's revenues are derived from premium content, with 33%

from live events and 22% from advertising. *Oystercatchers* contributed to reported revenue growth of 10% in this segment, with growth on an underlying[1] basis of 6%.

Digital premium content revenues grew by 13% in 2016, contributing £12.4m (42%) to reported revenues of £29.7m (2015: £11.0m, 41%). The sector experienced volatility in advertising revenues consistent with other parts of the Group, which finished the year 7% down vs prior year.

Festival of Marketing ran in November 2016 and reported revenues of £2.1m, in line with the 2015 edition of this event. Delegate and table revenues grew by 21%, offsetting the 9% decline in sponsorship income. The event featured around 250 speakers and more than 150 hours of content. Notable speakers included Apple founder Steve Wozniak and WPP's Sir Martin Sorrell. Customer satisfaction scores (NPS) have increased by 26 points year on year. *Festival of Marketing* is the only global event in its sector to have brand marketers now comprise over 60% of its customer base (competitors such as Cannes Lions and Advertising Week have 10-15%).

The decline in adjusted operating profits[2] and margin reflects the impact of weaker advertising revenues, investment into content and commercial teams and a higher depreciation charge reflecting the ongoing investment into the digital platforms across the Marketing segment. Reported operating profits were impacted by earn-out charges relating to the *Oystercatchers* acquisition of £0.6m (2015: £nil), an additional, separately reported charge relating to the impairment of trade receivables of £0.8m (2015: £nil) and exceptional operating expenses of £0.4m (2015: £0.1m).

Outlook: this segment is expected to exhibit strong growth into 2017 driven by recurring digital premium content revenues and synergies arising from the *Oystercatchers* integration.

Professional

The Professional segment includes four subsidiary markets: Legal, Engineering, HR and Travel & Meetings, with around 60% of its revenue coming from live events. The Legal portfolio includes the print, digital and live event activities associated with *The Lawyer* and *Clean Energy Pipeline*. The principal assets in the segment are exhibitions, with supporting digital and print assets. Within the Engineering portfolio are *The Engineer* and *Subcon*, an exhibition that serves the sub-contractor industry. The HR portfolio includes *FEM*, *Employee Benefits* and *Employee Benefits Live*, and Travel & Meetings includes two exhibitions serving the Business Travel and Meetings markets.

The development of *The Lawyer's* content strategy continued to progress successfully, and in May we moved *The Lawyer's* premium content behind a pay wall, leaving recruitment and a minority of editorial content free to view. This is a significant development for *The Lawyer* brand following 25 years as a controlled circulation magazine which has now given *The Lawyer* a platform with reach, international opportunity and the ability to scale new premium content and data. The majority of top 50 UK law firms purchased a subscription to *The Lawyer's* premium content within the first six weeks of its launch. This development required investment during H1, but since launch has had a strong uptake and premium content revenue growth over the year was 48%.

The Lawyer Market Reports experienced impressive growth in 2016 with an increase in revenue of 65% year on year. A total of 16 reports were published in 2016 including the launch of the Global 200, a unique report containing the strategy, capability and performance of the largest 200 law firms in the world ranked by their global revenues.

Behind the *TheLawyer.com* and *The Lawyer Market Reports* is an experienced content and research team which meticulously researches its market, gathers insight and uses its experience to layer trend analysis and comment onto data. This is a respected and highly-skilled team which understands the key take-outs and summaries that our customers want.

There is also a dedicated commercial team which account manages the top law firms to ensure that they get the best out of our reports service and data, enabling the business to sell additional products and drive higher renewal rates.

Across the Professional segment, the remaining assets are principally event based and performed well. Collectively, underlying[1] growth in exhibitions revenue was 19% (13% on a reported basis).

At *The Engineer*, the focus has been on the ongoing development of its digital products and online audience. Monthly page views have grown, with unique visitors up 8% year on year, and an increase in digital marketing solutions revenues of 4%. Good progress was made with developing brand-led events and the 'Collaborate to Innovate' conference was launched, a unique awards/conference event in its marketplace.

Subcon performed well with 6% visitor growth and strong underlying[1] revenue growth (excluding the biennial impact of *AMS*) supported by the launch of three new supplier zones and a focus on strengthening repeat business, along with a dedicated buyers programme.

Revenues at the *Business Travel Show* grew for the fifth successive year, up 32% from £1.7m to £2.3m. The year also saw the launch of the inaugural Business Travel Summit Amsterdam and a one-day London Business Travel Summit. Exhibitor and visitor satisfaction ratings continued to exceed industry benchmark standards, and visitor numbers rose by 6%, following a 24% rise in 2015.

Operating Performance

	2016 £m	**2015 £m**	**Reported growth %**	**Underlying growth[1] %**
Revenue	**20.2**	19.7	3%	5%
Operating profit / (loss)	**1.0**	(9.9)	(110)%	
Operating margin	**5.0%**	(50.3)%		
Adjusted operating profit[2]	**2.1**	2.2	(5)%	
Adjusted operating margin[2]	**10.4%**	11.2%		

The broad revenue split across the segment is 60% live events, 30% advertising and 10% premium content.

Legal revenues of £7.7m were 4% higher than last year, reflecting good growth in premium content revenues, offset by weaker advertising and live events revenues. Deferred revenues in the Legal portfolio were £0.9m at 31 December 2015, compared to £0.8m at the same time last year.

The Engineering portfolio reported revenues of £3.2m (2015: £3.6m). Adjusted for the absence of the biennial AMS event, underlying[1] revenues were flat. The HR portfolio reported revenues of £3.9m (2015: £4.6m) with ongoing weakness across all revenue streams. *The Meetings Show* continued to develop well in its fourth edition, but despite good revenue growth it is not yet achieving a satisfactory profit margin. Overall, the Travel & Meetings portfolio reported revenues of £5.4m (2015: £4.1m).

The decline in adjusted operating margins from 11.2% to 10.4% reflects weaker advertising revenues across the Legal, HR and Engineering portfolios with high drop through to profit, and the cost of strengthening the Legal portfolio's premium content offering. The segment saw a return to operating profitability following a non-cash charge relating to impairment of goodwill during 2015.

Outlook: this segment remains mixed, however it has encouraging opportunities across both *The Lawyer* and the exhibition brands, particularly *Business Travel*, which are all expected to add to the Group's recurring revenue streams through growing exhibition and digital subscription revenues.

Financial Services

Serving the retail financial services industry, this segment includes *Money Marketing*, *Fund Strategy*, *Mortgage Strategy*, *Corporate Advisor*, *Taxbriefs*, *Headline Money* and *Platforum*.

Platforum continued to build on its reputation as a key reference point for asset managers, life companies and platforms on retail investment distribution. Its research was referenced in earnings reports by industry leaders including Aegon and Hargreaves Lansdown. New research areas introduced in 2016 included the changing market for discretionary managed portfolios on platforms, and the rise of active and passive ETFs ('exchange-traded funds') as well as digital benchmarking.

Importantly, *Platforum* completed its transition to a subscriptions research business resulting in increased digital revenues of 123% (down 9% overall after accounting for the cessation of print revenues). *Platforum* deferred income increased 77%, demonstrating a strong pipeline of future subscription revenues. A key driver of growth in 2016 was *Platforum's* series of reports on European Fund Distribution which, due to a change in structure, now offer more in-depth analysis to customers. On the events front, the European Fund Distribution and DC2 events, and the launch of the Money Marketing Interactive Conference, were particular highlights.

Beyond *Platforum*, the Financial Services segment continued to offer a full annual calendar of events for all sectors of the financial services community including large scale multi-streamed events, awards which celebrate the best of the industry and exclusive invitation-only summits for industry leaders. We successfully leveraged the power and reach of the brands to develop sponsorship packages and used a central delegate sales team to ensure that we had the right calibre and volume of VIPs in attendance to give sponsors value and return on their investment.

2016 saw a marked improvement in customer satisfaction levels due to high quality engagement and far-reaching marketing and social media activity which has increased brand awareness for print and digital content platforms, as well as the transitioning of *Corporate Advisor* from print to digital format.

Operating Performance

	2016 £m	**2015 £m**	**Reported growth %**	**Underlying growth[1] %**
Revenue	**9.7**	12.0	(19)%	(19)%
Operating (loss) / profit	**(7.2)**	1.5	(580)%	
Operating margin	**(74.2)%**	12.5%		
Adjusted operating profit[2]	**0.6**	2.1	(71)%	
Adjusted operating margin[2]	**6.2%**	17.5%		

This segment's revenues remain reliant on advertising, at 44% of the revenue mix, with 33% from premium content and 23% from live events. Reflecting the wider economic environment, advertising revenues of £4.2m (2015: £5.6m) declined by 25% year on year, with weakness being seen across both print and digital formats. The second half of the year was particularly volatile, with advertising revenues 35% below the same period last year. This weakness in advertising revenues masked strong growth in digital premium content revenues, aided by *Platforum's* transition from a report-based revenue stream to a digital subscription model.

Reflecting the weaker outlook in earnings relating to print and advertising earnings, a non-cash impairment of goodwill of £7.2m (2015: £nil) has been recorded in operating expenses, which is presented as an adjusting item. Digital premium content growth was offset by declines in print formats, leading to a fall in total premium content revenues of 15%. This segment's live events revenues depend on sponsorship and were impacted by the general

fall in advertising spend, and as such were disappointing, with reported revenues of £2.2m, £0.2m lower than 2015. The decline in adjusted operating profit margins principally reflects the impact of high levels of operational gearing attached to weaker advertising revenues.

Outlook: despite the weakness reported during 2016, Financial Services has strong brands, premium content and an increasingly agile delivery platform. Changes in the sector arising from the UK's EU referendum result present a clear opportunity for the segment.

Home Interest

Homebuilding & Renovating ('HB&R') is the market-leading brand for delivering information and trusted advice for self-build projects and renovation work. The Home Interest segment also includes the live events and publishing assets across the *Homebuilding & Renovating*, *Real Homes* and *Period Living* brands.

This market segment has undergone a significant transformation over the last three years, delivering revenue CAGR of 9%. It is now the UK's leading provider of homebuilding and renovating information and boasts unrivalled scale and reach.

Originally separated between exhibitions and magazines, it now has a single management team that delivers a multi-channel portfolio that provides vital information and tools to its audience. The segment has 7 market leading exhibitions that are supported by print and digital assets. The integration of the three brands with a single commercial and content team has created a virtuous circle, with each brand driving additional revenue for portfolio products and services.

The investment priority for *HB&R* in 2016 was to grow its exhibitions business by attracting additional high-value visitors and quality exhibitors. The brand added more content stages and advice centres at exhibitions and implemented strategic marketing campaigns to attract more of its target audience. This marketing strategy resulted in a 12% increase in exhibitors and 9% increase in visitors, as well as a record 16% revenue growth and 70% re-book rate.

Data and subscriptions were also a focus in 2016. The *HB&R* brand has experienced a significant increase in digital engagement and its combined digital and print subscription offering, with a 5% increase in annual subscribers and 11% increase on our digital-only services. Since 2015, online advertising revenues and data-driven campaigns have increased by 28%, and mobile traffic has increased by 23%. Registrations for *HB&R's* 'Build Cost Calculator', an online tool that enables users to calculate the cost of building their own home, grew by 19% year on year.

Operating Performance

	2016 £m	2015 £m	Reported growth %	Underlying growth[1] %
Revenue	**12.9**	11.8	9%	9%
Operating profit	**1.4**	1.5	(7)%	
Operating margin	**10.9%**	12.7%		
Adjusted operating profit[2]	**2.2**	2.1	5%	
Adjusted operating margin[2]	**17.1%**	17.8%		

This segment continues to perform strongly. The broad revenue split across the segment is 50% live events, 30% advertising and 20% premium content. The live events portfolio has been consolidated around the *HB&R* brand and continues to demonstrate good momentum, with 2016 live events revenues 14% higher than 2015.

Forward bookings for the Homebuilding & Renovating exhibitions are 10% ahead of the same period last year. Advertising revenues in this sector were resilient, with an increase of 14% year on year.

Adjusted operating profits[2] for the year were 5% higher than the £2.1m reported in 2015, with adjusted operating margins[2] at 17.1% (2015: 17.8%). This slight reduction in margin reflects the impact of higher depreciation and amortisation charges resulting from commercial investment.

Outlook: positive, as this business is in good shape to capitalise on strong brands and take advantage of increased demand around renovation and self-build.

The Board of Centaur believe that the Home Interest portfolio is no longer core to the Group's B2B focus and that as a distinct business unit, it will accelerate its growth under more aligned ownership. Accordingly, during 2017 we have commenced a process to sell the business.

Business Model

The Group's activities are categorised across four market segments: Marketing, Professional, Financial Services and Home Interest. These activities are supported by expert teams across digital product development, production, live events and exhibition operations, data, research and client services.

The Group generates revenues from three primary revenue sources: premium content, live events and advertising.

- Premium content revenues include:
    - **Subscriptions:** These are the fees that customers pay to receive access to the Group's information through online access to various databases or through regular delivery of soft copy research or hard copy magazines. Subscription revenue is recognised over the period of the subscription.
    - **Copy sales:** These are generated primarily across the Group's Home Interest print titles, *Homebuilding & Renovating*, *Real Homes* and *Period Living*, and selectively across the Group's business magazines, including *Creative Review*. This area also covers the sale of market reports and other one-off sales of products. Revenues are recognised in line with the publication schedule for these products.
- Live events revenues are all recognised when the event is held. These include:
    - **Exhibitor revenues:** This represents space sold at our events enabling our customers to raise awareness and sell their products and services. Exhibiting at one of our events is an ideal way for our customers to forge new relationships through face-to-face meetings and to showcase their products.
    - **Sponsorship revenues:** Each of our events has partners that want to be associated with it and pay to place brand advertising across the event. Through their sponsorship of our events, our partners can create, develop and increase brand awareness, furthering their credibility within a target audience and enabling them to develop contacts and exposure for their business.
    - **Attendee revenues:** Our consumer-focused exhibitions, *Festival of Marketing* and award events all charge a fee for attendees to access the event. The Group also generates revenues from sales of tables to companies and individuals attending the various industry awards evenings. Some award events also generate revenues from paid-for award entries.

   - **Training revenues:** The Group provides marketing training services to customers in the UK and overseas through the *Econsultancy* and *Oystercatchers* businesses. These services are delivered through public training courses and through the delivery of bespoke services to clients. The revenues are recognised when the training is delivered.

- Advertising revenues represent the fees that customers pay to place an advertisement through one or more of the Group's delivery channels, either online, in print or on mobile. There are products where advertising is the main driver and others where advertising is a supplemental earnings stream. This includes display, classified, sponsored content, content marketing, native advertising and other publication-based marketing solutions, across the delivery platforms. Revenue is recognised on publication.

We build a deeper understanding of the commercial opportunities across each market through an unremitting focus on our markets and audience. We know that our customers want flexible content that works seamlessly across multiple platforms. By leveraging this market insight and understanding of our customer requirements we are able to offer a higher-value customer proposition. This is delivered in whichever format our clients want, whether that is in print, digital or as a live event. Each market segment has clear growth plans focused on new digital products, new revenue streams, multi-platform content and clear competitor differentials.

Supporting each of these markets, we have centralised expert teams across digital product development, production, live events and exhibition operations, data, research and client services.

These teams provide the expertise and scale that allows us to support the business efficiently. The expert teams also enable us to manage our cost base effectively and to prioritise investment across the business.

All areas of the business are supported by group functions including finance, HR, building services, legal and IT.

We regularly review our cost base and seek to maintain as flexible and scalable an operating model as possible, outsourcing or consolidating shared activities where possible.

This structure creates the potential to scale opportunities that alongside underlying revenue growth enables good progression in adjusted[2] operating margins. It also creates the opportunity to effectively bolt on acquisitions to accelerate revenue and margin growth.

While our business remains primarily UK-focused, we aim to grow our presence in North America and the international reach of our products.

Financial review

Non-statutory measures

In these results we refer to 'adjusted' and 'statutory' results, as well as other non-GAAP performance measures. Adjusted results are prepared to provide a more comparable indication of the Group's core business performance by removing the impact of certain items including exceptional items (material and non-recurring), and volatile items predominantly relating to investment activities and other separately reported items. Adjusted results exclude adjusting items as set out in the Consolidated Income Statement and below, with further details given in notes 1(b) and 4. In addition, the Group also measures and presents performance in relation to various other non-GAAP measures, such as underlying revenue growth, adjusted operating cash flow, adjusted EBITDA and net debt.

Adjusted results are not intended to replace statutory results. These have been presented to provide users with additional information and analysis of the Group's performance consistent with how the Board also monitors results. Further rationale for each of the adjusting items used in these measures, as well as reconciliations to their statutory equivalents, can be found in note 1(b).

The Group's activities are predominantly UK-based and therefore currency movements do not have a material impact on the Group's results.

Statutory loss before tax reconciles to adjusted operating profit as follows:

	Note	**2016** **£m**	**2015** **£m**
Statutory loss before tax		**(4.4)**	(5.6)
Adjusting items			
Impairment of goodwill	7	**7.2**	11.9
Amortisation of acquired intangible assets	8	**2.3**	2.2
Share-based payments		**(0.1)**	0.7
Earn-out consideration	9	**0.6**	0.1
Additional impairment of trade receivables	4	**1.8**	-
Exceptional operating costs	4	**1.2**	0.7
Profit on disposal of trade and assets	4	**-**	(0.4)
Exceptional finance costs	4	**-**	0.2
Adjusted profit before tax		**8.6**	9.8
Adjusted finance costs	4	**0.5**	0.7
Adjusted operating profit		**9.1**	10.5

Summary

Commentary on revenues and operating results is set out within the Group Operating Review.

2016 was a challenging year, with tough trading conditions leading to a marked decline particularly in advertising revenues, with a high drop through to profitability, and a reduced adjusted operating margin[2] of 13% (2015: 15%). We have rigorously reviewed our cost base and have made significant progress in right-sizing Group overhead expenditure.

The Group has made good progress in reducing its net debt[5], which has fallen to £14.1m at the end of December 2016 (2015: £17.9m). The rate of cash conversion[4] was 153% (2015: 31%). Leverage (net debt[5] to adjusted EBITDA[6]) at 31 December 2016 was 1.1 times (2015: 1.3 times), and 1.0 times excluding the impact of *Oystercatchers*.

In 2016, reflecting a reduced growth outlook in the Financial Services segment, the Group recognised a non-cash impairment charge of £7.2m against goodwill. In 2015, an impairment charge of £11.9m was recognised against goodwill in the Professional segment. During 2016, an additional impairment of trade receivables of £1.8m (2015: £nil) was separately reported as an adjusting item, and exceptional restructuring costs of £1.2m (2015: 0.7m) resulting from the re-organisation of senior management and strategic corporate restructuring activities were incurred.

Revenues

Revenues in 2016 were £72.5m (2015: £70.5m). Underlying[1] trends, adjusting for the biennial show, *AMS*, and the acquisition of *Oystercatchers*, show growth of 2%. Further information on the divisional revenue performance and the mix of revenues across premium content, live events and advertising is included in the Portfolio Review.

Operating profit

Adjusted operating profits[2] for the year were £9.1m (2015: £10.5m), with an adjusted operating profit margin[2] of 12.6% (2015: 14.9%). Further information on the divisional adjusted operating profit performance is included in the Portfolio Review.

Net adjusted[2] operating expenses were £63.4m (2015: £60.0m). Adjusted[2] employee related expenses in the year were £29.8m (2015: £29.5m), and the average number of permanent employees was 554 (2015: 564). See below for discussion of items impacting reported operating losses for the year of £3.9m (2015: £4.7m).

Reported operating losses of £3.9m (2015: £4.7m) were impacted by the adjusting items detailed below.

Adjusting items

The Directors believe that adjusted results and adjusted earnings per share provide additional useful information on the core operational performance of the Group to shareholders, and review the results of the Group on an adjusted basis internally. Details of the Group's accounting policy in relation to adjusting items are shown in note 1(b).

Adjusting items generated a loss before tax of £13.0m (2015: £15.4m), which includes an impairment charge of £7.2m relating to goodwill in the Financial Services segment (2015: £11.9m in the Professional segment).

Exceptional operating costs of £1.2m (2015: £0.7m) include staff-related restructuring costs of £0.9m (2015: £0.6m) which principally relate to the reorganisation of the operational and senior management structure linked to the cost reduction programme, and costs relating to specific corporate restructuring initiatives of £0.3m (2015: £0.1m). Whilst similar costs have been incurred previously, such costs linked to the Group's transformation programme are not expected to recur once this is completed, and as such these are deemed to be exceptional in nature.

In addition, a separately reported charge for the impairment of trade receivables of £1.8m (2015: £nil) has been treated as an adjusting item. Following the disappointing working capital performance in 2015, and notwithstanding the return to strong cash generation in 2016, there remains a legacy of debt which arose during a period of disruption during the second half of 2015 and into the early part of 2016 arising from the introduction of a new accounting platform during 2015. Whilst the Group continues to make every effort in collecting all amounts due to it, given the extended age and magnitude of this outstanding debt by year end, the Directors believe there is now increased uncertainty in being able to collect these aged amounts and therefore consider these debts to be impaired. Substantial improvements to front-end billing and credit control processes have been made during the course of the year and the Group continues to make good progress on collecting current receivables and reducing the amount of days' sales outstanding ('DSO'). These have reduced to 79 days at 31 December 2016 (2015: 88 days), which is an improvement of 17 days since the peak in March 2016. The additional charge of £1.8m (2015: £nil) is considered to be significant to understanding current year performance, and has therefore been separately reported as an adjusting item to operating profit. In addition, a charge of £0.5m (2015: £0.6m) has been recorded in operating profit, which is considered to be in line with historical provisioning requirements.

Earn-out costs of £0.6m (2015: £0.1m) relate to the earn-out arrangement on the acquisition of *Oystercatchers*, which are treated as a remuneration expense through the statement of comprehensive income. In 2015 the earn-out charges of £0.1m related to the acquisition of *Venture Business Research*. A gain on the disposal of the trade and assets of *Aidex* of £0.4m arose in 2015.

Other adjusting items include amortisation of acquired intangible assets of £2.3m (2015: £2.2m) and a share-based payment credit of £0.1m (2015: charge of £0.7m).

Further analysis on these adjusting items is included in notes 1(b) and 4.

Net finance costs

Adjusted net finance costs were £0.5m (2015: £0.7m). The reduction in finance costs reflects lower net debt[5] during 2016 compared to 2015. Reported net finance costs were £0.5m (2015: £0.9m), and in 2015 included exceptional unamortised facility costs (£0.1m) and legal fees (£0.1m) associated with the re-financing of the Group's revolving credit facility in in that year.

Taxation

A tax charge of £1.0m (2015: £1.3m) has been recognised for the year. The adjusted tax charge was £1.8m (2015: £1.9m) giving an adjusted effective tax rate (compared to adjusted[2] profit before tax) of 20.9% (2015: 19.4%). The Company's profits were taxed in the UK at a blended rate of 20.0% (2015: 20.25%), with the fall in the main rate of UK Corporation tax being offset by the impact of overseas earnings taxed at different rates. On a reported basis, the effective tax rate of (22.7)% (2015: (23.2)%) was impacted primarily by charges relating to the impairment of goodwill and other non-deductible expenses. See note 5 for a reconciliation between the statutory and reported tax charge.

Share-based payments

Share-based payments in 2016 decreased to a credit of £0.1m (2015: charge of £0.7m), as a result of lapses in the LTIP schemes following changes in senior management and performance under non-market performance conditions.

Earnings per share

The Group has delivered adjusted[2] diluted earnings per share for the year of 4.5p (2015: 5.3p). Losses per share for the year were (3.8)p (2015: (4.8)p). Full details of the earnings per share calculations can be found in note 6 to the financial statements.

Dividend

An interim dividend of 1.5p per share was paid in respect of the period January to June 2016 (January to June 2015: 1.5p). A final dividend in respect of the period July to December 2016 of 1.5p per share (July to December 2015: 1.5p) is proposed by the Directors, giving a total dividend for the year ended 31 December 2016 of 3.0p (2015: 3.0p), in line with 2015.

The final dividend in respect of the year is subject to shareholder approval at the Annual General Meeting and, if approved, will be paid on 26 May 2017 to all ordinary shareholders on the register at close of business on 12 May 2017.

Adjusted dividend cover in the year was 1.6 times (2015: 1.8 times) and it is intended to move above 2 times in the medium term.

Cash flow

As set out below, net debt[5] has fallen to £14.1m from £17.9m at the end of December 2015 and the rate of cash conversion[4] was 153% (2015: 31%). Trade receivables are steadily reducing and the rate of cash collection for invoices issued in 2016 is both satisfactory and steady. There was a £12.4m positive swing in working capital in 2016 compared to 2015, primarily driven by a significant improvement in the collection of trade receivables following on from the disruption experienced during the second half of 2015 and into the early part of 2016 as part of the accounting system change. It is reassuring that the Group has returned to higher levels of cash generation.

	2016 £m	2015 £m
Adjusted operating profit[2]	**9.1**	10.5
Depreciation and amortisation	**3.3**	3.0
Movement in working capital	**4.1**	(6.9)
Capital expenditure	**(2.6)**	(3.3)
Adjusted operating cash flow[3]	**13.9**	3.3
Cash impact of adjusting items	**(1.3)**	(0.5)
Taxation	**(1.3)**	(1.4)
Interest and finance leases	**(0.5)**	(0.9)
Other	**0.1**	-
Free cash flow	**10.9**	0.5
Repayment of loan notes	**(1.1)**	-
Acquisitions	**(1.5)**	(0.1)
Disposal of trade and assets	**-**	0.4
Share repurchases	**(0.2)**	-
Dividends paid to Company's shareholders	**(4.3)**	(4.0)
Decrease / (increase) in net debt	**3.8**	(3.2)
Opening net debt	**(17.9)**	(14.7)
Closing net debt	**(14.1)**	(17.9)

Adjusted operating cash flow is not a measure defined by IFRS. It is defined as cash flow from operations excluding the impact of adjusting items, which are defined above, and including capital expenditure. The Directors use this measure to assess the performance of the Group as it excludes volatile items not related to the core trading of the Group, and includes the Group's management of capital expenditure. A reconciliation between cash flow from operations and adjusted operating cash flow is shown in note 1(b) to the financial statements. The cash impact of adjusting items primarily related to exceptional restructuring costs in both years.

Acquisitions net of disposals generated a cash outflow of £2.6m (including the repayment of loan notes in relation to the *VBR* earn-out) in the year (2015: cash inflow of £0.3m).

Financing and bank covenants

On 8 June 2015, the Group agreed a four year £25m multi-currency revolving credit facility, provided by RBS and Lloyds. This facility runs to 31 August 2019. The principal financial covenants under the facility are: the ratio of net debt to adjusted EBITDA[6] shall not exceed 2.5:1, and the ratio of EBITDA to net finance charges shall not be less than 4:1. The Group remained within its banking covenants and has good headroom within its £25m banking facilities.

Acquisition of *Oystercatchers*

On 30 September 2016 the Group completed the purchase of the business and assets of The Oystercatchers LLP for a total purchase price of £3.5m, including contingent consideration of up to £1.2m. This is subject to the ongoing employment of specific individuals and the business delivering sufficient earnings for the year ended 31 March 2017, and payable in the second quarter of 2017 once the accounts have been finalised. Initial consideration of £1.5m was paid on completion in cash with £0.5m of Centaur Media Plc shares being issued to the vendors. The balance of £0.2m will become due on 30 September 2017.

Assets acquired include working capital balances of £0.1m, intangible assets comprising customer contracts, relationships and the brand name totalling £1.1m, with resulting goodwill recognised of £1.2m.

As the contingent consideration is dependent on the continued employment of five key individuals of the Oystercatchers business it is treated as a post-acquisition employment expense within the statement of comprehensive income. An expense of £0.6m has been recognised as an adjusting item during 2016.

Balance sheet

A summary of the Group's balance sheet as at 31 December 2016 and 2015 is set out below:

	2016	**2015**
	£m	**£m**
Goodwill and other intangible assets	**88.8**	96.4
Property, plant and equipment	**2.0**	2.3
Deferred income	**(16.9)**	(17.0)
Other current assets and liabilities	**7.5**	12.7
Deferred taxation	**(0.2)**	(0.1)
Net assets before net debt[5]	**81.2**	94.3
Net debt[5]	**(14.1)**	(17.9)
Net assets	**67.1**	76.4

The main movements in the Group's balance sheet are a reduction of £7.6m in goodwill and other intangible assets, primarily caused by the impairment to goodwill of £7.2m (2015: £11.9m), a decrease in other current assets and liabilities, driven by reduced gross trade receivables balances and increased bad debt provision, and reduction in net debt[5]. Further details on these significant movements can be found throughout this report.

Conclusion

The Group has made good progress towards its strategic goals within what has been a challenging trading period. The harsh trading conditions brought about by the falls in advertising demand has impacted the Group's adjusted operating profit[2] margin negatively and we have reviewed our cost base in order to right-size this appropriately. The growth in digital platforms and event-driven revenues has been positive and we remain vigilant but positive against this backdrop.

Following the difficulties experienced during the second half of 2015 and into the early part of 2016 following implementation of the new accounting platform, much hard work has been undertaken throughout 2016 to address these issues resulting in excellent cash flow performance in the year with a swing in working capital flow of £12.4m, a resultant cash conversion[4] of 153% with a reduction in net debt[5] to £14.1m. The legacy of old trade receivables remains which have proven very difficult to collect and an additional, separately reported, impairment provision of £1.8m (2015: £nil) has been made to reflect the uncertainty around these remaining amounts. We continue to make every effort to collect all amounts due to the Group.

I am optimistic that the Group is in a strong position for continued growth in digital and live events revenues that will deliver margin improvement in the medium term.

Swag Mukerji
Chief Financial Officer
28 March 2017

Principal risks and uncertainties

The principal risks and uncertainties facing the Group are:

- Trends in print advertising and sales of print products mean that revenues from these sources continue to shrink and are not replaced like-for-like with online or digital products. The non-print media sector has high levels of competition from a wider group and low barriers to entry. This leads to different pressures on audience and customer retention as well as pricing. The Board considers that our exposure to this risk has decreased since the prior year due to the specific actions we have taken to reduce our dependency on print advertising and sales of print products, including the creation of new products which are exclusively digital.

- Failure to manage change effectively could exacerbate our difficulties in retaining and recruiting staff at an appropriate cost in parts of the business, and lead to loss of key senior staff, resulting in increased recruitment and training costs, loss of productivity, potential loss of clients and potential inability to maintain content quality and deliver our specific plans. Due to increased change taking place across the business (caused by, among other things, initiatives aimed at reducing our reliance on print, together with more general cost-cutting measures) the Board considers this risk to have increased since the previous year.

- Serious systems failure affecting our core systems and multiple products or business functions, or breach of network security controls (as a result of a deliberate cyber-attack or unintentional event), results in misappropriation of financial assets, proprietary or sensitive information or operational disruption, such as the unavailability of our websites and of our digital products to users or unavailability of support platforms, thereby directly affecting our revenues or collection activities and damaging our reputation with customers and audiences. The Board considers this risk to be broadly the same as for the prior year.

- Fraudulent or accidental breach of our security, or ineffective operation of IT and data management systems leads to loss, theft or misuse of confidential information or personal data or breach of data protection requirements resulting in increased regulatory supervision, damage to our reputation and / or direct financial impact. The Board considers this risk to be broadly the same as for the prior year.

- The Group runs events and exhibitions that gather large numbers of people in single venues and locations, often in large cities in the UK and elsewhere. This results in operational health and safety risks including fire safety, food hygiene, crowd control, security and failure of equipment. As the Group operates events and exhibitions in locations hired from third parties, including hotels and venue operators, it is generally not in control of safety policies for the locations and depends upon the third party venue operator to have adequate safety policies, processes and equipment in place and to comply with health and safety regulations. If a serious physical incident occurred at an event, physical injury, death and other significant damage could occur. The Board considers this risk to be broadly the same as for the prior year.

- A serious force majeure event, such as a flood or terrorist attack, could affect the availability of a venue for one of our large events or exhibitions or of our central London office. For the Group's larger events and exhibitions, there are only a small number of venues available for hire in the market from third parties such as hotels, and we have a majority of our staff and systems at a single central London location. If a venue or our central London office becomes unavailable, it is unlikely that the Group would be able to transfer an event to a different venue, or our employees to a different office, at short notice. This could result in damage to our reputation and direct financial impact from revenues that we would be unable to collect (because, for example, commercial teams are unable to operate effectively), costs already incurred, refunds due to customers or legal claims from customers and suppliers. The Board considers this risk to be broadly the same as for the prior year.

- The Group's products could be vulnerable to replication by competitors in the UK or other markets including, potentially, those offering content under a different revenue model that reduces or eliminates costs for users. The Board considers this risk to be broadly the same as for the prior year.

- Changes to regulations and legal requirements, including in relation to areas such as data protection and direct marketing, restrict or burden the Group's activities. The Board considers this risk to be broadly the same as for the prior year.

- As Centaur Media's products are primarily sold to specific sectors of the UK market, the Group's financial performance is highly sensitive to economic and political conditions affecting the UK market and/or the key sectors in which we operate. Uncertainty about the future economic and political stability of the UK and its impact on sectors including (but not limited to) the financial and real estate sectors following the UK's vote to leave the EU in 2016 has the potential to reduce customer demand for our products and thereby adversely affect the Group's revenues. The Board considers this risk to have increased since the prior year due to diminished short and medium-term expectations for the UK economy following the referendum vote to leave the EU on 23 June 2016, meaning this risk has been included in the annual report as a principal risk facing the Group for the first time.

Consolidated Statement of Comprehensive Income for the year ended 31 December 2016

	Note	**Adjusted Results* 2016 £m**	**Adjusting Items* 2016 £m**	**Statutory Results 2016 £m**	Adjusted Results* 2015 £m	Adjusting Items* 2015 £m	Statutory Results 2015 £m
Revenue	2	**72.5**	**-**	**72.5**	70.5	-	70.5
Net operating expenses	3	**(63.4)**	**(13.0)**	**(76.4)**	(60.0)	(15.2)	(75.2)
Operating profit / (loss)		**9.1**	**(13.0)**	**(3.9)**	10.5	(15.2)	(4.7)
Finance costs		**(0.5)**	**-**	**(0.5)**	(0.7)	(0.2)	(0.9)
Profit / (loss) before tax		**8.6**	**(13.0)**	**(4.4)**	9.8	(15.4)	(5.6)
Taxation	5	**(1.8)**	**0.8**	**(1.0)**	(1.9)	0.6	(1.3)
Profit / (loss) for the period attributable to owners of the parent		**6.8**	**(12.2)**	**(5.4)**	7.9	(14.8)	(6.9)
Total comprehensive income / (loss) attributable to owners of the parent		**6.8**	**(12.2)**	**(5.4)**	7.9	(14.8)	(6.9)
Earnings / (loss) per share attributable to owners of the parent	6						
Basic		**4.7p**	**(8.5)p**	**(3.8)p**	5.5p	(10.3)p	(4.8)p
Diluted		**4.5p**	**(8.3)p**	**(3.8)p**	5.3p	(10.1)p	(4.8)p

* Alternative performance measure, refer to note 1(b)

Consolidated Statement of Changes in Equity for the year ended 31 December 2016

Attributable to owners of the parent company

	Share capital £m	Own shares £m	Share premium £m	Reserve for shares to be issued £m	Deferred shares £m	Retained earnings £m	Total equity £m
At 1 January 2015 as previously reported	15.0	(10.1)	0.7	4.4	0.1	76.7	86.8
Transfers relating to prior periods*	-	3.6	-	(4.0)	-	0.4	-
Restated balance at 1 January 2015	**15.0**	**(6.5)**	**0.7**	**0.4**	**0.1**	**77.1**	**86.8**
Loss and total comprehensive loss	-	-	-	-	-	(6.9)	(6.9)
Transactions with owners:							
Dividends (note 14)	-	-	-	-	-	(4.0)	(4.0)
Fair value of employee services	-	-	-	0.5	-	-	0.5
As at 31 December 2015	**15.0**	**(6.5)**	**0.7**	**0.9**	**0.1**	**66.2**	**76.4**
Loss and total comprehensive loss	-	-	-	-	-	(5.4)	(5.4)
Transactions with owners:							
Dividends (note 14)	-	-	-	-	-	(4.3)	(4.3)
Acquisition of treasury shares (note 13)	-	(0.2)	-	-	-	-	(0.2)
Acquisition of business and assets (note 9)	0.1	-	0.4	-	-	-	0.5
Exercise of share awards	-	0.3	-	(0.2)	-	(0.1)	-
Fair value of employee services	-	-	-	0.1	-	-	0.1
As at 31 December 2016	**15.1**	**(6.4)**	**1.1**	**0.8**	**0.1**	**56.4**	**67.1**

* See note 1(a)

Consolidated Statement of Financial Position as at 31 December 2016
Registered number 04948078

	Note	**31 December 2016 £m**	31 December 2015 £m
Non-current assets			
Goodwill	7	**72.1**	78.1
Other intangible assets	8	**16.7**	18.3
Property, plant and equipment		**2.0**	2.3
Deferred income tax assets		**0.6**	0.6
		91.4	99.3
Current assets			
Inventories		**2.5**	2.0
Trade and other receivables	10	**15.7**	25.0
Cash and cash equivalents		**3.4**	3.1
		21.6	30.1
Total assets		**113.0**	129.4
Current liabilities			
Trade and other payables		**(9.7)**	(12.4)
Deferred income		**(16.9)**	(17.0)

Current income tax liabilities		**(0.7)**	(0.9)
Borrowings	11	**-**	(1.1)
Provisions	12	**(0.4)**	-
		(27.7)	(31.4)
Net current liabilities		**(6.1)**	(1.3)
Non-current liabilities			
Borrowings	11	**(17.4)**	(20.9)
Deferred income tax liabilities		**(0.8)**	(0.7)
		(18.2)	(21.6)
Net assets		**67.1**	76.4
Capital and reserves attributable to owners of the parent			
Share capital	13	**15.1**	15.0
Own shares*		**(6.4)**	(6.5)
Share premium		**1.1**	0.7
Other reserves*		**0.9**	1.0
Retained earnings*		**56.4**	66.2
Total equity		**67.1**	76.4

* Comparative restated – see note 1(a)

The financial statements were approved by the Board of Directors on 28 March 2017 and were signed on its behalf by:

Swag Mukerji
Chief Financial Officer

Consolidated Cash Flow Statement for the year ended 31 December 2016

	Note	**2016** **£m**	2015 £m
Cash flows from operating activities			
Cash generated from operations	15	**15.3**	6.1
Tax paid		**(1.3)**	(1.4)
Net cash generated from operating activities		**14.0**	4.7
Cash flows from investing activities			
Other acquisitions - settlement of deferred consideration	12	**-**	(0.1)
Disposal of trade and other assets	4	**-**	0.4
Purchase of property, plant and equipment		**(0.3)**	(0.5)
Purchase of intangible assets	8	**(2.3)**	(2.8)
Acquisition of business and assets	9	**(1.5)**	-
Net cash flows used in investing activities		**(4.1)**	(3.0)
Cash flows from financing activities			
Payment for shares bought back	13	**(0.2)**	-
Interest paid		**(0.5)**	(0.9)
Dividends paid to Company's shareholders	14	**(4.3)**	(4.0)
Proceeds from borrowings	15	**1.5**	21.0
Repayment of borrowings	15	**(5.0)**	(18.1)
Repayment of loan notes	11	**(1.1)**	-
Net cash flows used in financing activities		**(9.6)**	(2.0)

Net increase / (decrease) in cash and cash equivalents	0.3	(0.3)
Cash and cash equivalents at beginning of the year	3.1	3.4
Cash and cash equivalents at end of year	**3.4**	3.1

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below, to the extent they have not already been disclosed in the other notes below. These policies have been consistently applied to all the periods presented, unless otherwise stated. The financial statements are for the Group consisting of Centaur Media Plc and its subsidiaries. Centaur Media Plc is a public company limited by shares and incorporated in England and Wales.

(a) Basis of preparation

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

The 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.

New and amended standards adopted by the Group

None of the new standards and amendments to standards (including the Annual Improvements (2014) to existing standards) that are mandatory for the first time for the financial year commencing 1 January 2016 affected any of the amounts recognised in the current period or any prior period, and is not likely to affect future periods.

New standards and interpretations not yet adopted

The following new accounting standards and interpretations have been published that are not mandatory for 31 December 2016 reporting periods and have not been early adopted by the Group:

- IFRS 9: Financial Instruments is a new standard which enhances the ability of investors and other users of financial information to understand the accounting for financial assets and reduces complexity. The standard uses a single approach to determine whether a financial asset is measured at amortised cost or fair value, replacing the various rules in IAS 39, and also introduces a new expected loss impairment model. This standard is effective for accounting periods commencing on or after 1 January 2018, and the impact is not expected to be material.
- IFRS 15: Revenue from Contracts with Customers is a new standard based on a five-step model framework, which replaces all existing revenue recognition standards. The standard requires revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This standard is effective for accounting periods commencing on or after 1 January 2018.
- IFRS 16: Leases is a new standard which sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract. The standard eliminates the classification of leases as either operating leases or finance leases as required by IAS 17 and, instead, introduces a single lessee accounting model. A lessee will be required to recognise assets and liabilities

for all leases with a term of more than 12 months and depreciate lease assets separately from interest on lease liabilities in the income statement. This standard is effective for accounting periods commencing on or after 1 January 2019.

The Directors anticipate that the adoption of these standards and interpretations in future periods, particularly IFRS 15 and IFRS 16 will impact on the financial statements of the Group. Management is currently undertaking an exercise to quantify the impact of IFRS 15.

There are no other standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

Prior period adjustment

As at 1 January 2015, the value of treasury shares and shares held in the Employee Benefit Trust in the own shares reserve relating to the vesting of employee share plans (£3.6m) has been transferred to retained earnings, reflecting shares transferred to employees in prior periods. A transfer has also been made from the reserve for shares to be issued of £4.0m to retained earnings, to account for the vesting of these share plans up to 1 January 2015. There is no overall impact from these adjustments on total shareholders' equity or other reported measures as at 1 January 2015.

(b) Presentation of non-statutory measures

In addition to statutory measures, the Directors use various non-GAAP key financial measures to evaluate the Group's performance, and consider that presentation of these measures provides shareholders with an additional understanding of its core trading performance. The measures used are explained and reconciled to their equivalent statutory headings below.

Adjusted operating profit and adjusted earnings per share

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

Adjustments are made in respect of:

- Exceptional items – the Group considers items of income and expense as exceptional and excludes them from the adjusted results where the nature of the item, or its size, is material and likely to be non-recurring in nature (in the medium term) so as to assist the user of the financial statements to better understand the results of the core operations of the Group. Details of exceptional items are shown in note 4.
- Amortisation of acquired intangible assets – the amortisation charge for those intangible assets recognised on business combinations is excluded from the adjusted results of the Group since they are non-cash charges arising from non-trading investment activities. As such, they are not considered reflective of the core trading performance of the Group. Details of amortisation of intangible assets are shown in note 8.

- Share-based payments – share-based payment expenses or credits are excluded from the adjusted results of the Group as the Directors believe that the volatility of these charges can distort the user's view of the core trading performance of the Group.
- Impairment of goodwill – the Directors believe that non-cash impairment charges in relation to goodwill are generally volatile and material, and therefore exclude any such charges from the adjusted results of the Group. Previous impairment charges were presented as exceptional items. As this charge has recurred in the current year, it is not deemed to be exceptional, but given its materiality it has been separately reported for the reasons set out above. Details of goodwill impairment are shown in note 7.
- Earn-out consideration – deferred or contingent consideration in relation to business combinations recognised in the income statement (as a result of being classified as remuneration under IFRS 3) is not considered reflective of the core trading of the Group since it results from investment activities and is volatile in nature. As such, income statement items relating to business combinations are removed from adjusted results. See notes 9 and 12.
- Profit or loss on disposal of assets or subsidiaries – profit or loss on disposals of businesses are excluded from adjusted results of the Group as they are unrelated to core trading, and can distort a user's understanding of the performance of the Group due to their infrequent and volatile nature. See note 4.
- Other separately reported items – certain other items are excluded from adjusted results where they are considered large or unusual enough to distort the comparability of core trading results year on year. Details of these separately disclosed items are shown in note 4.

The tax related to adjusting items is the tax effect of the items above that are allowable deductions for tax purposes (primarily exceptional items), calculated using the standard rate of corporation tax. See note 5 for a reconciliation between reported and adjusted tax charges.

Further details of adjusting items are included in note 4. A reconciliation between adjusted and statutory earnings per share measures is shown in note 6.

Loss before tax reconciles to adjusted operating profit as follows:

	Note	**2016 £m**	2015 £m
Loss before tax		**(4.4)**	(5.6)
Adjusting items			
Impairment of goodwill	7	**7.2**	11.9
Amortisation of acquired intangible assets	8	**2.3**	2.2
Share-based payments		**(0.1)**	0.7
Earn-out consideration	9	**0.6**	0.1
Additional impairment of trade receivables	4	**1.8**	-
Exceptional operating costs	4	**1.2**	0.7
Profit on disposal of trade and assets	4	**-**	(0.4)
Exceptional finance costs	4	**-**	0.2
Adjusted profit before tax		**8.6**	9.8
Adjusted finance costs	4	**0.5**	0.7
Adjusted operating profit		**9.1**	10.5
Cash impact of adjusting items		**(1.3)**	(0.5)
Tax impact of adjusting items		**0.8**	0.6

Adjusted operating cash flow

Adjusted operating cash flow is not a measure defined by IFRS. It is defined as cash flow from operations excluding the impact of adjusting items, which are defined above, and including capital expenditure. The Directors use this measure to assess the performance of the Group as it excludes volatile items not related to the core trading of the Group, and includes the Group's management of capital expenditure. Statutory cash flow from operations reconciles to adjusted operating cash as below:

	2016	2015
	£m	£m
Reported cash flow from operations	**15.3**	6.1
Cash impact of adjusting items	**1.3**	0.5
Working capital impact of adjusting items	**(0.1)**	-
Capital expenditure	**(2.6)**	(3.3)
Adjusted operating cash flow	**13.9**	3.3

Underlying revenue growth

The Directors review underlying revenue growth in order to allow a like for like comparison of revenues between periods. Underlying revenues exclude the impact of event timing differences, as well as the revenue contribution arising from acquired or disposed businesses.

Statutory revenue growth reconciles to underlying revenue growth as follows:

	Marketing	**Professional**	**Financial Services**	**Home Interest**	**Total**
	£m	**£m**	**£m**	**£m**	**£m**
Reported revenue 2015	27.0	19.7	12.0	11.8	70.5
Biennial events - AMS	-	(0.4)	-	-	(0.4)
Underlying revenue 2015	**27.0**	**19.3**	**12.0**	**11.8**	**70.1**
Reported revenue 2016	29.7	20.2	9.7	12.9	72.5
Acquired business - Oystercatchers	(1.2)	-	-	-	(1.2)
Underlying revenue 2016	**28.5**	**20.2**	**9.7**	**12.9**	**71.3**
Reported revenue growth	10%	3%	(19)%	9%	3%
Underlying revenue growth	6%	5%	(19)%	9%	2%

Adjusted EBITDA

Adjusted EBITDA is not a measure defined by IFRS. It is defined as adjusted operating profit before depreciation and amortisation of intangible assets other than those acquired through a business combination. It is used by the Directors as a measure to review performance of the Group, and forms the basis of some of the Group's financial covenants under its revolving credit facility. Adjusted EBITDA is calculated as follows:

	2016	2015
	£m	£m
Adjusted operating profit (as above)	**9.1**	10.5
Depreciation	**0.6**	0.9
Amortisation of computer software (note 8)	**2.7**	2.1
Adjusted EBITDA	**12.4**	13.5

Net debt

Net debt is not a measure defined by IFRS. Net debt is calculated as cash less overdrafts and bank borrowings under the Group's financing arrangements. The Directors consider the measure useful as it gives greater clarity over the Group's liquidity as a whole. A reconciliation between net debt and statutory measures is shown in note 15.

2 SEGMENTAL REPORTING

The Executive Committee has been identified as the chief operating decision-maker, reviewing the Group's internal reporting on a monthly basis in order to assess performance and allocate resources.

The Group is organised around four reportable market-facing segments: Marketing, Financial Services, Professional and Home Interest. The Professional segment aggregates the Legal, Human Resources, Engineering and Travel & Meetings portfolios, which are deemed to have similar profiles of risk and return. All segments derive revenues from a combination of live events, premium content and advertising revenues. Corporate income and costs are allocated to these segments on an appropriate basis, depending on the nature of the costs, including in proportion to revenues or headcount. There is no inter-segmental revenue.

Segment assets consist primarily of property, plant and equipment, intangible assets including goodwill, inventories and trade receivables. 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 includes additions resulting from acquisitions through business combinations.

	Marketing £m	Financial Services £m	Professional £m	Home Interest £m	Group £m
2016					
Revenue	**29.7**	**9.7**	**20.2**	**12.9**	**72.5**
Adjusted operating profit	4.2	0.6	2.1	2.2	9.1
Amortisation of acquired intangibles	(1.6)	(0.2)	(0.1)	(0.4)	(2.3)
Impairment of goodwill	-	(7.2)	-	-	(7.2)
Earn-out consideration	(0.6)	-	-	-	(0.6)
Additional impairment of trade receivables	(0.8)	(0.2)	(0.5)	(0.3)	(1.8)
Exceptional operating costs	(0.4)	(0.2)	(0.5)	(0.1)	(1.2)
Share-based payments	0.1	-	-	-	0.1
Operating loss	**0.9**	**(7.2)**	**1.0**	**1.4**	**(3.9)**
Finance costs					(0.5)
Loss before tax					**(4.4)**
Taxation					(1.0)
Loss for the year from continuing operations					**(5.4)**

	Marketing £m	Financial Services £m	Professional £m	Home Interest £m	Group £m
2015					

Revenue	**27.0**	**12.0**	**19.7**	**11.8**	**70.5**
Adjusted operating profit	4.1	2.1	2.2	2.1	10.5
Amortisation of acquired intangibles	(1.5)	(0.3)	(0.1)	(0.3)	(2.2)
Impairment of goodwill	-	-	(11.9)	-	(11.9)
Earn-out consideration	-	-	(0.1)	-	(0.1)
Exceptional operating costs	(0.1)	(0.2)	(0.2)	(0.2)	(0.7)
Profit on disposal of trade and assets	-	-	0.4	-	0.4
Share-based payments	(0.3)	(0.1)	(0.2)	(0.1)	(0.7)
Operating loss	**2.2**	**1.5**	**(9.9)**	**1.5**	**(4.7)**
Finance costs					(0.9)
Loss before tax					(5.6)
Taxation					(1.3)
Loss for the year from continuing operations					**(6.9)**

The Group's revenue by type is as follows:

	2016 £m	2015 £m
Sale of goods and services		
Premium content	**20.8**	19.9
Live events	**30.7**	27.2
Advertising	**20.2**	22.5
Other	**0.8**	0.9
	72.5	70.5

3 NET OPERATING EXPENSES

Operating loss is stated after charging / (crediting):

	Note	Adjusted Results 2016 £m	Adjusting Items 2016 £m	Statutory Results 2016 £m	Adjusted Results 2015 £m	Adjusting Items 2015 £m	Statutory Results 2015 £m
Net foreign exchange gains		**0.3**	**-**	**0.3**	-	-	-
Employee benefits expense		**30.3**	**0.9**	**31.2**	30.2	0.6	30.8
Depreciation of property, plant and equipment		**0.6**	**-**	**0.6**	0.9	-	0.9
Amortisation of intangible assets	8	**2.7**	**2.3**	**5.0**	2.1	2.2	4.3
Impairment of goodwill	7	**-**	**7.2**	**7.2**	-	11.9	11.9
Earn-out consideration	9	**-**	**0.6**	**0.6**	-	0.1	0.1
Other exceptional operating costs	4	**-**	**0.3**	**0.3**	-	0.1	0.1
Operating lease rentals		**1.8**	**-**	**1.8**	1.8	-	1.8
Repairs and maintenance expenditure		**0.3**	**-**	**0.3**	0.2	-	0.2
Impairment of trade receivables	16	**0.5**	**1.8**	**2.3**	0.6	-	0.6
Share-based payment (credit) / expense		**-**	**(0.1)**	**(0.1)**	-	0.7	0.7
Profit on disposal of trade and assets	4	**-**	**-**	**-**	-	(0.4)	(0.4)
Other operating expenses		**26.9**	**-**	**26.9**	24.2	-	24.2
		63.4	**13.0**	**76.4**	60.0	15.2	75.2

Cost of sales	**34.3**	**-**	**34.3**	33.2	-	33.2
Distribution costs	**1.1**	**-**	**1.1**	1.3	-	1.3
Administrative expenses	**28.0**	**13.0**	**41.0**	25.5	15.2	40.7
	63.4	**13.0**	**76.4**	60.0	15.2	75.2

Rental income for the sub-lease of properties under leases totalled £0.7m (2015: £0.6m).

See note 1(b) and 4 for details of adjusting items.

4 ADJUSTING ITEMS

As discussed in note 1(b), certain items are presented as adjusting. These are detailed below:

	Note	**2016 £m**	**2015 £m**
Exceptional operating costs			
Staff related restructuring costs		**0.9**	0.6
Costs relating to strategic corporate restructuring initiatives		**0.3**	0.1
Exceptional operating costs		**1.2**	0.7
Impairment of goodwill	7	**7.2**	11.9
Profit on disposal of trade and assets		**-**	(0.4)
Amortisation of acquired intangible assets	8	**2.3**	2.2
Additional impairment of trade receivables	16	**1.8**	-
Share-based payments		**(0.1)**	0.7
Earn-out consideration	9	**0.6**	0.1
Adjusting items to operating profit		**13.0**	15.2
Exceptional finance costs		**-**	0.2
Adjusting items to profit before tax		**13.0**	15.4
Tax relating to adjusting items	5	**(0.8)**	(0.6)
Total adjusting items after tax		**12.2**	14.8

Exceptional costs

Staff related restructuring costs

During 2016, exceptional restructuring costs of £0.9m were incurred as a result of the cost reduction programme and reorganisation of the operational management structure, including the Executive Committee. Whilst similar costs have been incurred previously, such costs linked to the Group's transformation programme are not expected to recur once this is completed, and as such these costs are deemed to be exceptional in nature.

In 2015 exceptional restructuring costs of £0.6m were recognised as a result of restructuring activities and changes in senior management.

Costs relating to strategic corporate restructuring initiatives

These costs relate to professional fees relating to strategic corporate restructuring initiatives £0.2m (2015: £0.1m) and non-trading costs arising on prior disposals £0.1m.

Exceptional finance costs

2015 costs of £0.2m related to unamortised costs of £0.1m relating to the previous facility and legal fees of £0.1m associated with refinancing of the Group's revolving credit facility in 2015.

Other adjusting items

Other adjusting items relate to the amortisation of acquired intangible assets (see note 8) and share-based payment costs as well as the items discussed below:

Impairment of trade receivables

An additional, separately reported charge has been recognised in relation to impairment of trade receivables of £1.8m (2015: £nil). As a result of disruption during the second half of 2015 into the early part of 2016 arising from a new accounting system implementation in 2015 an amount of legacy and older debt remains unpaid at 31 December 2016, which is significantly in excess of levels historically experienced by the Group. A detailed review and risk assessment to ascertain the recoverability of this debt has been undertaken. This review, together with the fact there is further extended ageing despite active pursuit of the amounts in 2016 has meant the Group considers it necessary to provide against potentially uncollectible aged debt at levels in excess of those which would be required under normal trading conditions. The quantum of this additional provision arises from unique circumstances following an accounting system implementation, therefore the charge of £1.8m (2015: £nil) has been separately reported in adjusting items. In addition, an ordinary £0.5m (2015: £0.6m) charge has been recorded in adjusted operating profit, which is not separately reported.

Impairment of goodwill

During 2016, an impairment of £7.2m was recognised against the goodwill in the Financial Services segment. During 2015, the impairment charge of £11.9m related to goodwill in the Professional segment. More detail is given in note 7.

Earn-out consideration

In 2016, a charge of £0.6m has been recognised in relation to the Oystercatchers acquisition earn-out, see note 9 for further details. The charge in 2015 of £0.1m related to an increase in the deferred contingent consideration associated with the acquisition of Venture Business Research Limited ('VB Research').

Profit on disposal of trade and assets

On 6 February 2015, the Group sold the trade and assets of the Aidex Exhibition brand sitting within the Professional segment for total consideration, and profit on disposal, of £0.4m.

5 TAXATION

	2016	**2015**
	£m	**£m**
Analysis of charge for the year		
Current tax		
UK Corporation Tax	**1.2**	1.5
Overseas tax	**0.1**	0.5
Adjustments in respect of prior years	**(0.2)**	0.1
	1.1	2.1
Deferred tax		
Current period	**(0.3)**	(0.8)
Adjustments in respect of prior years	**0.2**	-
	(0.1)	(0.8)
Taxation	**1.0**	1.3

The tax charge for the year can be reconciled to the loss in the statement of comprehensive income as follows:

	2016 £m	2015 £m
Loss before tax	**(4.4)**	(5.6)
Tax at the UK rate of corporation tax of 20.0% (2015: 20.25%)	**(0.9)**	(1.1)
Effects of:		
Expenses not deductible for tax purposes	**0.5**	0.1
Goodwill impairment not deductible	**1.4**	2.4
Changes in tax rate on deferred tax balances	**-**	(0.1)
Intra-group debt simplification	**-**	(0.6)
Adjustments in respect of prior years	**-**	0.1
Different tax rates of subsidiaries in other jurisdictions	**-**	0.5
	1.0	1.3

The Finance Act 2015 included legislation to reduce the main rate of corporation tax from 20% to 19% from 1 April 2017 and to 18% from 1 April 2020. This change had been substantively enacted at the balance sheet date and, therefore, the Group's deferred tax balances are recorded at 19%.

During 2015, the simplification of intragroup financing structures resulted in a waiver of certain loan and financing arrangements between Group companies. The Group held a related deferred tax liability connected to these balances which was written off to the income statement upon the waiver. No current tax arose given the transaction was non-cash in nature.

A reconciliation between the reported tax expense and the adjusted tax expense, taking account of adjusting items as discussed in note 1(b) and 4 is shown below:

	2016 £m	2015 £m
Reported tax expense	**1.0**	1.3
Effects of:		
Amortisation of acquired intangible assets	**0.3**	0.3
Additional impairment of trade receivables	**0.4**	-
Share-based payments	**(0.1)**	0.1
Exceptional expenses	**0.1**	0.2
Earn-out consideration	**0.1**	-
Adjusted tax expense	**1.8**	1.9

6 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. 91,191 (2015: 473,859) shares held in the Employee Benefit Trust and 6,870,437 (2015: 6,472,990) 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 potentially dilutive ordinary shares. This comprises share options and awards (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. Basic and diluted earnings per share have also been presented on an adjusted basis, as the Directors believe that this measure is more reflective of the core performance of the Group.

	2016 Earnings attributable to owners of the parent £m	**2016 Weighted average number of shares millions**	**2016 Earnings per share Pence**	**2015 Earnings attributable to owners of the parent £m**	**2015 Weighted average number of shares millions**	**2015 Earnings per share Pence**
Basic	**(5.4)**	**143.6**	**(3.8)**	(6.9)	143.2	(4.8)
Effect of dilutive securities						
Options*	**-**	**-**	**-**	-	-	-
Diluted	**(5.4)**	**143.6**	**(3.8)**	(6.9)	143.2	(4.8)
Adjusted						
Basic	**(5.4)**	**143.6**	**(3.8)**	(6.9)	143.2	(4.8)
Amortisation of acquired intangible assets (note 8)	**2.3**		**1.6**	2.2		1.5
Exceptional finance costs	**-**		**-**	0.2		0.1
Additional impairment of trade receivables	**1.8**		**1.3**	-		-
Earn-out consideration	**0.6**		**0.4**	0.1		-
Other exceptional operating costs (note 4)	**1.2**		**0.8**	0.7		0.6
Share-based payments	**(0.1)**		**(0.1)**	0.7		0.5
Impairment of goodwill	**7.2**		**5.0**	11.9		8.3
Profit on disposal of trade and assets	**-**		**-**	(0.4)		(0.3)
Tax effect of above adjustments	**(0.8)**		**(0.5)**	(0.6)		(0.4)
Adjusted basic	**6.8**	**143.6**	**4.7**	7.9	143.2	5.5
Effect of dilutive securities						
Options	**-**	**6.2**	**(0.2)**	-	4.5	(0.2)
Adjusted diluted	**6.8**	**149.8**	**4.5**	7.9	147.7	5.3

* Due to the reported losses during 2016 and 2015, the effect of share options and awards was not dilutive

7 GOODWILL

	£m
Cost	
At 1 January 2015 and 31 December 2015	155.1
Additions in the year	1.2
At 31 December 2016	**156.3**
Accumulated impairment	
At 1 January 2015	65.1
Charge for the year	11.9
At 31 December 2015	77.0
Charge for the year	7.2

At 31 December 2016	**84.2**
Net book value	
At 31 December 2016	**72.1**
At 31 December 2015	78.1

Additions in the year relate to the acquisition of the business and assets of The Oystercatchers LLP ('Oystercatchers'). See note 9 for further details.

Goodwill by segment

Each segment is deemed to be a Cash Generating Unit ('CGU'), being the lowest level for which cash flows are separately identifiable. See note 2 for details regarding how the Group's segments are determined. The majority of the Group's goodwill arose on the acquisition of the Centaur Communications group in 2004.

Goodwill is allocated to segments as follows:

	Marketing £m	Financial Services £m	Professional £m	Home Interest £m	Total £m
At 31 December 2016	**37.9**	**5.1**	**21.6**	**7.5**	**72.1**
At 31 December 2015	36.7	12.3	21.6	7.5	78.1

Impairment testing of goodwill and acquired intangible assets

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

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 discount rate of 12.6% (2015: 13.2%). The discount rate used is consistent across all segments, which are all based predominantly in the UK and considered to have similar risks and rewards.

The key assumptions used in calculating value-in-use are revenue growth, margin, adjusted EBITDA, discount rate and the terminal growth rate. The Group has used formally Board approved forecasts for the first four years of the calculation and applied a terminal growth rate of 2.0% (2015: 2.25%). For impairment testing purposes, these are then adjusted to reflect any historical levels of forecasting inaccuracy. This timescale and the terminal growth rate are both considered appropriate given the cyclical nature of the Group's revenues and are consistent with the Group's strategic planning horizons.

The assumptions used in the calculations of value-in-use for each segment have been derived based on a combination of past experience and management's expectations of future growth rates in the business.

At 31 December 2016, before impairment testing, goodwill of £37.9m, £12.3m, £21.6m and £7.5m was allocated to the Marketing, Financial Services, Professional and Home Interest segments respectively. The Financial Services segment has been affected by weaker print and advertising trends leading to a reduced growth outlook. The goodwill relating to the Financial Services segment has therefore been reduced to its recoverable amount

through recognition of an impairment loss of £7.2m. During 2015, an impairment of £11.9m was recognised against the carrying value of goodwill in the Professional segment. Impairment charges are recognised as an adjusting item in accordance with the Group's accounting policy (see note 1(b)).

For the remaining segments, Marketing, Professional and Home Interest, the value-in-use calculations exceed the carrying values in the sensitivity scenarios at 31 December 2016. However, as a result of the impairment recognised during 2015, the headroom in the Professional segment is significantly reduced once sensitivities have been applied.

Sensitivity analysis has been performed on the value-in-use calculations, holding all other variables constant, to:

(i) apply a 5% reduction to forecast adjusted EBITDA in each year of the modelled cash flows. This would result in a further impairment of £0.6m in the Financial Services segment (2015: further impairment of £1.2m in the Professional segment). No impairment would occur in any of the other segments.

(ii) apply a 0.5% increase in discount rate from 12.6% to 13.1%. This would result in a further impairment of £0.4m in the Financial Services segment (2015: increase to 13.7% would result in a further impairment of £1.0m in the Professional segment). No impairment would occur in any of the other segments.

(iii) reduce the terminal value growth rate from 2.0% to 1.75%. This would result in a further impairment of £0.1m in the Financial Services segment (2015: 0.25% reduction to 2.0% would result in a further impairment of £0.4m in the Professional segment). No impairment would occur in any of the other segments.

8 OTHER INTANGIBLE ASSETS

	Computer software £m	Brands and publishing rights* £m	Customer relationships * £m	Separately acquired websites and content* £m	Non-compete arrangements * £m	Total £m
Cost						
At 1 January 2015	9.5	5.6	11.6	4.7	0.5	31.9
Additions - acquired	1.7	-	-	-	-	1.7
Additions - internally generated	1.2	-	-	-	-	1.2
Disposals or expiry	(1.5)	-	-	-	-	(1.5)
At 31 December 2015	10.9	5.6	11.6	4.7	0.5	33.3
Additions - acquired	1.3	-	-	-	-	1.3
Additions - internally generated	1.0	-	-	-	-	1.0
Additions – business combination (note 9)	-	0.2	0.9	-	-	1.1
Disposals or expiry	-	-	-	-	(0.5)	(0.5)
At 31 December 2016	**13.2**	**5.8**	**12.5**	**4.7**	**-**	**36.2**
Accumulated amortisation						
At 1 January 2015	3.4	1.5	4.0	2.6	0.5	12.0
Amortisation charge for the year	2.1	0.2	1.2	0.8	-	4.3
Disposals or expiry	(1.3)	-	-	-	-	(1.3)
At 31 December 2015	4.2	1.7	5.2	3.4	0.5	15.0

Amortisation charge for the year	2.7	0.4	1.1	0.8	-	5.0
Disposals or expiry	-	-	-	-	(0.5)	(0.5)
At 31 December 2016	**6.9**	**2.1**	**6.3**	**4.2**	**-**	**19.5**
Net book value at 31 December 2016	**6.3**	**3.7**	**6.2**	**0.5**	**-**	**16.7**
Net book value at 31 December 2015	6.7	3.9	6.4	1.3	-	18.3
Net book value at 1 January 2015	6.1	4.1	7.6	2.1	-	19.9

* Amortisation of £2.3m (2015: £2.2m) of acquired intangible assets from business combinations is presented as an adjusting item (see note 1(b) for further information).

Amortisation of intangible assets is included in net operating expenses in the Statement of Comprehensive Income.

9 BUSINESS COMBINATION

On 30 September 2016, Centaur Communications Limited, a Group company, acquired the business and assets of The Oystercatchers LLP ('Oystercatchers'), a specialist marketing consultancy. Oystercatchers will build on the Group's Econsultancy and other marketing assets to provide an international leading consultancy in the marketing sector. The results of Oystercatchers is included in the Marketing segment. Details of the purchase consideration, the net assets acquired and goodwill are as follows:

	2016 £m
Purchase consideration:	
Cash paid	**1.5**
Ordinary shares issued	**0.5**
Deferred consideration	**0.2**
Working capital	**0.1**
Total purchase consideration	**2.3**

The fair value of the 1,202,266 Centaur Media Plc shares issued as part of the consideration paid for Oystercatchers (£0.5m) was based on the agreed issue value of 45.747p per share.

The assets and liabilities recognised as a result of the acquisition are as follows:

	2016 Fair value £m
Intangible assets – brands	**0.2**
Intangibles assets – customer contracts and relationships	**0.9**
Total intangible assets (note 8)	**1.1**
Property plant and equipment	**0.1**
Trade receivables	**0.9**
Prepayments and other debtors	**0.1**
Cash	**-**
Trade payables	**(0.1)**

	£m
Accruals	**(0.2)**
Deferred Income	**(0.5)**
Social security and other taxes	**(0.1)**
Deferred tax liabilities	**(0.2)**
Net identifiable assets acquired	**1.1**
Goodwill (note 9)	**1.2**
Total purchase consideration	**2.3**

The goodwill is attributable to the workforce of the acquired business. It will not be deductible for tax purposes. Certain intangible assets have been separately identified on acquisition, including customer contracts and relationships of £0.9m and the brand of £0.2m. The fair value of the customer contracts and relationships was estimated using a discounted cash flow approach based on revenue and profit forecasts over a period of five years, and discounted using the Group's pre-tax discount rate of 12.6%.

The useful economic life of the intangible assets is as follows:

- Brands - 5 years
- Customer contracts and relationships - 5 years

Contingent consideration

In the event that certain pre-determined EBITDA levels are achieved by Oystercatchers for the year ending 31 March 2017, additional consideration of up to £1.2m may be payable in cash (75%) and shares (25%) during Q2 2017. The contingent consideration is dependent on the continued employment of 5 key persons by Oystercatchers and is therefore treated as remuneration. It will be recognised in profit and loss under IAS 19 (for the cash element) and IFRS 2 (for the share-based payment element) to the extent it becomes payable. An expense of £0.6m has been recognised in the income statement in the year as an adjusting item with a provision of £0.4m and credit to equity of £0.2m, which assumes earn-out performance measures will be achieved and all employees will stay in employment. See note 12.

The potential undiscounted amount payable under the agreement is between £nil for EBITDA below £0.7m and £1.2m for EBITDA above £0.9m. The fair value of the contingent consideration is undiscounted as the payment is due in less than one year.

Deferred consideration

£0.2m of deferred consideration is payable in cash on 1 October 2017 subject to any claims made under the purchase agreement. £0.2m has been recognised in other liabilities in respect of this deferred consideration.

Acquired receivables

The fair value of acquired trade receivables is £0.9m. The gross contractual amount for trade receivables due is £0.9m, all of which has since been collected.

Revenue and profit contribution

Oystercatchers contributed revenues of £1.2m and net profit of £0.3m to the Group for the period from 1 October to 31 December 2016. If the acquisition had occurred on 1 January 2016, consolidated pro-forma revenue and profit for the year ended 31 December 2016 would have been £3.9m and £1.0m respectively.

There were no acquisitions during the year ended 31 December 2015.

10 TRADE AND OTHER RECEIVABLES

	2016 £m	2015 £m
Amounts falling due within one year		
Trade receivables	**15.8**	20.8
Less: provision for impairment of receivables (note 16)	**(2.7)**	(0.9)
Trade receivables - net	**13.1**	19.9
Other receivables	**0.8**	2.3
Prepayments	**1.2**	1.7
Accrued income	**0.6**	1.1
	15.7	25.0

Receivables from subsidiaries are unsecured, have no fixed due date and bear interest at an annual rate of 2.43% (2015: 2.71%).

11 BORROWINGS

	2016 £m	2015 £m
Current liabilities		
Loan notes	**-**	1.1
	-	1.1
Non-current liabilities		
Finance lease payables	**-**	0.1
Arrangement fee in respect of revolving credit facility	**(0.1)**	(0.2)
Revolving credit facility	**17.5**	21.0
	17.4	20.9

Loan notes totalling £1.1m were issued in November 2015 to settle the deferred consideration in relation to the VB Research earn-out. Interest was payable on these loan notes at a variable rate of 1% above LIBOR. The loan notes were settled during 2016.

12 PROVISIONS

	Deferred consideration £m
At 1 January 2015	1.1
Charged to the statement of comprehensive income during the year	0.1
Utilised during the year	(1.2)
At 31 December 2015	-
Charged to the statement of comprehensive income during the year	0.4
As at 31 December 2016	**0.4**

Deferred consideration in the current year relates to the acquisition of Oystercatchers and is payable within 1 year (see note 9). The amount provided was dependent on continued employment of the former owners of the business and was treated as post-acquisition remuneration accruing over the period to the end of the performance period. All amounts represented the Directors' best estimate of the amount to be paid at the balance sheet date.

Deferred consideration in the prior year related to VB Research. The amount of deferred contingent consideration payable with respect to the acquisition of VB Research was dependent on the profits generated by VB Research in the period 1 July 2014 to 30 June 2015 (the performance period), subject to a maximum earn-out payment of £5.0m. The deferred consideration was settled in the prior year through the payment of £0.1m in cash and the issue of loan notes for the remaining balance (see note 11 for more details).

13 EQUITY

Ordinary shares of 10p each	Nominal value £m	Number of shares
Authorised share capital – Group and Company		
At 1 January 2015, 31 December 2015 and 31 December 2016	**20.0**	**200,000,000**
Issued and fully paid share capital – Group and Company		
At 1 January and 31 December 2015	15.0	150,207,960
Acquisition of business	0.1	1,202,266
At 31 December 2016	**15.1**	**151,410,226**

Deferred shares reserve

The deferred shares reserve represents 800,000 (2015: 800,000) deferred shares of 10p each, which carry restricted voting rights and have no right to receive a dividend payment in respect of any financial year.

Reserves for shares to be issued

The reserve for shares to be issued is in respect of equity-settled share-based compensation plans. The changes to the reserve for shares to be issued represent the total charges for the year relating to equity-settled share-based payment transactions with employees as accounted for under IFRS 2 and prior year restatement relating to previous vests (see note 1(a)).

Own shares reserve

The own shares reserve represents the value of shares held as treasury shares and in an employee benefit trust. At 31 December 2016, 6,870,437 (2015: 6,472,990) 10p ordinary shares are held in treasury and 91,191 (2015: 473,859) 10p ordinary shares are held in the Employee Benefit Trust.

During 2016, the Company purchased 397,447 ordinary shares to be held in treasury in order to meet future obligations arising from share-based rewards to employees. The buyback programme was approved by shareholders at the Annual General Meeting held on 11 May 2016 up to a value of £1.0m. The shares were acquired at an average price of 42.75p per share, with prices ranging from 39p to 46p. The total cost of £0.2m (2015: £nil) has been recognised in other reserves in the own shares reserve in equity.

See note 1(a) for details of the prior year restatement of this reserve.

14 DIVIDENDS

	2016 £m	2015 £m
Equity dividends		

Final dividend for 2014: 1.3p per 10p ordinary share	-	1.9
Interim dividend for 2015: 1.5p per 10p ordinary share	-	2.1
Final dividend for 2015: 1.5p per 10p ordinary share	**2.2**	-
Interim dividend for 2016: 1.5p per 10p ordinary share	**2.1**	-
	4.3	4.0

A final dividend for the year ended 31 December 2016 of £2.2m (1.5p per share) is proposed by the Directors and, subject to shareholder approval at the Annual General Meeting, will be paid on 26 May 2017.

15 NOTES TO THE CASH FLOW STATEMENT

Reconciliation of loss for the period to net cash inflow from operating activities:

	2016 **£m**	**2015** **£m**
Loss for the period	**(5.4)**	(6.9)
Adjustments for:		
Tax	**1.0**	1.3
Interest expense	**0.5**	0.9
Depreciation	**0.6**	0.9
Amortisation of intangible assets	**5.0**	4.3
Impairment of goodwill	**7.2**	11.9
Earn-out costs	**0.6**	0.1
Share-based payment (credit) / charge	**(0.1)**	0.7
Profit on disposal of trade and assets	**-**	(0.4)
Other	**(0.1)**	(0.3)
Changes in working capital (excluding effects of acquisitions and disposals of subsidiaries):		
Increase in inventories	**(0.5)**	(0.2)
Decrease / (increase) in trade and other receivables	**9.2**	(9.3)
(Decrease) / increase in trade and other payables	**(2.6)**	1.4
(Decrease) / increase in deferred income	**(0.1)**	1.7
Cash generated from operating activities	**15.3**	6.1

Analysis of changes in net debt

	Note	**At 31 December 2015** **£m**	**Net cash flow** **£m**	**At 31 December 2016** **£m**
Cash and cash equivalents		3.1	0.3	**3.4**
Revolving credit facility	11	(21.0)	3.5	**(17.5)**
Net debt		(17.9)	3.8	**(14.1)**

16 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

Financial risk management

The Board has overall responsibility for the determination of the Group's risk management policies. The Board receives monthly reports from the Chief Financial Officer through which it reviews the effectiveness of policies and processes put in place to manage risk. The Board sets policies that reduce risk as far as possible without unduly affecting the operating effectiveness of the Group.

The Group's activities expose it to a variety of financial risks, including interest rate risk, credit risk, liquidity risk, capital risk and currency risk. Of these, credit risk and liquidity risk are considered the most significant. This note presents information about the Group's exposure to each of the above risks.

Credit risk

The Group's principal financial assets are trade and other receivables (note 10) and cash and cash equivalents. Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The carrying amount of financial assets recorded in the financial statements, which is net of impairment losses, represents the Group's maximum exposure to credit risk in relation to financial assets. Credit risk is managed on a Group basis. The Group does not consider that it is subject to any significant concentrations of credit risk.

Trade receivables

Trade receivables consist of a large number of customers, of varying sizes and spread across diverse industries and geographies. The Group does not have significant exposure to credit risk in relation to any single counterparty or group of counterparties having similar characteristics. The Group's exposure to credit risk is influenced predominantly by the circumstances of individual customers as opposed to industry or geographic trends.

The business assesses the credit quality of customers based on their financial position, past experience and other qualitative and quantitative factors. The Group's policy requires customers to pay in accordance with agreed payment terms, which are generally 30 days from the date of invoice. Under normal trading conditions, the Group is exposed to relatively low levels of risk, and potential losses are mitigated as a result of a diversified customer base and the requirement for events and certain premium content subscription invoices to be paid in advance of service delivery.

The credit control function within the Group's finance department monitors the outstanding debts of the Group, and trade receivables balances are analysed by the age and value of outstanding balances.

Any trade receivable balance which is objectively determined to be uncollectible is written off the ledger, with a charge taken through the Statement of Comprehensive Income. The Group also records a provision for estimated impairment losses on its trade receivables balances. All balances past due are reviewed, with those greater than 90 days past due considered to carry a higher level of credit risk. Specific provision is made against customer balances with known credit issues or where debt has been referred to a collection agency. The remaining past due balances are then analysed, with balances relating to revenue recognised in advance, customers on payment plans and non-payment resulting from administrative queries considered to be of lower risk. A judgement is applied to the net balance based on historic experience on a percentage basis taking into account both the age and the reason items remain unpaid.

Impairment losses are taken through administrative expenses in the Statement of Comprehensive Income.

An additional, separately reported, charge for impairment of trade receivables of £1.8m has been made during 2016 in excess of the charge which would arise under normal trading conditions and recorded in adjusted operating profit of £0.5m (2015: £0.6m). Following the disappointing working capital performance in 2015, and notwithstanding the return to strong cash generation in 2016, there remains a legacy of old debt which arose during a period of disruption during the second half of 2015 and into the early part of 2016 arising from the implementation of a new accounting system. The gross trade receivables balance at 31 December 2016 of £15.8m remains in excess of historical levels albeit, reduced from the level at 31 December 2015 of £20.8m. Whilst the Group continues to make every effort in collecting all amounts due to it, given the age and magnitude of this outstanding debt, the Directors believe there remains significant uncertainty in being able to collect these amounts and therefore consider the value of this debt to be impaired. The underlying risk profile of the Group's debtors has not fundamentally worsened, however the ageing has made the debt balances harder to collect.

The ageing of trade receivables according to their original due date is detailed below:

	2016 Gross £m	**2016 Provision £m**	**2015 Gross £m**	**2015 Provision £m**
Not due	**6.4**	**-**	9.0	-
0-30 days past due	**3.2**	**-**	3.7	-
31-60 days past due	**1.2**	**(0.1)**	1.7	-
61-90 days past due	**0.9**	**(0.1)**	1.4	-
Over 90 days past due	**4.1**	**(2.5)**	5.0	(0.9)
	15.8	**(2.7)**	20.8	(0.9)

Trade receivables that are less than 3 months past due are generally not considered to be impaired, except where specific credit issues or delinquency in payments have been identified. At 31 December 2016, there are debtors greater than 90 days past due with a carrying value of £1.6m (2015: £4.1m) which have not been provided against. In making the assessment that these amounts are not impaired, the Directors have considered the quantum of amounts included in gross trade receivables which relate to amounts not yet included in income, including pre-event debt included in deferred income and amounts relating to VAT. The credit quality of trade receivables not yet due nor impaired has been assessed as acceptable. A sensitivity analysis has been performed based on the Group's exposure to unimpaired trade receivables at 31 December 2016. If the provision methodology was expanded to increase the age of all receivables by an additional 30 days, without receiving any further payments in relation to those receivables, the provision requirement would increase by £0.2m.

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

	2016 £m	**2015 £m**
Balance at start of year	**0.9**	0.5
Utilised	**(0.5)**	(0.2)
Additional provision charged to the statement of comprehensive income:		
Recorded in adjusted operating profit	**0.5**	0.6
Adjusting item in operating loss	**1.8**	-
Balance at end of year	**2.7**	0.9

The Directors consider the carrying value of trade and other receivables approximates to their fair value.

17 POST BALANCE SHEET EVENTS

The Board believes that the Home Interest portfolio is no longer core to Centaur's B2B focus, and that as a distinct business unit, it will accelerate its growth under more aligned ownership. Accordingly, following the year end, the Group has commenced a process to sell this portfolio.

18 NATURE OF FINANCIAL INFORMATION

The foregoing financial information does not amount to full accounts within the meaning of Section 434 of the Companies Act 2006. The financial information has been extracted from the Group's annual report and financial statements for the year ended 31 December 2016 on which the auditors have expressed an unqualified opinion.

Copies of the annual report and financial statements will be posted to shareholders shortly and will be available from the Company's registered office at Wells Point, 79 Wells Street, London, W1T 3QN.