CENTAUR MEDIA

CENTAUR MEDIA PLC

Annual Report and Financial Statements
for the year ended 31 December 2017

Stock Code: CAU

INTRODUCTION

Centaur Media advises, informs and connects business professionals using data, insight and events.

From our digital publishing brands to our award-winning events and cutting-edge data products, we enable business leaders to accelerate their corporate performance.

We have the information that our markets want and need. We create valuable products and services that combine the deepest sector knowledge with best-in-class advisory services to provide clients with tangible solutions.

Centaur Media is – at its heart – a content business. We continually redefine what content means in the 21st Century and seek new ways to bring that content to our customers.

Our Segments

MARKETING

- Econsultancy
- Marketing Week
- Creative Review
- Celebrity Intelligence
- Fashion & Beauty Monitor
- Design Week
- MarketMakers
- Oystercatchers
- Festival of Marketing

PROFESSIONAL SERVICES

- The Lawyer
- The Engineer
- Business Travel Show
- The Meetings Show
- Employee Benefits Live
- Subcon

FINANCIAL SERVICES

- Money Marketing
- Platforum
- Mortgage Strategy
- Tax Briefs
- Headline Money

Read more in the At a Glance pages 4 to 5

Investment Case

- We have brands in attractive markets that are providing strong organic growth opportunities
- We are highly cash generative with good conversion of operating profits into cash flow
- We have growing events and digital premium content platforms that are creating a high quality mix of recurring revenues and earnings and are now supported by complementary advisory businesses

The Centaur Ambition

- To create sustainable growth in profits and cash flows with high quality, recurring revenue streams and an efficient scalable operating model to increase shareholder value
- To advise, inform and connect business professionals through data, insight and events
- To harness the power of market leading brands to transform the non-paying reader into a loyal paying customer
- To build products and services that always add value to our customers' professional lives and help leaders accelerate their business performance and competitiveness

Read about our performance at:
www.centaurmedia.com

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HIGHLIGHTS

Financial highlights

- Group revenue including the Home Interest segment maintained at £72.6m; underlying[1] revenue fell 6%
  - Digital premium content revenues +3% (reported and underlying[1])
  - Underlying large events revenues +7%; reported large events -10%
  - Underlying[1] advertising revenues -19%; reported -27%
- Adjusted operating profit[2] including the Home Interest segment was £6.6m (2016: £9.1m); adjusted operating margin[2] 9.1% (2016: 12.6%)
  - 2017 revenues and operating profit for acquired and disposed businesses included:
  - MarketMakers - post acquisition revenue/adjusted[2] operating profit: £6.1m/£1.1m
  - Home Interest - pre-disposal revenue/adjusted[2] operating profit: £7.2m/£2.1m
- Excluding the Home Interest segment, adjusted operating profit[2] was £4.1m (2016: £4.2m) due to continued decline in advertising revenues[6]
- Statutory profit of £21.9m (2016: Loss of £5.4m) is driven by a £23m gain on the disposal of the Home Interest segment. A statutory operating loss of (£0.3m) (2016: £8.4m) is a result of £4.4m of exceptional items (2016: £12.6m) relating primarily to the amortisation of acquired intangibles and transaction related costs.
- Excluding the Home Interest segment, a reported statutory loss after tax of (£1.1m) (2016: £9.0m) was driven primarily by non-cash amortisation of acquired intangibles of £2.5m, earn-out costs of £0.6m and acquisition costs of £0.6m.
- Strong cash flow performance:
  - £3.9m movement in working capital compared with £4.1m in 2016
  - Adjusted operating cash flow[3] of £14.1m (2016: £16.5m)
  - Eliminated net debt[5] and provided the Group with £4.1m of net cash at the end of 2017, with funds now available to pursue strategic acquisitions with potential synergy opportunities
  - Cash conversion[4] of 138% (2016: 133%)
  - Post Capex cash flow of £11.3m (2016: £13.9m)
- Adjusted diluted EPS[2] of 3.2p (2016: 4.5p). Diluted EPS of 14.3p (2016: (3.8)p)
- Final dividend of 1.5p making total for the year of 3.0p, in line with last year

Strong operational progress

- Moved to pure B2B business
  - Sale and successful transfer of Home Interest
  - Acquisition and successful integration of MarketMakers
  - Created pure play business information Group with improved revenue and recurring revenues increasing from 36% to 44%
- Overheads savings achieved as business complexity was reduced

1. Underlying revenue growth rates adjust for the timing of the Oystercatchers acquisition in 2016, the disposal of the Home Interest Segment, the acquisition of MarketMakers, the closure of Metalworking Production in 2016 and the biennial contribution from The Advanced Manufacturing Show ('AMS'). See note 1(b) to the financial statements.

2. Adjusted results exclude adjusting items, as detailed in note 1(b) to the financial statements.

3. See note 1(b) to the financial statements for explanation and reconciliation of adjusted operating cash flow.

4. Cash conversion is calculated as adjusted operating cash flow / adjusted operating profit excluding depreciation and amortisation charges.

5. See note 1(b) to the financial statements for explanation of net debt and note 28 for a reconciliation to statutory measures.

6. Restated to reflect the Home Interest segment as a discontinued operation (refer to note 8).

These footnotes apply throughout the document.

CHAIRMAN'S STATEMENT

Dear Shareholder

I am very pleased to present my first Annual Report as Chairman, following my appointment in January 2018, and am delighted to have joined Centaur at such an interesting time. A great deal has been achieved in the past four years in transitioning Centaur Media into a more focused B2B information group. I am looking forward to working with the Board and supporting the broader management team to take advantage of the opportunities ahead.

All businesses are facing challenges driven by the constantly evolving digital backdrop and the increasing competition for attention and performance. Centaur is successfully managing its own adaption to this changing landscape by reducing its exposure to print advertising and growing its higher quality digital recurring revenues.

The Group has invested in building an outstanding portfolio of business intelligence products that helps its clients by providing valuable information, analytics and insight, allowing them to maximise the value of this through advisory services, media channels and events to help connect with their customers.

In the relatively short period that I have been Chairman, my time has been spent learning about the business, the market dynamics and the opportunities ahead. I have been impressed by the quality and commitment of the team across all areas. I am still in the process of fully understanding every aspect of the Group, and this is my immediate focus. However, my first impressions are that there is clear potential and I am confident we can build on the transformation work already completed and take the business forward both organically and through further strategic acquisitions.

Group performance

It has been a satisfactory year in terms of underlying[1] performance with our continuing operations reporting an adjusted operating profit[2] of £4.1m in the year against £4.2m in 2016. This is despite the continued decline in advertising revenues which has been compensated for by our expansion into capability services through the acquisition of MarketMakers.

Including the results of the Home Interest Segment to the date of disposal, our adjusted operating profit[2] was £6.6m, down from £9.1m in 2016 with revenue remaining flat at £72.6m (2016: £72.5m).

Following our strategic decision to dispose of our last B2C segment, Home Interest, we recorded a £20.9m profit on disposal of this area of our business. This drove a reported total comprehensive income of £21.9m for the year. Fully diluted earnings per share were 14.3p (2016: (3.8p)). On an adjusted[2] results basis, earnings per share was 3.2p (2016: 4.5p).

Cash generation has remained excellent over the year and I am pleased to report continued excellent progress so far in 2018. This, combined with the excess proceeds of the Home Interest Segment disposal, gives us the firepower to drive our strategic growth agenda.

Strategic progress

2017 was a year when the Group was able to take advantage of the hard work that began in 2014. The measurable improvement of the quality of the revenue mix reflects management's careful reduction of exposure to print and advertising revenues alongside development of new insight-led revenue streams.

The strategic transactions over the past year have reinforced this focus and have created greater opportunities to offer complementary services to customers. The disposal of the B2C Home Interest Segment was a key milestone, creating a pure B2B focused group and enabling the acquisition of MarketMakers, a lead generation powerhouse. MarketMakers is now fully integrated and is already having a positive impact across the Group. Whilst growing its own client base it is also creating opportunities to cross-sell our services to our existing client base.

Board changes

On behalf of the Board, I would like to thank my predecessor, Ron Sandler, for his significant contribution to the Group over the years. His advice and insight were of great value during this important period of change and transformation away from a publishing media business to a pure play B2B business information group. We wish him the very best with his future endeavours.

Governance

Centaur remains fully committed to the highest standards of corporate governance and the Board takes very seriously its duties to operate with integrity, transparency and clear accountability. It also pays close attention to understanding and managing risk. Detail of what this means in practice is contained within the Governance section of the Annual Report.

Our people

On behalf of the Board, I would like to thank all our employees for their commitment and hard work this year. Their dedication remains essential in helping us to achieve our goals. The Group has seen a great deal of change but throughout this everyone has remained focused on providing the services and support our customers' value. I look forward to getting to know more people across the business and working with them in the months and years ahead.

Dividend

In light of the full year performance, the Board is recommending a final dividend of 1.5p per share, to give an unchanged total dividend for the year of 3.0p per share. The Board will continue to keep its dividend policy under review.

Outlook

I believe there are many opportunities available to the business. Last year was a year of important operational progress and 2018 has started well. I am confident in the outlook of the Group and focused upon ensuring that Centaur delivers long-term value for our clients and shareholders.

NEIL JOHNSON
Chairman

20 March 2018

AT A GLANCE

Centaur is successfully evolving from a traditional publishing and events business into a B2B business information group.

Centaur advises, informs and connects professionals to enable businesses to optimise their corporate growth performance. Our recent acquisitions of Oystercatchers and MarketMakers have enabled Centaur to expand its product and service offering.

Centaur Media operates across three market verticals: Marketing, Professional Services and Financial Services.

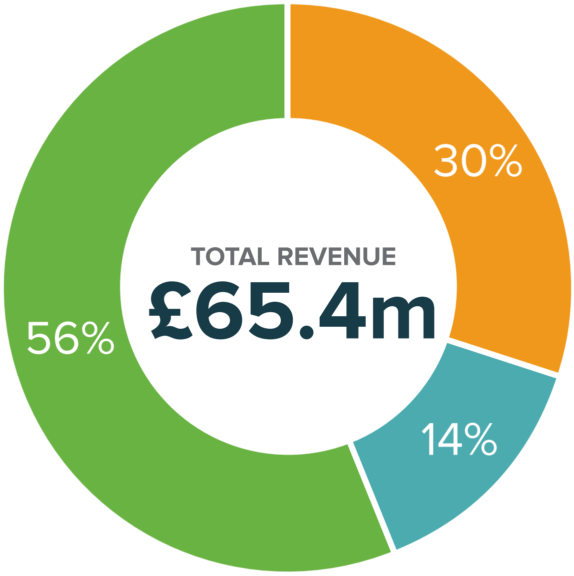
MARKETING:

Our Marketing portfolio showcases the very best of Britain's marketing and creativity, combining digital, print and video content with practical resources that inspire brands and enable industry professionals to achieve marketing excellence. We engage the marketing industry with 2.8 million touch-points per month through insight, data and events.

We have focused on building deeper customer relationships, improving the product offering and customising capabilities.

A SELECTION OF OUR BRANDS:

- foresightnews
- design week
- CREATIVE REVIEW
- THE LAWYER
- THE MEETINGS SHOW 27–28 June 2018 • Olympia London
- MW LIVE 7-8 MARCH 2018, OLYMPIA WEST, LONDON
- OYSTERCATCHERS
- marketingweek.com
- FASHION BEAUTY MONITOR
- yearahead.com



MARKETING
SEGMENT REVENUE
£36.3m

PROFESSIONAL SERVICES
SEGMENT REVENUE
£20.2m

FINANCIAL SERVICES
SEGMENT REVENUE
£8.9m

PROFESSIONAL SERVICES:

The Professional segment includes two subsidiary markets: The Lawyer and Exhibitions with around 60% of revenue coming from live events and a growing proportion of revenue from digital premium content.

The Lawyer is a multi-platform intelligence brand with digital subscriptions, live events and digital advertising revenue streams.

Our Exhibitions include Subcon, an exhibition that serves the sub-contractor industry, Employee Benefits Live, Business Travel Show and The Meetings Show.

FINANCIAL SERVICES:

Our Finance portfolio provides news, analysis and insight to enable fund managers, product providers and financial intermediaries to maximise their commercial performance through print, digital products and a range of events.

STRATEGY

Centaur Media offers professionals products and services that accelerate their business performance.

Background and context

Centaur began its transformation programme in 2014. Its strategy is based on the Group's ability to use legacy print brands, editorial expertise and connections to build longer term, sustainable higher quality revenue streams. This focus has driven Centaur to reshape and refocus its portfolio through organic innovation, disposals and acquisitions.

To achieve this transformation Centaur has to navigate some critical yet potentially conflicting hurdles. The Group needs to:

Explore and build longer term, sustainable, higher quality revenue streams – i.e. invest in digital intelligence products development

Maximise contribution from the rapidly declining but highly profitable advertising revenues in the short term

Maintain shareholder support

Reshape and focus the portfolio through successful execution of organic innovation and disposals and acquisitions

To achieve its goal within these tight parameters, management is employing a gradual, year-on-year 'balanced' approach which has delivered attractive dividends to shareholders alongside the digital product investment required to deliver long-term organic growth.

Early improvements made to the heritage publishing products have enabled the Group to maximise highly profitable advertising revenues in the short-term, facilitating the digital product investment which is slowly reshaping the Group through organic innovation.

By focusing on content that engages key professional communities, the Group is creating insight-led products and services which are valued and which professionals are willing to buy and subscribe to.

Business model

Centaur's transformation strategy has created a more format neutral, agile business which is less complicated and more customer focused.

Centaur is now a B2B business information group that advises, informs and connects business professionals through data, insight and events – a Group focused on enabling its clients to accelerate their business performance.

Content remains king but now the Group can additionally offer end-to-end solutions which combine the strengths of its publishing brands' deep market knowledge and relationships with best-in-class business consultancies. When clients need information and insightful guidance, the Group possesses the trusted brands and the capabilities to provide valuable solutions.

Unique combination of content expertise and marketing services

BUSINESS ADVISORY SERVICES

Consultancy and training services advise professionals how to accelerate their business performance and deliver greater ROI and provide a clear path to tangible action.

ADVISE

BUSINESS INTELLIGENCE

Paid for digital subscription products that help clients understand best practice & competitive landscapes by providing data, insight, analysis, value management and research.

INFORM

MEDIA & EVENTS

Free content and events that engage and connect with large professional audiences creating marketplaces that offer reach, activation and communication solutions.

CONNECT

Advising, Informing and Connecting Business Professionals Using Data, Insight and Events

Our combination of specific professional, community content expertise and marketing services gives us a unique advantage

STRATEGY

Customers now benefit from additional & complementary products

ADVISE HOW TO IMPROVE PERFORMANCE & ROI
- Lead generation
- Consulting services
- Training & capability
- Agency search & performance
- Influencer marketing

INFORM USING DATA, CONTENT & INSIGHT
- Bespoke content & thought leadership
- Market reports and research
- Premium content subscription
- Business information & data
- Data analytics

CONNECT TO SPECIFIC COMMUNITIES
- Free news and commentary
- Large industry leading events
- Clubs & roundtables & expert panels
- Brand profile

Gradually Centaur is converting audiences to customers and is consolidating around the strongest brands.

A higher quality revenue mix

The investment into digital intelligence products and our acquisitions in marketing advisory services is enabling us to broaden our services to our core clients and build revenues of a higher quality as we reduce our reliance on advertising revenues.

Whilst total print revenue has fallen over the last four years from generating 24% of total income in 2014 to 10% in 2017, new paid for products like events, e-learning, subscriptions and advisory services are successfully replacing the declining advertising revenues on which the Group was reliant.

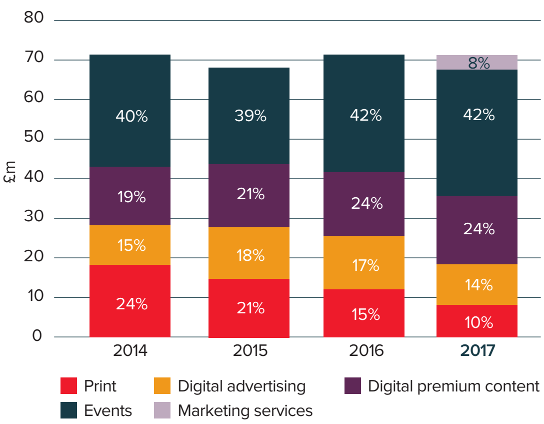
Recurring and repeat revenues have grown consistently and now make up 44% of total revenue:

- Excluding MarketMakers, digital premium content revenues have grown from c.£14m in 2014 (19% of total revenue) to £18m in 2017 (26% of total revenue)
- Exhibition revenues have grown from c.£8.0m to c.£10m (excluding Home Interest/Aidex)

Revenue mix improvements over the last 4 years

2017 Recurring & repeat revenues 44%

- Marketing services **+8%**
- Large events **+3%**
- Digital premium content **+5%**
- Digital advertising **-1%**
- Total advertising revenues **-10%**
- Total print revenues **-14%**



This strategy to drive cross selling of business information will not only deliver organic growth by improving customer lifetime value, but also enables the Group to become less dependent on tactical trade advertising.

Strategic portfolio progress

The last 12 months was a pivotal year when the Group made the switch it had been striving for and became truly digital-first as it substantially reduced the number of print magazine issues produced each year from over 300 to less than 75. The success of building a portfolio of digital intelligence products such as Econsultancy, Celebrity Intelligence, Fashion & Beauty Monitor, The Lawyer and Platforum, as well as the Business Travel Show and Festival of Marketing events, allowed the transition away from challenging weekly print schedules.

Additionally, the transformation and rebuild of B2C assets was realised with the disposal of non-core B2C Home Interest Segment for a headline price of £32m. This now allows the Group to be focused purely on B2B. The funds from Home Interest also enabled the acquisition of MarketMakers, a complementary B2B marketing services business.

The MarketMakers acquisition is a further step towards providing customers with capability and innovation that helps them to accelerate their business growth performance.

MarketMakers is a new business and lead generation outsourcing solution for clients wanting to grow B2B revenues. It offers a rich array of marketing services including: market segmentation; data analytics; data base enrichment; automated lead generation and B2B telemarketing.

Now fully integrated, MarketMakers will begin to work with Centaur to accelerate the growth of its digital subscription products and it has launched a pilot to improve the ROI for exhibitors by reducing lead generation wastage at events.

PERFORMANCE:
CEO Review

"We have successfully reshaped the portfolio, improved the long-term quality of our revenues and reduced our exposure to advertising. We are now a business information group with a strategy that continues to leverage our audience and increase our importance to customers."

ANDRIA VIDLER
Chief Executive Officer

Overview of 2017

It has been an important year for Centaur Media as we continued our transformation to becoming one of the UK's leading B2B business information groups. We have invested in priority digital platforms, identified operational improvements and efficiencies and reshaped the portfolio through two strategically important transactions.

The quality of revenue continues to improve, with a further increase in the percentage of recurring repeat revenues combined with a further reduction of exposure to print advertising, which remains in structural decline. This places Centaur Media on far stronger foundations for long-term growth and value generation.

Recurring revenues now represent 44% of total revenues with underlying[1] digital premium content and exhibition revenues 28% and 19% respectively. This healthily compares to 2014 when print and total advertising represented 24% and 31% of Group revenue respectively.

The improvement in revenue mix reflects the successful execution of our business strategy with digital products and services that advise, inform and connect business professionals through insight, data and events.

We are particularly pleased to have delivered an improved operational performance. This is reflected in adjusted operating profit[2] of £6.6m.

Overall, the underlying momentum of Centaur Media is encouraging, and the Board is confident in the long-term prospects of the Group.

Transformation of Centaur Media

Four years ago, Centaur set off on a strategy to create a Group that could take advantage of the editorial expertise and connections of its publishing brands and simultaneously move away from the reliance on tactical trade advertising. By focusing on clients' needs and challenges, we invested in building valuable content sources that our professional communities would be prepared to buy and subscribe to, in order to improve their business competitiveness.

Throughout this period of change, the structural decline in print advertising has been well publicised, impacting our legacy print businesses.

Against this background, we have maximised the contribution from these highly profitable advertising revenues, reinvesting the profits to both grow the reshaped Group and support the dividend policy.

2017 proved the year we were able to start to take advantage of the hard endeavours that began in 2014.

Key highlights include:

- Our task to transform the Home Interest portfolio into a strong, competitive business was completed with the disposal of this non-core B2C Home Interest segment for a total consideration of £32.8m This enabled us to focus purely on B2B and acquire MarketMakers for an initial consideration of £13.3m excluding working capital. MarketMakers is now integrated, significantly enhancing our service to professional marketers.
- Our success in building digital content products such as The Lawyer and events such as Festival of Marketing and Business Travel Show allowed us to exit challenging weekly print schedules – radically reducing the number of issues produced each year from over 300 to less than 75 and reducing our ongoing total print exposure to less than 10%. We are now in control of our print business and what we want from it.
- We addressed a significant number of finance process issues as the business changed its ways of working. This materially strengthened several aspects of the Group's financial management whilst improving working capital and cash flow. Debtor days were reduced from 77 to 52 and cash conversion in 2017 was 138% (2016: 133%).

- We created a less complicated, more focused and nimble business as a result of strategic action taken in print and the B2C disposal. This has led to management identifying internal efficiencies which are being realised. Central overheads were reduced by £1.7m in 2017.

In short, Centaur Media is now converting audiences to customers and consolidating around its strongest brands. The investment into new content sources is building new revenues of a higher quality and replacing declining advertising revenues.

We have become a unique B2B group. We can offer our clients end-to-end solutions that combine the strengths of our publishing brands' deep market knowledge with best-in-class business consultancy services. We have trusted brands and capabilities providing effective solutions for clients searching for information and insightful guidance.

The Group is well placed for growth having strengthened its competitiveness, created products and services to meet customer demand and built capabilities to unlock its future growth.

In respect of our three market segments, 86% of Group revenues are weighted towards the Marketing and Professional services segments with Financial services accounting for the remainder.

Strengthened balance sheet

The completion of the disposal of our Home Interest segment, combined with strong cash generation, has significantly strengthened our balance sheet. We now have net cash, with £25m of untapped credit facilities with which to make strategic acquisitions.

Dividend

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

Positive outlook

Although advertising market conditions remain challenging, they represent a decreasing share of Group revenue.

The Group has made a positive start to 2018 and we remain confident that our strategy to invest in digital products and services which advise, inform and connect business professionals through insight, data and events, will continue to deliver long-term value for our clients and shareholders.

We intend to grow both organically and through acquisition. Organic growth is forecast to come from improving customer lifetime value, cross-selling and international scalability of digital intelligence products. As well as improving profits from our consultancy and advisory business, we anticipate further growth following the acquisition of MarketMakers, which has already started to positively impact our client offering and internal capabilities.

Segment review

Marketing

This segment includes all the Group's brands that serve marketing and creative professionals including Econsultancy, Marketing Week, Festival of Marketing, Celebrity Intelligence, Fashion & Beauty Monitor, Design Week, Creative Review, Oystercatchers and Centaur's most recent acquisition, MarketMakers.

The portfolio now represents 56% of the Group's revenue. It is the strongest example of our Group strategy to continue to deliver long-term value for our clients and shareholders by investment in digital products and services.

Marketing Week, alongside Creative Review and Design Week, accelerated its move away from print-based revenues in 2017 with a digital first, content-led strategy. Unlike 2016, these brands all suffered from double-digit decline in traditional advertising revenue and recruitment streams as clients throughout the year reduced their advertising spend.

The opportunity now exists for our teams to offer broader horizontal client solutions – a key area of development for Centaur's next phase of growth, helping us to further reduce exposure to volatile advertising streams by building higher value, longer term relationships with clients.

Our focus on fewer, larger events has worked well with growth in profits for both Marketing Week Live and Festival of Marketing. The Festival, staged in October 2017, received positive reviews from delegates and commercial partners alike. Of particular note was the 37% growth in delegate revenues. With over 300 speakers and more than 200 hours of content, it is clear that marketers value the Festival's content and are attending in increasing numbers to learn and network. Notable speakers included Stephen Fry, Mark Ritson and Jo Malone. Customer satisfaction scores (NPS) have increased year-on-year, firmly establishing the Festival as a leading global event. We're delighted to see it continue to grow as the only global event in the sector where brand marketers comprise over 60% of its customer base compared with competitors such as Festival of Media and Advertising Week with 10-15%.

Marketing Week's successful Mini MBA in Marketing underpinned the development of a Centaur-wide online classroom platform which successfully launched a series of modern-day micro learning modules and online classrooms for Econsultancy, Celebrity Intelligence and The Lawyer.

Recognising the loyal and highly valuable audiences drawn together collectively through our three heritage publishing brands Marketing Week, Creative Review and Design Week, we are beginning to leverage their market influence as online digital 'windows'. It is through these shop windows that we expect readers to access and purchase additional branded content such as market reports and training courses from Econsultancy and other affiliate partners. This pilot will continue to be monitored throughout 2018.

PERFORMANCE:
CEO Review

2017 was a pivotal year for Oystercatchers as it integrated into Centaur and built a fresh new proposition combining the best of two worlds – Oystercatchers' unique pitch model, consultancy, training and Club, alongside the expert content and events of Centaur brands such as Econsultancy and Festival of Marketing.

The team had success in broadening their remit with clients such as EY and Samsung. It onboarded exciting new clients including Formula One and Centrica and brought new processes and transformational change to the Post Office and Bwin.

As a result of client success, the Financial Times acknowledged Oystercatchers as one of the UK's leading management consultancies and awarded the brand four out of six stars in the marketing, brand and pricing category alongside AT Kearney, Capgemini and LEK Consulting.

Both Econsultancy and Oystercatchers suffered from a decline in face to face training in the second half of the year. However, given market demand for Elearning and growth potential, Oystercatchers' training team has been consolidated within Econsultancy creating a combined force to deliver digital excellence. In tandem, this internal move allows Oystercatchers to focus on its core consultancy services and help the wider Centaur Group improve horizontality and deliver end-to-end valuable solutions for clients.

Meanwhile, Econsultancy's sponsored research division recorded a strong year-on-year performance with key projects completed with global innovation and technology clients including Microsoft, Google, Adobe and LinkedIn.

Having entered 2017 with challenging underlying business trends for Econsultancy, Celebrity Intelligence and Fashion & Beauty Monitor digital products, we exited the year with a positive upswing.

The marketing tech and digital product landscape has become increasingly competitive with many new entrants taking advantage of new cloud technologies leading to lower barriers to entry for learning and advisory products. As a result, driving our digital product development upgrades became a key focus for 2017 and will remain important throughout 2018.

Along with Celebrity Intelligence and Fashion & Beauty Monitor, Econsultancy's digital product offering will be upgraded to provide a more competitive 'essential marketing learning tool'. With the product scope now well defined, dedicated Product Managers are building new customer-led product features and functionality which will be released throughout H2 2018.

In 2017, Fashion & Beauty Monitor and Celebrity Intelligence benefited from the first overhaul of technical product upgrades and have introduced new social media analytics, market insight and research reports to their product suite. The Profile Group's 2017 technology roadmap involved both customer-facing front end development and back end capability infrastructure.

The incorporation of machine learning and real-time data feeds is enabling greater automation across these digital subscription products and will deliver further cost reduction. During 2018, an expanded suite of e-learning products and advisory services, combined with the technical content and UX upgrades, will re-establish our competitive brand USPs and help to build yield and new business.

MarketMakers, our latest acquisition, is a B2B new business powerhouse. It offers creative services, data analytics, lead generation, marketing automation and telemarketing. The acquisition has enabled Centaur to deploy best practice telemarketing capabilities at scale and better leverage data insight. It has also created a base from which to exploit growing market demand for integrated, automated marketing and intelligence services.

As we enter 2018 Centaur is trialling an outsourcing of subscription new business sales to MarketMakers to take advantage of its marketing automation technology and efficient, operational telemarketing infrastructure.

We anticipate a good year's performance as remaining product upgrades are completed and the enhanced commercial capability of MarketMakers begins to connect.

Overall the Marketing segment continues to make progress. It is developing a robust operational infrastructure for scalable and sustainable growth coupled with deepening client relationships allowing Centaur to advise, inform and connect business professionals and sell multiple products across multiple brands.

Operating performance: Marketing

	2017 £m	2016 £m	Reported growth %	Underlying growth[1] %
Revenue	36.3	29.8	22%	(10%)
Operating profit	(1.9)	(0.9)	(110)%	
Operating margin	(5.2%)	(3.0%)		
Adjusted operating profit[2]	1.7	2.5	(32%)	
Adjusted operating margin[2]	4.6%	8.4%	(3.8%)	

There was positive momentum across both digital premium content billings and live events revenues offset by a 26% decline in advertising revenues. Around 35% of this segment's revenues are derived from premium content, with 34% from live events, 18% from capability services and 13% from advertising.

The decline in adjusted operating profits[2] and margin reflect the impact of weaker advertising revenues and an increase in centrally allocated overheads following the disposal of the Home Interest segment. Reported operating profits were impacted by earn-out charges relating to the Oystercatchers acquisition of £0.6m (2016: £0.6m) and acquisition costs relating to MarketMakers of £0.6m.

Outlook: this segment is expected to exhibit steady growth into 2018 driven by recurring digital premium content revenues and integration with MarketMakers.

Professional services

The Professional services segment includes two subsidiary markets: The Lawyer and Exhibitions. Around 60% of revenue comes from live events, 30% advertising and 10% premium content.

Our exhibitions include Subcon, an exhibition that serves the sub-contractor industry, Employee Benefits Live, Business Travel Show and The Meetings Show.

2017 was a significant year for the portfolio as we reduced our exposure to print revenue with the closure of the bi-monthly MWP in the engineering space and the move from weekly to monthly editions for The Lawyer and Employee Benefits which moved to digital only distribution.

The Lawyer

The Lawyer is a multi-platform intelligence brand with digital subscriptions, live event and digital advertising revenue streams.

Its content strategy continued to progress successfully. Premium content now represents 38% (including Clean Energy Pipeline) of total revenue with over 160 large law firms taking up enterprise subscription licences.

As we move into 2018, a new website is being developed to allow paying users to link seamlessly to The Lawyer's exclusive data tables and deal information whilst providing access to market insight reports. By linking news, analysis, data and insight in one digital platform, The Lawyer is evolving as a market-leading digital information service. It has successfully moved away from 30 years as a weekly print magazine to a monthly analytical and features driven magazine with themed issues, reports and customer interviews. In recognition of this strategy and successful execution, The Lawyer landed the prestigious Periodical Publishers Association's Media Brand of the Year Award in 2017.

The Lawyer Market Reports continued to deliver reliable revenue streams with the UK 200 series generating 9% growth year-on-year. Availability of all 17 reports on the new portal in 2018 should enable additional opportunities for dedicated account management teams to cross-sell subscriptions, data services and reports.

Exhibitions

Collectively, Exhibitions performed well with underlying[1] revenue growth of 6% on a reported basis as a result of the disposal of the Home Interest segment driven largely by the Business Travel Show at London's Olympia Exhibition Centre. In 2017 the event hosted over 375 exhibitors, 425 hosted buyers and 7,000 visitors. Meanwhile, The Meetings Show continued to develop well with strong margin growth of 8% on revenue growth of 14% year-on-year. Subcon performed well too with 25% visitor growth and strong underlying[1] profit growth of 22%, helped by an increase in international exhibitors, and new on-site content and learning programmes.

The Engineer's focus has been to drive its online audience. Monthly page views have grown, with unique visitors up 4% year-on-year. Good progress was also made by developing brand-led events. 'Collaborate to Innovate', a unique awards/conference event in its sector, launched well with Vince Cable as a keynote speaker.

PERFORMANCE:

CEO Review

Operating performance: Professional services

	2017 £m	2016 £m	Reported growth %	Underlying growth[1] %
Revenue	20.2	20.2	–	1
Operating profit / (loss)	1.3	(0.5)	260	
Operating margin	6.4%	(2.5%)		
Adjusted operating profit[2]	1.8	0.9	100	
Adjusted operating margin[2]	8.9%	4.5%	4.4	

Legal revenues were 2% below last year, reflecting weaker recruitment advertising which were partially offset by good growth in premium content revenues. Deferred revenues in the Legal portfolio were £1.1m at 31 December 2017, compared to £0.9m at the same time last year. The adjusted[2] operating margin has increased from 4.5% to 8.9%.

Outlook: The Lawyer and the Exhibition brands, particularly the Business Travel Show and Employee Benefits Live are all expected to add to the Group's recurring revenue streams through growing exhibition and digital subscription revenues.

Financial services

This year saw a significant move away from traditional print platforms with Mortgage Strategy moving from weekly to monthly, Fund Strategy moving to digital only and the sale of Corporate Adviser. Money Marketing remains in weekly print but with reduced frequency during the year. The portfolio also includes subscription services Platforum, Taxbriefs and Headline Money.

Platforum continued to build on its reputation as a key reference point for asset managers, life companies and platforms on retail investment distribution. It is now firmly established as a subscription product with renewal rates of 85% by value and a series of growing events.

Beyond Platforum, the Financial Services segment continues to offer targeted events for all sectors of the financial services community including large scale conferences, awards and exclusive invitation-only summits for industry leaders. As a portfolio we are deliberately selective in our events – opting to support larger scale, repeatable events across big brands. Commercial packages are sold across the brands to enable cross-media solutions for sponsors and clients.

Operating performance: Financial services

	2017 £m	2016 £m	Reported growth %	Underlying growth[1] %
Revenue	8.9	9.7	(8)	(8)
Operating (loss) / profit	0.3	(7.0)	104	
Operating margin	3.4%	(72.2%)		
Adjusted operating profit[2]	0.6	0.8	(25)	
Adjusted operating margin[2]	6.7%	8.2%	(1.5)	

This segment's revenues remain reliant on advertising, at 39% of the revenue mix, with 37% from premium content and 24% from live events. Reflecting the wider economic environment, advertising declined by 18% year-on-year, partly due to the move away from high frequency print. The second half of 2017 saw performance improve significantly. Supporting this is the move to digitally-led creative solutions for clients which is gaining traction as we move into 2018.

The operating loss of £7.0m in 2016 was driven by an impairment of £7.2m. No impairment has been booked this year.

Outlook: despite the weakness reported in the first half of 2017, Financial services has strong brands, premium content and an increasingly agile digital delivery platform.

People

Changes to the senior management team in 2016 have settled well and the diverse skills and experience that each Executive Committee member brings has allowed the Group to deliver significant operational success in 2017.

Whilst continuing to focus on immediate business delivery, the Executive Committee is keen to develop a culture that works horizontally together to deliver client solutions that advise, inform and connect. Our internal training plans are being developed to support this ambition.

Our approach to diversity continues to be proactive through policies and working practices. Our male to female ratio is well balanced and we retain strong representation of women at a senior level. Two out of six (33%) of our Board members are female, and four out of six (66%) of our Executive Committee are female. Our family friendly policies include enhanced maternity and paternity leave, flexible work options, while our return rate of maternity leavers is in excess of 90%. A high percentage of staff, both male and female, work flexible/reduced hours including our COO, Company Secretary, an Oystercatchers Managing Partner, Group Head of HR and a Research Director. Two staff made use of shared parental leave during 2017.

We are delighted to see our Development Board, comprising some of our rising stars, continue to grow from strength to strength. The Development Board's remit is 'to change Centaur for good' and act as a communications channel between our people and the senior leadership. Sponsored last year by Suki Thompson, the Development Board now leads our internal charity sponsorship activity and has planned and delivered new initiatives including a recognition scheme, football and softball teams, regular yoga, mindfulness and meditation sessions, lunch and learns, and last but not least, a Bike Clinic and Cycle Safety session to encourage people to cycle to work.

Through the Apprenticeship Levy we are supporting a number of staff to achieve professional qualifications in Management and Leadership, Digital Marketing and Data Analysis.

During the year we had many successes with The Lawyer winning the blue ribbon PPA Business Media Brand of the Year, Econsultancy winning Best technology partner for Marketing Week Mini MBA at the AOP Awards and Marketing Week winning 'Digital Brand of the Year'.

Summary

We will continue to enforce our customer focus, enhance our products, and, simplify our operating structure.

Our investment into digital products and our improved overall revenue mix will enhance performance going forward and we remain confident that our strategy is building long-term value for our shareholders.

These results and achievements would not have been possible without the full commitment and energy of every Centaurion. I am continuously impressed by the expertise of my colleagues across the Group. The levels of passion and deep knowledge of our content specialists and their commitment to innovate our products and services have been critical to enable such radical product transformations across the Group.

The ongoing success of Centaur relies on the ideas, the energy and our determination to deliver valuable solutions for our customers.

Thank you to every Centaurion, to our shareholders, our readers and our customers. We look forward to continuing our work and providing valuable solutions throughout 2018.

ANDRIA VIDLER
Chief Executive Officer

20 March 2018

PERFORMANCE:
CEO Review

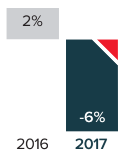
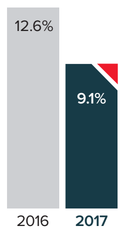
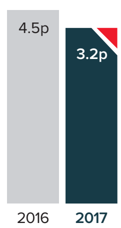
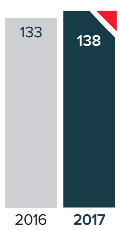
Our Pivotal Year

2017 was a pivotal year to reshape and repurpose

FROM	TO	WHAT THIS MEANS FOR CENTAUR MEDIA
TOO DIVERSIFIED AND COMPLICATED	Simpler and more focused	A clearer customer led strategy which enables economies of scale and reduces internal inefficiencies and reduces central costs.
B2B & B2C	B2B	Disposal of the Home Interest segment and acquisition of MarketMakers enable focus on B2B with more predictable revenue streams.
REDUCED EXPOSURE TO ADVERTISING	Reduced print products	Our success in building digital content products and events allowed the exit of weekly print schedules reducing print exposure going forward to less than 5%.
CUSTOMER FOCUS	Enhanced content and improved product user experience (UX).	Improved satisfaction demonstrated by NPS scores and renewal rates.

Key performance indicators

The Group has set out the following core financial metrics to measure our performance. The KPIs are within the Board's expectations and the ongoing focus on these measures will support its successful strategy. These indicators are discussed in more detail in the CEO's Review and in the CFO's Review.

KPI	GRAPH	COMMENTARY
FINANCIALS		
Underlying[1] revenue growth		Total revenues adjusted for the impact of acquisitions, disposals and event phasing
Adjusted operating margin[2] including Home Interest Segment until disposal date		Adjusted operating profits[2] as a percentage of revenues
Adjusted[2] diluted EPS		Adjusted[2] earnings attributable to each share calculated on a diluted basis, as set out in more detail in note 9 to the financial statements.
Cash conversion[4]		The percentage by which adjusted operating cash flow[3] covers adjusted operating profit[2], excluding depreciation and amortisation, as set out in the CFO's Review
NON-FINANCIALS		
Two non-financial KPIs have been chosen: Delighted customers/NPS and Customer life-time value. These will be tracked during 2018 so that they can be reported on next year.		

PERFORMANCE:
CFO Review

"We have significantly strengthened our balance sheet and eliminated the Group's net debt[5], through the proceeds from the Home Interest disposal, working capital improvements and strong cash control. We are delighted to be in a positive net cash position."

SWAG MUKERJI
Chief Financial Officer

Overview

The results of the business are presented in accordance with accounting standards.

Due to the disposal of the Home Interest segment in August 2017, we are required to disclose the turnover and operating profit on a continuing operations basis which includes MarketMakers post acquisition and excludes the Home Interest segment. The net result of the Home Interest segment is disclosed separately on the face of the Income Statement as 'Profit for the period from discontinued operations'. Revenue, net operating expenses, finance and taxation costs reported on the face of the Income Statement therefore only refer to that achieved by our Marketing, Professional and Financial services segments.

On a continuing operations basis revenue was £65.4m (2016: £59.7m) in the year. However, when considering Group performance, we believe it more appropriate to consider total revenue and adjusted operating profit[2] generated over the year. Therefore, we have chosen to focus on revenue including the Home Interest segment until disposal and MarketMakers from acquisition. On this basis revenue was £72.6m (2016: £72.5m). Adjusted operating profit[2] (including MarketMakers from acquisition) was £4.1m. The adjusted operating profit[2] for the period for Home Interest was £2.5m. On the face of the income statement we report £2.1m of net operating profit for Home Interest which includes £0.4m of tax. Therefore, the adjusted operating profit[2] is £6.6m (2016: £9.1m); adjusted[2] operating margin is 9.1% (2016: 12.6%).

Non-statutory measures

In these results we refer to 'adjusted' and 'statutory' results, as well as other non-GAAP performance measures. Adjusted[2] 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[2] results exclude adjusting items as set out in the statement of consolidated income and below, with further details given in notes 1(b) and 4 of the financial statements. In addition, the Group also measures and presents performance in relation to various other non-GAAP measures, such as underlying[1] revenue growth, adjusted operating cash flow[3], adjusted[2] EBITDA and net debt[5].

Adjusted[2] 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 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) to the financial statements.

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 from continuing operations reconciles to adjusted operating profit[2] as follows:

	Note	2017 £m	2016 £m
Statutory loss before tax		(0.7)	(8.9)
Adjusting items			
Impairment of goodwill	10	–	7.2
Amortisation of acquired intangible assets	11	2.5	2.2
Share-based payments	26	0.5	(0.1)
Earn-out consideration	14	0.6	0.6
Additional impairment of trade receivables	29	–	1.5
Acquisition related costs	14	0.6	
Exceptional operating costs	4	0.2	1.2
Adjusted[2] profit before tax		3.7	3.7
Adjusted[2] finance costs	6	0.4	0.5
Adjusted[2] operating profit[2]		4.1	4.2

Prior year comparatives have been restated to reflect the disposal of the Home Interest Segment in August 2017.

Summary

Commentary on revenues and operating results is set out within the CEO's Review.

2017 represented a year of significant change for Centaur with the disposal of our Home Interest segment completing our strategic shift to a pure B2B player. We also completed the acquisition of MarketMakers, which has significantly extended the business's lead generation capability and will help further shift our revenue mix to a more predictable cashflow than that offered by the Home Interest segment, whilst also going some way to reducing the complexity of the business.

We are very pleased with the performance of MarketMakers since its acquisition and we see it as a key vehicle to drive growth in other parts of our business.

The key underlying trend within the business during the year was the continued decline of advertising revenue (21% of total 2017 revenue, a reduction from 28% in 2016) with its high drop through to profit. Combined with the acquisition of MarketMakers this has assisted Centaur in increasing recurring revenue from 36% in 2016 to 44% in 2017.

The Group is pleased to report year end net cash of £4.1m against a net debt[5] position of £14.1m at the end of December 2016. The rate of cash conversion[4] was 138% (2016: 133%). The £18.2m improvement in cash is driven not only by the net proceeds of the Home Interest segment disposal but also active working capital management, including stringent controls over cash management and its collection.

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. An annual impairment review has been carried out in 2017 and we are pleased to report a nil impairment charge.

Revenues

Revenues in 2017 were £72.6m including the Home Interest segment (2016: £72.5m). On a continuing operations basis revenue was £65.4m (2016: £59.7m). Underlying[1] trends, adjusting for the biennial show, AMS, the acquisitions of MarketMakers and Oystercatchers, and the disposal of the Home Interest segment, show a decline of 6% primarily due to the continued decline of advertising. The acquisition of MarketMakers, which is excluded from underlying[1], recorded £13.9m of revenue in 2017 on a full year basis. The Group's results for 2017 include five months' consolidated MarketMakers' revenue. Further information on the divisional revenue performance and the mix of revenues across premium content, live events and advertising is included in the CEO's Review.

Operating profit

Adjusted operating profits[2] for the year were £6.6m (2016: £9.1m) (which includes Home Interest and is not reported this way on the face of the Income Statement) with an adjusted operating profit margin[2] of 9.1% (2016: 12.6%). Excluding the Home Interest Segment and as reported on the face of the Income Statement, the adjusted operating profit[2] was £4.1m (2016: £4.2m). Further information on the divisional adjusted operating profit[2] performance is included in the CEO's Review.

Net adjusted[2] operating expenses were £61.3m (2016: £55.5m). Adjusted[2] employee related expenses in the year were £30.9m (2016: £27.4m), and the average number of permanent employees was 515 (2016: 493).

Reported operating losses of (£0.3m) (2016: (£8.4m)) were impacted by the adjusting items detailed below.

PERFORMANCE:

CFO Review

Adjusting items

The Directors believe that adjusted[2] results and adjusted[2] 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[2] basis internally. Details of the Group's accounting policy in relation to adjusting items are shown in note 1(b) to the financial statements.

Adjusting items generated a loss before tax of (£4.4m) (2016: (£12.6m)). In 2016, an impairment charge of £7.2m was recognised in the Financial services segment.

Exceptional operating costs of £4.4m (2016: £12.6m) include staff-related restructuring costs of £0.2m (2016: £0.9m) which principally relate to the reorganisation of the business as the Group reduces its exposure to print. Whilst similar costs have been incurred previously whilst performing other restructuring actions, such costs linked to the substantial reduction of print as part of 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 the year no separately reported charge for the impairment of trade receivables has been made (2016: £1.5m). Cash collection has performed strongly in the year following the improvements made to front-end billing and credit control processes in 2017. At the end of 2017, Group DSO stood at 52 days, a reduction of 25 days from the end of 2016. This, in addition to the net cash receipts from the disposal of the Home Interest segment, has driven the Group reporting a net cash position at the end of 2017 of £4.1m (2016: net debt[5] of £14.1m), an improvement of £18.2m.

Earn-out costs of £0.6m (2016: £0.6m) relate to the earn-out arrangement on the acquisition of Oystercatchers, which are treated as a remuneration expense through the statement of comprehensive income until the end of the earnout period.

Other adjusting items include amortisation of acquired intangible assets of £2.5m (2016: £2.2m) and a share-based payment charge of £0.5m (2016: credit of (£0.1m)).

Further analysis on these adjusting items is included in the Basis of Preparation section of note 1(b) and note 4 to the financial statements.

Net finance costs

Adjusted[2] net finance costs were £0.4m (2016: £0.5m). The reduction in finance costs reflects lower net debt[5] during 2017 compared to 2016.

Taxation

A tax charge of £0.4m (2016: £0.1m) has been recognised on continuing operations for the year. The adjusted tax charge was £0.9m (2016: £0.8m) giving an adjusted effective tax rate (compared to adjusted[2] profit before tax) of 25.3% (2016: 21.9%). The Company's profits were taxed in the UK at a blended rate of 19.25% (2016: 20%), with the fall in the main rate of UK Corporation tax being offset by the impact of overseas earnings taxed at higher rates. On a reported basis, the effective tax rate of 50.5% (2016: (1.4)%) is driven by a small loss relative to the non-deductible acquisition costs in the year and other non-deductible expenses. See note 7 for a reconciliation between the statutory and reported tax charge.

Share-based payments

Share-based payments charges in 2017 approached their historical level of £0.5m following a credit of £0.1m in 2016, 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 3.2p (2016: 4.5p). Losses per share for the year were (14.3)p (2016: (3.8)p). Full details of the earnings per share calculations can be found in note 9 to the financial statements.

Dividend

An interim dividend of 1.5p per share was paid in respect of the period January to June 2017 (January to June 2016: 1.5p). A final dividend in respect of the period July to December 2017 of 1.5p per share (July to December 2016: 1.5p) is proposed by the Directors, giving a total dividend for the year ended 31 December 2017 of 3.0p (2016: 3.0p), in line with 2016.

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 25 May 2018 to all ordinary shareholders on the register at close of business on 11 May 2018.

Adjusted dividend cover in the year was 1.2 times (2016: 1.6 times).

Cash flow

As set out below, the Group has now eliminated net debt[5] with net cash of £4.1m at the of 2017 compared to net debt of £14.1m at the end of 2016. The rate of cash conversion[4] was even stronger than 2016 at 138% (2016: 133%).

	2017 £m	2016 £m
Adjusted operating profit[2]	6.6	9.1
Depreciation and amortisation	3.6	3.3
Movement in working capital	3.9	4.1
Adjusted operating cash flow[3]	14.1	16.5
Capital expenditure	(2.8)	(2.6)
Cash impact of adjusting items	(0.2)	(1.3)
Taxation	(1.6)	(1.3)
Interest and finance leases	(0.3)	(0.5)
Other	(0.1)	0.1
Free cash flow	9.1	10.9
Repayment of loan notes	–	(1.1)
Acquisitions	(14.4)	(1.5)
Disposal of subsidiaries	27.9	–
Share repurchases	(0.1)	(0.2)
Dividends paid to Company's shareholders	(4.3)	(4.3)
Increase/(decrease) in net cash/(debt)[5]	18.2	3.8
Opening net cash/(debt)[5]	(14.1)	(17.9)
Closing net cash/(debt)[5]	4.1	(14.1)

Adjusted operating cash flow[3] is not a measure defined by IFRS. Centaur defines adjusted operating cashflow[3] as cash flow from operations excluding the impact of adjusting items, which are defined above. 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[3] is shown in note 1(b) to the financial statements. The cash impact of adjusting items primarily relates to exceptional restructuring costs in both years.

Acquisitions net of disposals generated a cash inflow of £13.5m in the year (2016: cash outflow of £1.5m).

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[5] to adjusted EBITDA[2] 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 during the year and has currently not drawn down any of its £25m banking facilities.

Disposal of the Home Interest segment

On 1 August 2017, we successfully completed the disposal of the Home Interest segment for consideration of £32.8m allowing the Group to strategically focus on B2B. This disposal has resulted in a profit on disposal of £20.9m with the funds being partially invested in the acquisition of MarketMakers.

Acquisition of MarketMakers

On 2 August 2017 the Group completed the acquisition of 100% of the shares in MarketMakers for a total purchase price of £18.9m, subject to meeting earn-out targets. Initial net consideration was £16.5m with a further balance due upon successful achievement of earn-out targets. We are pleased that MarketMakers has performed strongly in 2017 and significantly added value to the Group in 2017. We are actively investigating ways in which MarketMakers' inherent competitive advantage in lead generation can drive future growth across Centaur as a whole.

Balance sheet

A summary of the Group's balance sheet as at 31 December 2017 and 2016 is set out below:

	2017 £m	2016 £m
Goodwill and other intangible assets	94.2	88.8
Property, plant and equipment	1.7	2.0
Deferred income	(14.6)	(16.9)
Other current assets and liabilities	0.2	7.5
Deferred taxation	(0.7)	(0.2)
Net assets before net debt[5]	80.8	81.2
Net cash/(debt)[5]	4.1	(14.1)
Net assets	84.9	67.1

The main movement in the Group's balance sheet is an increase of £5.4m in goodwill and other intangible assets, primarily caused by the acquisition of MarketMakers and partially offset by the disposal of the Home Interest segment. Deferred income has fallen primarily due to the disposal of the Home Interest segment. Other current assets and liabilities have fallen due to the continual improvement in collection of trade debtors during the year, combined with a 2017 provision for earn-out payments due to MarketMakers. Net cash has improved £18.2m due to improved working capital management combined with the net proceeds of the disposal of the Home Interest segment less monies reinvested into the MarketMakers acquisition. Further details on these significant movements can be found throughout this report.

Conclusion

2017 has been a transformative period in the Group as it moves towards its goal of advising, informing and connecting. The disposal of the Home Interest Segment has realised our strategic goal of becoming a pure play business information group whilst reducing its complexity. The disposal of the Home Interest segment for £32.8m not only eliminated the Group's net debt[5] position but also funded the acquisition of MarketMakers, an exciting driver of future growth. I am delighted to see our revenue mix move towards higher recurring revenues and replacing declining advertising revenues.

The Group remains cash generative and is in a strong position to move quickly to make further strategic acquisitions with synergy opportunities. I am delighted that our working capital position has continued to improve during 2017 with days' sales outstanding (DSO) having improved by 25 days over the year. Although we will never become complacent, our investors can be assured that debt collection and cash management is now well controlled and timely.

We are now well placed to build upon the positive financial and operational performance of 2017 and continue the transformation of the business in the coming year.

SWAG MUKERJI
Chief Financial Officer
20 March 2018

RISK MANAGEMENT

Risk management approach

The Board has overall responsibility for the effectiveness of the Group's system of risk management and internal controls and these are regularly monitored by the Audit Committee.

Details of the activities of the Audit Committee in this financial year can be found in the Audit Committee Report on pages 37 to 40.

The Executive Committee is responsible for identifying, managing and monitoring material risks in each area of the business and for regularly reviewing and updating the risk register, as well as reporting to the Audit Committee in relation to risks, mitigations and controls. As the Group operates principally from one office and with relatively short management reporting lines, members of the Executive Committee are closely involved in day-to-day matters and able to identify areas of increasing risk quickly and respond accordingly. The responsibility for each risk identified is assigned to a member of the Executive Committee. The Audit Committee considers risk management and controls regularly and the Board formally considers risks to the Group's strategy and plans as well as the risk management process as part of its strategic review.

The risk register is the core element of the Group's risk management process. The register is maintained by the Company Secretary with input from the Executive Committee. The Executive Committee initially identifies the material risks facing the Group and then collectively assesses the severity of each risk (by ranking both the likelihood of occurrence of the risk and its potential impact on the business) and the related mitigating controls.

As part of its risk management processes, the Board considers both strategic and operational risks, as well as its risk appetite in terms of the tolerance level it is willing to accept in relation to each principal risk, which is recorded in the Company's risk register. This approach recognises that risk cannot always be eliminated at an acceptable cost and that there are some risks which the Board will, after due and careful consideration, choose to accept. The Group's risk register, its method of preparation and the operation of the key controls in the Group's system of internal control are regularly reviewed and overseen by the Audit Committee with reference to the Group's strategic aims and its operating environment. The register is also reviewed and considered by the Board.

As part of the ongoing enhancement of the Group's risk monitoring activities, we reviewed and updated the procedures by which we evaluate principal risks and uncertainties during the year.

Principal risks

The Group's risk register currently includes operational and strategic risks. The principal risks faced by the Group in 2017, taken from the register, together with the potential effects and mitigating factors, are set out below. The Directors confirm that they have undertaken a robust assessment of the principal risks facing the Group. Financial risks are shown in note 29 to the financial statements.

Key to movement in risk from last year (after taking into account mitigating controls)

Increase in risk ↑

Risk unchanged ↔

Decrease in risk ↓

RANK	RISK	DESCRIPTION OF RISK AND IMPACT	RISK MITIGATION/CONTROL PROCEDURE	MOVEMENT IN RISK
1	Fraudulent or accidental breach of our security, or ineffective operation of IT and data management systems leads to loss, theft or misuse of personal data or confidential information or other breach of data protection requirements.	• A serious occurrence of a loss, theft or misuse of personal data or sensitive or confidential information could result in reputational damage, a breach of data protection requirements or direct financial impact. See The General Data Protection Regulation ('GDPR') below. • Centaur collects and processes personal data and confidential information from some of its customers, users and other third parties. Centaur is at risk from a serious occurrence of a loss, theft or misuse of personal data or confidential information on our software/hardware due to the actions of a Centaur employee, partner or third party. See also GDPR below.	• Appropriate IT security is undertaken for all key processes to keep the IT environment safe. • Websites are hosted by specialist third-party providers who provide warranties relating to security standards. • All of our websites have been migrated onto a new and more secure platform which is cloud hosted and databases have been cleansed and upgraded during 2015, 2016 and ongoing in 2017. • External access to data is protected and staff are instructed to password protect or encrypt where appropriate. • The Director of Data and Analytics ensures that rigorous controls are in place to ensure that warehouse data can only be downloaded by the data team. Integration of the warehouse with current databases and data captured and stored elsewhere is ongoing. • Centaur has a business continuity plan which includes its IT systems and there is daily, overnight back-up of data, stored off-site. • Please see below for specifics relating to GDPR compliance/data.	The Board considers this risk to be broadly the same as the prior year. ↔
2	Regulatory; GDPR. Stricter requirements regarding how Centaur handles personal data, including that of customers and the risk of a fine from the ICO, third party claims (e.g. from customers) as well as reputational damage if we do not comply.	• The General Data Protection Regulation ('GDPR'), which is the new data protection law coming into force in May 2018, involves much stricter requirements for Centaur regarding its handling of personal data. This includes: • customers having greater rights on how we use their data • Centaur having to provide specific information to our customers on how we use their data • new rules around how we obtain customers' consent to being contacted • personal data being kept more securely; time and access • new contracts being put in place between us and suppliers that handle our data • new rules about notifying the ICO in the event of a breach of GDPR • a shorter time period for responding to "subject access requests" from customers • a requirement to demonstrate how we comply with GDPR, which means we need to improve our internal record-keeping, etc. • in the event of a serious breach of the GDPR, Centaur could be subject to a significant fine from the regulator (the ICO) and claims from third parties including customers as well as reputational damage. • a new maximum fine for breach of GDPR is much higher than the current maximum fine applicable under current UK data protection legislation.	• Centaur has engaged Wiggin LLP to provide legal advice on what changes we are required to make in order to comply with GDPR. The measures we are taking include: – updating the 'consent' wording on our websites and event registration pages to ensure language is specific/ unambiguous – updating our unsubscribe process – improving our data complaints procedures – improving our procedures for removing individuals from databases where details are inaccurate/ not needed – updating our standard terms and conditions across all products – updating our privacy and cookies policy and website terms and conditions – amending our contract with suppliers who provide us with personal data (ie lists) or who handle data on our behalf.	New risk ↑

RISK MANAGEMENT

RANK	RISK	DESCRIPTION OF RISK AND IMPACT	RISK MITIGATION/CONTROL PROCEDURE	MOVEMENT IN RISK
3	Serious systems failure (affecting core systems and multiple products or functions) or breach of IT network security (as a result of a deliberate cyber-attack or unintentional event).	• Centaur relies on its IT network to conduct its operations. The IT network is at risk of a serious systems failure or breach of its security controls. This could result from deliberate cyber-attacks or unintentional events and may include third parties gaining unauthorised access to Centaur's IT network and systems resulting in misappropriation of its financial assets, proprietary or sensitive information, corruption of data, or operational disruption, such as unavailability of our websites and our digital products to users or unavailability of support platforms. • If Centaur suffers further serious cyber-attacks, whether by a third party or insider, any operational disruption may directly affect our revenues or collection activities. • Centaur may incur significant costs and suffer other negative consequences, such as remediation costs (including liability for stolen assets or information, and repair of any damage caused to Centaur's IT network infrastructure and systems). Centaur may also suffer reputational damage and loss of investor confidence resulting from any operational disruption.	• Centaur has invested significantly in its IT systems and several key IT system upgrades have taken place during 2017; • the ongoing development of CRM (PCI compliance) and finance systems introduced in 2015. • IT system improvements in 2017 and ongoing into 2018, following completion of an external audit of the security of our main IT infrastructure carried out by a specialist third party provider i.e. Microsoft security against Ransomware attacks • where services are outsourced to suppliers, contingency planning is carried out to mitigate risk of supplier failure. • Lockton's is advising us in relation to any additional cover that is appropriate to insure against a serious failure of IT network security controls. • Migration of Econ to our secure platform Wordpress in 2018 is underway • we are upgrading our policies in Q1 2018 to further ensure our staff are clear and accountable for their IT compliance.	The Board considers this risk to be broadly the same as for the prior year. ↔
4	Trends in advertising and direct sales of our print products result in declining revenues from these sources.	• Print advertising revenues and direct sales of our print products continued to decline more steeply during the latter part of 2016 as direct revenue from print products dipped more sharply than expected at the start of the year, and are not being 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. • This risk has increased since the 2015 reporting period due to volatility in advertising spend across our markets in the weeks leading up to and following the UK's EU referendum. The uncertainty following the EU referendum result in specific markets including financial services continued throughout 2016 and in the first half of 2017 and is expected, at the very least, until firm plans for the UK's exit from the EU are established by the UK Government.	• Our Business Plans take into account the market shrinkage and where appropriate print products are being replaced. Our strategy includes identifying the type of content our audiences want and how they want to consume the content, meaning that we are not simply putting print products online to try to replace diminishing print revenues for traditional brands. Centaur has been rapidly reducing the Company's exposure to print advertising and has significantly increased revenues from digital paid-for content. In 2017 we reduced print volumes by over 60% across the financial, legal, marketing and HR portfolios. This involved changes in frequency (weekly to monthly) and for some brands moving to digital-only formats supported by profitable events and awards. • We continue to monitor the decline in our print products while at the same time investing in developing our digital capability and ability to scale cross-media marketing solutions. In addition to a new, flexible web platform we are developing new revenue streams from products, such as the Marketing Week Mini MBA, which are exclusively digital and derive no revenue from print. • We support our product innovation, by hiring people with experiences and skills in new areas of the market where appropriate. The role of our Executive Committee includes anticipating future changes in the market and ensuring that our business reacts or accelerates our plans accordingly. • However spend cannot be assumed to flow directly to replacement products and therefore volatility on advertising in our core sectors remain a risk factor.	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. ↓

Viability statement

In accordance with provision C.2.2 of the UK Corporate Governance Code April 2016, the Directors have assessed the viability of the Group over a three-year period to December 2020, taking account of the Group's current position, the Group's strategy, the Board's risk appetite and, as documented above, the principal risks facing the Group and how these are managed. Based on the results of this analysis, the Directors have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period to December 2020.

The Board has determined that the three-year period to December 2020 is an appropriate period over which to provide its viability statement because the Board's financial planning horizon covers a three-year period. In making their assessment, the Directors have taken account of the Group's existing financing arrangements to 2019 (and assumed that financing will be available to replace the current facility on similar terms), cash flows, dividend cover and other key financial ratios over the period. These metrics are subject to stress testing which involves sensitising a number of the main assumptions underlying the forecasts both individually and in unison. The assumptions sensitised include forecasted EBITDA, cash conversion[4] and capital expenditure. Where appropriate, this analysis is carried out to evaluate the potential impact of the Group's principal risks actually occurring, such as print and advertising revenues continuing to shrink, staff attrition, UK economic conditions and replication of products by competitors. Sensitising the model for changes in the assumptions and risks affirmed that the Group would remain viable over the three year period to 2020.

Going concern basis of accounting

In accordance with provision C.1.3 of the UK Corporate Governance Code April 2016, the Directors' statement as to whether they consider it appropriate to adopt the going concern basis of accounting in preparing the financial statements and their identification of any material uncertainties to the Group's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements and for the foreseeable future can be found on page 32.

CORPORATE RESPONSIBILITY

Our people

Talent development

Centaur Media is committed to developing a culture of environmental awareness and social responsibility and we seek where appropriate to incorporate environmentally and socially responsible practices into the way we deliver services and products to our customers and procure goods and services from third parties. The Group has a whistleblowing policy in place enabling employees to report any concerns about improper practices, including relating to its environmental and social responsibility practices.

Employee engagement

We have adopted a new on-line application which gives employees the opportunity to provide feedback on a weekly basis and enables management to get a regular temperature check on motivation and real time feedback from their teams.

Health and safety

We are committed to the safety of our staff. We have a health and safety policy which sets out Centaur's responsibilities and those of its staff concerning health and safety in the workplace. Our Health and Safety Committee, which is responsible for overseeing the application of this Policy, meets at least every six months and reports directly to the Board on all material related matters. Due to the nature of the business, risk of work-based accidents is relatively low but the Group takes its responsibilities for the health and safety of its employees seriously. Our office manager is responsible for maintaining a safe environment for employees and an Accident Book is available to all staff in Reception. We periodically carry out internal health and safety reviews, taking follow up action to maintain standards where necessary, and undertake staff training in relation to fire safety. Where work-related activities take place which have a higher risk attached – such as travel, marketing events and outdoor activities – additional planning is undertaken which includes a risk assessment and mitigation plan. To minimise risk to the health and safety of our employees in the event of a major disaster or emergency, we have recently revised our business continuity plan and carried out testing of the plan.

Diversity

Centaur Media strongly encourages diversity across the Group and is committed to recruiting and promoting the most talented people from the widest pool and providing equal opportunities for all employees and prospective employees. To support this aim, the Group has an Equal Opportunities Policy which covers recruitment and selection, promotion, training and development and standard contract terms for all staff. We also support apprenticeships which increase our talent pool and demonstrates the Group's commitment to reaching out to young people from a variety of backgrounds. We offer internships and work experience opportunities for people from a variety of backgrounds.

Last year we implemented the provisions of the UK Modern Slavery Act 2015 and adopted an anti-slavery and human trafficking policy.

Two out of our six (33%) Board members are female and, four out of six (66%) of our Executive Committee are female and, as at 31 December 2017, our workforce overall was 50% female (397 employees) and 50% male (394 employees). We proudly support flexible working opportunities, and 6% of staff are employed on a part-time basis.

Gender pay

We are currently finalising our analysis for Gender Pay and will be submitting and publishing the outcome prior to the 2018 deadline.

Environment

Our impact on the environment

Centaur Media operates in the media sector, predominantly in the United Kingdom, and consequently, while Centaur recognises that its business has an impact on the environment, including through the use of energy and paper, our impact on the environment is less significant than that of companies operating in many other sectors. As we continue to increase our digital capabilities and products, and to reduce our reliance on print advertising, we are reducing our use of consumable items such as paper and plastic over time. The majority of our employees work out of a single location in Wells Street, London and we have only one other UK location in Portsmouth meaning that the Group has been able to take advantage of consolidating building-related environmental impacts and benefiting from Group sharing of items such as photocopiers. The Group also has small offices in New York and Singapore.

The Group actively seeks to minimise adverse environmental impacts and to promote good environmental practices wherever possible. We increasingly aim to ensure that our major suppliers are environmentally responsible. For example, our main paper and print supplier holds the ISO 14001 (environmental management) accreditation and is certified by the Forest Stewardship Council and Programme for the Endorsement of Forestry Certification.

In the last quarter we introduced Follow-Me-Printing. This will allow us to monitor printing across the business.

We donate used computer equipment to Camera Education, which is a social enterprise dedicated to improving education in disadvantaged communities across the world. In 2017 we donated the following:

- 30 x Zoostorm desktop PCs
- 30 x 21" iMac's desktops PCs
- 21 x EizoFflexidesk – 21" monitor

Some of our other measures are:

- use of energy-efficient lighting, including replacing existing light fittings with energy efficient LED light fittings in the Wells Street building. During the year ended 31 December 2017, this programme was extended to include all common parts of the Wells Street building;
- installation of motion sensors in offices to control lighting;
- analysing and adjusting the timing of boilers and chillers for office air conditioning to increase energy efficiency;
- stopping the use of non-recyclable cups and reducing the use of paper hand towels;
- buying paper that is Forest Stewardship Council ('FSC') accredited which means that the paper has been sourced in an environmentally-friendly, socially responsible and economically viable manner;
- active engagement in the recycling of cans, tins, plastic, glass, cardboard and paper, including the replacement of traditional waste bins with recycling bins throughout the Wells Street building as part of a new centralised recycling system rolled out in 2015, together with a monthly report showing the percentage of waste collected that was recycled;
- recycling of printer cartridges where possible;
- increasing the use of aqueous inks, which limit the release of volatile organic compounds;
- use of eco-friendly taxis and courier vehicles that are less than 3 years old, and use of cyclist couriers, where possible;
- cycle to work scheme and other measures that facilitate cycling to work by employees, such as the provision of showers, changing rooms and lockers, as well as bike storage facilities at the Wells Street building; and
- encouraging staff to use public transport by provision of season ticket loans.

Emissions

We continue to measure our carbon footprint by monitoring our energy usage and we are pleased to confirm that we are compliant with the EU Energy Efficiency Directive 'Energy Saving Opportunity Scheme' ('ESOS').

The greenhouse gas 'GHG' emissions from our operations during the year are set out below.

Year ended 31 December 2017 global GHG emissions data (tonnes of CO_2e):

Emissions from:	2017 Tonnes CO_2	2016 Tonnes CO_2
Scope 1 (Gas, Fuel and Car Mileage)	78	75
Scope 2 (Electricity and Steam)	432	474
Total GHG emissions	510	549
Average number of employees	515	550
Emissions per employee	1.0	1.3

Community

Charitable donations

The Group supports local communities and charitable organisations through direct fundraising, donation and pro-bono work. During the year, a total of £83,727 (comprising employee contributions of £8,170, a Group contribution of £8,170 and £67,387 in third party contributions raised through our events) was donated to The Alzheimer's Society, our chosen charity partner for 2017. In 2016, £118,855 (comprising employee contributions of £8,454, a Group contribution of £8,454 and £101,947 in third party contributions raised through our events) was donated to Childline. We used our events to raise money from third parties for The Alzheimer's Society including requesting donations in return for entry for awards and taking collections at the events. Every year, the Group offers each employee a paid day off to spend volunteering for the not-for-profit cause or charity of their choice. Employee contributions were raised through a range of Company-wide fundraising events including sporting events and bake sales. We also operate a Give As You Earn scheme through the payroll and offer employees the option to undertake Volunteer Days.

The Strategic Report was approved by the Board of Directors and signed by order of the Board.

HELEN SILVER
Company Secretary
20 March 2018

BOARD OF DIRECTORS

Neil Johnson
Chairman

Neil joined Centaur as Chairman in January 2018. Neil is currently Chairman of Synthomer plc, Motability Operations Group plc, Electra Private Equity plc and the senior independent non-executive director of the Business Growth Fund. Neil has considerable experience as an independent non-executive director and public company chairman gained in multiple sectors and geographies having overseen as chairman the successful organic and acquired growth strategies of Umeco, Cybit and most recently e2v Technologies. Neil also held senior executive positions at British Aerospace and in the UK motor manufacturing industry before becoming Chief Executive of RAC Holdings from 1995-1999.

Chairman of the Nomination Committee

William Eccleshare
Senior Independent Director

William is Chairman and CEO of Clear Channel International. In November 2017 he became a non-executive director of Britvic plc and has been a board member of the Donmar Warehouse Theatre since 2013. He also served as a non-executive director of Hays Plc from 2004 to 2014. William was a Partner and Leader of European Branding Practice at McKinsey & Co. He has previously served in international leadership roles at major advertising agencies, including as European Chairman and CEO of BBDO (Omnicom); European Chairman of Young and Rubicam (WPP Group); Chairman and CEO of Ammirati Puris Lintas Northern Europe (Interpublic Group); Global Strategic Planning Director of J. Walter Thompson Worldwide; and CEO of PPGH/JWT Amsterdam.

Member of Remuneration and Nomination Committees

Robert Boyle
Non-Executive Director

Robert, a qualified Chartered Accountant, was a partner of PricewaterhouseCoopers LLP, where he was Chairman of the PwC European Entertainment and Media Practice for twelve years, retiring in 2006. Since then he has been a non-executive director and Chairman of the Audit Committee of a number of public companies. He is currently a Non-Executive Director, and Chairman of the Audit Committee of Witan Investment Trust Plc and the Hampshire Cultural Trust.

Chairman of the Audit Committee and member of the Remuneration Committee

Rebecca Miskin

Non-Executive Director

Rebecca is Founder and CEO of Gloo Networks Plc, a digital transformation company. She began her career in media at Reed Elsevier launching telecom-based information services across Europe. She has since worked across the USA and UK at Time Inc., NBC Universal and most recently at Hearst Corporation. Rebecca helps re-align media organisations through a data driven, customer-centric and collaborative operational approach.

Chairman of the Remuneration Committee and member of the Audit and Nomination Committees

Andria Vidler

Chief Executive Officer

Andria joined Centaur Media as Chief Executive in November 2013. From August 2009 to July 2013, Andria was Chief Executive Officer of EMI Music UK & Ireland during which time she successfully transformed the business into a high margin global rights management enterprise by driving consumer focus and digital innovation. Between April 2008 and August 2009, she was Chief Marketing Officer of Bauer Media. As part of the UK management team she was responsible for building the Bauer Media brands to generate greater profitability across the portfolio of 53 magazines, 23 radio stations and all online products. Andria was Managing Director of Magic FM & National Radio from June 2005 to April 2008. Prior to that, she held a number of managerial, operational and marketing roles at Capital Radio and the BBC. Andria is a trustee of The Roundhouse Trust and also sits on industry award panels.

Swag Mukerji

Chief Financial Officer

Swag joined Centaur Media in July 2016 and has held senior finance and general management positions with blue chip FMCG companies, including United Biscuits plc, Guinness plc and Virgin, where he operated as a troubleshooter, value creator and change agent. As Group Finance Director of Biocompatibles International plc, he co-led the commercialisation and growth of the Company with the CEO, increasing share price by 350% from 59p to 267p in a falling market. Since then he has been CEO and CFO of three private equity backed businesses where he increased profits by renegotiating key customer contracts, rationalising costs and making substantial procurement savings. Swag is a Chartered Accountant and a Warwick MBA.

EXECUTIVE COMMITTEE

In addition to the Chief Executive and Chief Financial Officer, the Executive Committee comprises the Chief Operating Officer, two Divisional Managing Directors, and the CEO and Founding Partner of Oystercatchers. The biographies of the Executive Committee are set out below:

Linda Smith

Chief Operating Officer

Linda was appointed Chief Operating Officer in February 2016 and manages Centaur's centralised expert hubs of IQ, Research, Production, Data and Digital Product Development, as well as IT, HR and client and customer delivery operations. Linda has worked at a number of media companies including ITV, StarcomMediaVest, Capital Radio, RadioCentre and most recently Bauer Media. She was a commercial consultant to Centaur Media in 2014. Through her previous roles Linda has developed operational experience in a number of different areas including M&A, sales and general management and across a broad spectrum of broadcasting, publishing and digital platforms.

Steve Newbold

Divisional
Managing Director

Steve is Divisional Managing Director for the Media and Events businesses. He oversees the multi-platform teams for the Marketing & Creative, Legal, Engineering, Financial, Business Travel, Meetings and HR portfolios. He also manages the central event operations team. Prior to joining Centaur Media in 2015 Steve held Managing Director roles at WGSN, i2i Events, Emap plc (now Ascential), Hachette and Hearst. He has experience of running multi-media, international businesses in key sectors across both B2B and Consumer markets.

Jane Turner

Divisional
Managing Director

Jane's early career began with publishers Maclean Hunter, Thomas Telford and Argus Press Group, moving on to Mintel International and Claritas Nielsen and helping drive both companies into the age of digital distribution. Following this foundation, her time with agency groups Havas and WPP focused on delivering insight, sales, marketing and digital solutions for major enterprise clients. In 2005 Jane joined Chorion PLC as Managing Director. Latterly, she has run her own digital applications business whilst also supporting a range of classic digital creative agencies, digital content and SaaS technology businesses in growing new audiences and developing new channels. Jane joined Centaur as Divisional Managing Director with responsibility for the Marketing portfolio in March 2016.

Suki Thompson

CEO and Founding Partner
of Oystercatchers

Suki joined Centaur Media in October 2016 as a result of the acquisition of Oystercatchers and joined the Executive Committee. Suki started her career agency-side with companies such as DDB, WWAV, Publicis, TBWA and Y&R in London and Asia before founding Haystack Consultancy, which created a framework for the modern pitch intermediary. As well as her work at Oystercatchers, Suki has been the Chair of The Marketing Society, a long-standing member of WACL (Women in Advertising and Communications London) and is on The Board of Trustees for Macmillan Cancer Support and Touraid. She is a regular contributor to the national and marketing press and speaker at industry conferences.
In 2012 Suki was made a Freeman of the City of London and given an honorary Doctorate by Coventry University for her services to International Business

DIRECTORS' REPORT

The Directors of Centaur Media Plc ('the Company' or 'the Group'), a company incorporated and domiciled in England and Wales, present their report on the affairs of the Group and Company together with the audited company and consolidated financial statements for the year ended 31 December 2017.

Details of significant events since the balance sheet date are contained in note 34 to the financial statements.

Principal activities

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

Business review

The Strategic Report, incorporating the CEO's Review, on pages 6 to 27 sets out a summary of the Group strategic objectives, business model, key performance measures, operating and financial reviews, future developments, principal risks and the corporate responsibility statement.

Greenhouse gas emissions

Details of the Group's greenhouse gas emissions are included in the Corporate Responsibility Section on page 27.

Research and development activities

The Group invests in systems and website development activities – see note 11 to the financial statements for the internally generated amounts capitalised during the year. The Group does not incur any significant research costs.

Dividends

A final dividend in respect of the period July to December 2017 of 1.5p per share (July to December 2016: 1.5p) is proposed by the Directors, and subject to shareholder approval at the Annual General Meeting, will be paid on 25 May 2018 to ordinary shareholders on the register at the close of business on 11 May 2018. With the interim dividend of 1.5p per share, the total dividend for the year will be 3.0p per share (2016: 3.0p).

Share capital and substantial shareholdings

Details of the share capital of the Company are set out in note 25 to the financial statements. As at 31 December 2017, and 20 March 2018 (being the last practicable date prior to publication), notifications of interests at or above 3% in the issued voting share capital of the Company had been received from the following:

	31 December 2017	20 March 2017
Aberforth Partners LLP†	24.86%	24.86%
Artemis Investment Management LLP	15.78%	15.78%
IBIS Capital Partners LLP	7.16%	7.20%
Argos Funds – Argonaut Fund	6.98%	6.98%
Graham Sherren (inc. spouse)	5.73%	5.73%
Chelverton Asset Management	5.02%	5.02%
Otus Capital Management	4.66%	5.18%
Fidelity International††	4.67%	4.67%
Slater Investments††	3.48%	3.48%
Aberdeen Standard Life Investments††	3.20%	3.20%

† This includes Wellcome Trust Limited which is managed by Aberforth Partners LLP

†† Figures derived from share register analysis

At 20 March 2018 and 31 December 2017, 6,964,613 (31 December 2016: 6,870,437) 10p ordinary shares are held in treasury, representing 4.60% (2016: 4.54%) of the issued share capital of the Company as at 31 December 2017. 800,000 (2016: 800,000) deferred shares of 10p each carry restricted voting rights and carry no right to receive a dividend payment. The movement in treasury shares during the period is due to the repurchase of shares by the Company.

Directors and Directors' interests

The Directors of the Company during the year and up to the date of this report are detailed below. All directors served from 1 January 2017 unless otherwise stated. The Board have decided to continue observing best practice by offering themselves for re-election annually.

	Number of ordinary shares held at 1 January 2017	Shares acquired during the year	Number of ordinary shares held at 31 December 2017†	Number of ordinary shares held at 20 March 2017
Ronald Sandler (resigned 3 January 2018	45,000	45,000	45,000	45,000
Neil Johnson (appointed 3 January 2018)	–	–	–	–
William Eccleshare	–	–	–	–
Robert Boyle	117,037	–	117,037	117,037
Rebecca Miskin	14,800	–	14,800	14,800
Andria Vidler	153,930	5,508	159,438	160,323
Swagatam Mukerji	30,000	4,539	34,539	35,424

† Or date of resignation if earlier

The Directors' interests in long-term incentive plans are disclosed in the Remuneration Committee Report on pages 50 to 51.

DIRECTORS' REPORT

Qualifying third party indemnity provisions

By virtue of article 217 of the Articles of Association of the Company, a qualifying third party indemnity provision (within the meaning given by section 234 of the Companies Act 2006) is in force at the date of this report in respect of each Director of the Company and was in force throughout the year.

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

Charitable and political donations

During the year the Group made a donation to its nominated charity for 2017, Alzheimer's, of £87,727, which included third party donations collected at events of £67,387 (2016: donation to Childline of £118,855 including third party collections of £101,947).

No political donations were made during the year (2016: £nil).

Employment policy

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

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

The Group actively encourages employee involvement at all levels, both through monthly employee briefings and by direct access to managers and the Executive Committee. In addition, the Share Incentive Plan as described in note 26 encourages employees' participation in the Group's performance.

All employees are regularly briefed on the financial and economic factors affecting the Group's performance and new initiatives through monthly town hall meetings and management cascade communication.

Significant agreements

The Group's bank facility agreement, referred to in note 24 to the financial statements, is a significant agreement that is terminable on a change of control of the Company. In addition, awards under certain of the long-term incentive plans, details of which are set out in note 26, will vest or may be exchanged for awards of a purchaser's shares upon a change of control of the Company.

As part of the acquisition of MarketMakers, an earn-out payment was agreed with its former shareholders in the assumption that certain EBITDA targets for 2017 were met. We expect this to be concluded in the first half of 2018.

Conflicts of interest

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

Financial instruments

A statement in relation to the financial risk management and use of financial instruments by the Group is presented in note 29 to the financial statements.

Information required under the listing rules

In accordance with the UK Financial Conduct Authority's Listing Rules (LR 9.8.4C), the information to be included in the annual report and financial statements, where applicable, under LR 9.8.4, is set out in this Directors' report, with the exception of details of transactions with controlling shareholders which is set out on page 51.

Going concern

The Directors have carefully assessed the Company's ability to continue trading and have a reasonable expectation that the Company has adequate resources to continue in operational existence for at least 12 months from the date of this report and for the foreseeable future. See note 1 of the financial statements for further details.

Subsidiaries

Details of the subsidiaries of the Company are shown in note 13 to the financial statements.

Compliance with the UK Corporate Governance Code

See the Directors' Statement on Corporate Governance for the statement made in respect of the Group's compliance with the provisions of the UK Corporate Governance Code on page 33.

Disclosure of Information to the Auditors

The Directors confirm that, so far as the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware, and the Directors have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

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

The Directors' responsibility statement is included on page 55.

Approved by the Board of Directors and signed by order of the Board.

HELEN SILVER
Company Secretary
20 March 2018

DIRECTORS' STATEMENT ON CORPORATE GOVERNANCE

The Board is committed to high standards of corporate governance and supports the UK Corporate Governance Code published in April 2016. The Board sets out its report below on how the Group has applied the principles of, and complied with, the UK Corporate Governance Code during the year.

Compliance statement

The Company has applied the provisions set out in the UK Corporate Governance Code throughout the year. The Board is committed to maintaining a structure, which establishes a sound corporate governance framework on behalf of the Company's shareholders. Throughout the year, the Group has complied with all the provisions of the UK Corporate Governance Code.

The Board

As at 31 December 2017 the Board had four Non-Executive Directors and two Executive Directors (Chief Executive and Chief Financial Officer). Biographies for each currently serving director are shown on pages 28 to 29. The Board endeavours to maintain diversity in its composition with respect to gender, skills, knowledge and length of service in order to ensure the balanced and effective running of the Company. Neil Johnson (previously Ron Sandler until 3 January 2018) is Chairman of the Board and is an independent Non-Executive Director, who leads the Board and ensures that both Executive and Non-Executive Directors make available sufficient time to carry out their duties in an appropriate manner, that all directors receive sufficient financial and operational information, and that there is proper debate at Board meetings.

The Board is responsible for the leadership of the Company and the Group, and in discharging that responsibility it makes decisions objectively and in the best interests of the Group. The Board sets the vision, values and standards for the Group. The balance of the Board, together with the advice sought from the Executive Committee members and the Company's external advisors, ensures that no one individual has unfettered powers of decision. The Board delegates day-to-day responsibility for the running of the Company to the Chief Executive.

The Chairman is responsible for the effective performance of the Board through a schedule of matters reserved for approval by the Board (comprising issues considered most significant to the Group in terms of financial impact and risk) and control of the Board agenda. The Chairman conducts Board and shareholder meetings and ensures that all directors are properly briefed. The Chief Executive, supported by the Chief Financial Officer and Executive Committee, is responsible to the Board for running the business and implementing strategy. The Board reviews the performance of the Executive Directors and the Group against agreed budgets and against the Group's objectives, strategy and values.

The Senior Independent Director is William Eccleshare, who is also a member of the Remuneration and Nomination Committees. The Company Secretary is Helen Silver. The Company Secretary assists the Chairman in ensuring there is efficient communication between all directors, the committees and senior management, as well as the professional development of directors. Independent advisors including lawyers, remuneration specialists and external auditors are available to advise the Non-Executive Directors at the Company's expense. All of the Non-Executive Directors are independent. Committee meetings are held independently of Board meetings and invitations to attend are extended by the Committee Chairman to other directors, the Group's advisors and management as appropriate. The terms of reference of the Audit Committee, the Nomination Committee and the Remuneration Committee, including their roles and the authority delegated to them by the Board, are available on request from the Company Secretary and will be available at the AGM.

DIRECTORS' STATEMENT ON CORPORATE GOVERNANCE

Board meetings

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

	Board Role	Audit Committee	Remuneration Committee	Nomination Committee
Ronald Sandler (resigned 3 January 2018)	Chairman	Member	Member	Chairman
Neil Johnson (appointed 3 January 2018)	Chairman	–	–	Member
William Eccleshare	Senior Independent Director	–	Member	Member
Robert Boyle	Non-Executive Director	Chairman	Member	–
Rebecca Miskin	Non-Executive Director	Member	Chairman	Member
Andria Vidler	Chief Executive	–	–	–
Swagatam Mukerji	Chief Financial Officer	–	–	–

The number of scheduled full Board meetings and committee meetings during the year along with attendance of Directors was as follows:

	Board		Audit Committee		Remuneration Committee		Nomination Committee	
Number of meetings held:		8		4		4		2
	Meetings attended	Meetings eligible to attend	Meetings attended	Meetings eligible to attend	Meetings attended	Meetings eligible to attend	Meetings attended	Meetings eligible to attend
Ronald Sandler (resigned 3 January 2018)	8	8	4	4	4	4	2	2
Neil Johnson (appointed 3 January 2018)	0	0	–	–	–	–	0	0
William Eccleshare	8	8	–	–	4	4	2	2
Robert Boyle	8	8	4	4	4	4	–	–
Rebecca Miskin	8	8	4	4	4	4	2	2
Andria Vidler[1]	8	8	–	–	–	–	–	–
Swagatam Mukerji	8	8	–	–	–	–	–	–

1. Andria Vidler's married surname is Gibb and she appears as Andria Gibb on some records kept by Companies House.

If a Director is unable to attend a meeting he or she is provided with the same level of information as the other directors in advance of the meeting and given the opportunity to express views, which will then be shared at the meeting.

In addition to the key items identified for discussion by the Committees above, the Board discussed the following matters at the Board meetings during the year:

- Review of financial performance against budget and prior year;
- Review of Group strategy and objectives for the Executive Directors;
- Review and approval of budgets;
- Review of Group key performance indicators;
- Review of acquisition targets;
- Approval of financial reports and communication to shareholders and investors; and
- Approval of the Group's internal control policy, including a robust assessment of the principal risks and corporate governance environment.

Board assessment and Directors' performance evaluation

The Board undertakes a formal evaluation of its own performance and that of its committees and individual directors. Individual evaluation aims to show whether each director continues to contribute effectively and to demonstrate commitment to the role (including commitment of time for Board and committee meetings and other duties). Evaluations are undertaken annually by self-assessment and the Chairman's performance is also evaluated by the other Non-Executive Directors at a separate meeting for this purpose each year. In addition the Chief Executive is subject to an annual performance review with the Chairman. New directors receive an induction programme and all the directors are encouraged to undertake continuous professional development programmes as appropriate. The Group maintains insurance cover in respect of legal action against its directors.

Management structure

The Board delegates the day-to-day running of the Company to the Executive Directors, who in turn share the operational running of the Group with the Executive Committee. Throughout the year, the Executive Committee was the primary body implementing operational management across the Group. The role of the Executive Committee is to review:

- Financial performance and budget (at operational level);
- Human capital management;
- Operational efficiency and developments (including Group IT, procurement and facilities);
- Product development;
- Market development;
- Business planning;
- Acquisition needs;
- Internal and external communications; and
- Business transformation and change management.

The biographies of the members of the Executive Committee are set out on page 30. Supporting the Executive Committee are the Portfolio Directors who are responsible for specific market segments and the expert leaders who lead the teams delivering functional expertise. The focus on our markets and audience enables us to build a deeper understanding of the commercial opportunities across each market. We know that our customers want flexible content that works seamlessly across multiple platforms. By leveraging this market insight and an understanding of our customer requirements we are able to offer a higher value customer proposition. The expert teams provide the expertise and scale that allows us to effectively and efficiently support the delivery of commercial opportunities across each market. The creation of these expert teams also enables us to effectively manage our cost base and to prioritise investment across the business.

Relations with shareholders

The Company encourages meaningful dialogue with all shareholders. Shareholder communication centres primarily on the publication of annual reports, periodic press releases, investor presentations and trading updates. The Chairman and Executive Directors are available for discussions with shareholders throughout the year and particularly around the time of results announcements. The Senior Independent Director is also available should any shareholder wish to draw any matters to his attention. The Directors are available for comment throughout the year and at all General Meetings of the Company. Centaur Media values the views of its shareholders and recognises their interest in the Company's strategy and performance, Board membership and quality of management. The Group therefore has an active programme to meet and make presentations to its current and potential shareholders to discuss its objectives. The AGM is used to communicate with investors and they are encouraged to attend the AGM and to participate in proceedings formally or sharing their views with Board members informally after the meeting. The Chairmen of the Audit, Remuneration and Nomination Committees are available to answer questions. Separate resolutions are proposed on each issue so that they can be given proper consideration and there is a resolution to approve the annual report and financial statements. The Company counts all proxy votes and indicates the level of proxies lodged on each resolution, after it has been voted on by a show of hands. All shareholders can gain access to the annual reports, trading updates, announcements, press releases and other information about the Company through the Company's website, **www.centaurmedia.com.**

Risk assessment

Risks that affect or may affect the business are identified and assessed, and appropriate controls and systems implemented to ensure that the risk is managed. The Group's risk register is kept by the Company Secretary with the input of the Executive Committee and is reviewed by the Audit Committee every six months with appropriate mitigation actions also being reported to and overseen by the Committee.

The principal risks facing the Group, with associated mitigating controls, are detailed on pages 22 to 24 within the Strategic Report.

DIRECTORS' STATEMENT ON CORPORATE GOVERNANCE

Ethics

The Group carries out its business in a fair, honest and open manner, ensuring that it complies with all relevant laws and regulations. The Company has specific policies on fraud, director conflict, bribery, whistleblowing and slavery and human trafficking, which are widely distributed and compliance with these policies is monitored. The Board has oversight of the Group's actions. The HR team ensures that new job opportunities are made available to existing employees as well as to outside applicants and that all employees are able to benefit from training, career development and promotion opportunities where appropriate. The recruitment of new personnel is made without prejudice and the Group believes in equal opportunity and encourages diversity. The analysis of the Group's workforce and Board by gender is set out in the Corporate Responsibility Report on page 26.

Through all our interaction with our customers and partners we ensure that we treat them fairly and openly whilst abiding by the terms of contracts and relevant law. Equally, we treat our suppliers fairly and do not exploit them or their employees.

Monitoring of controls

The Board has overall responsibility for the effectiveness of the Group's system of risk management and internal controls and these are regularly monitored by the Audit Committee.

Details of the activities of the Audit Committee in this financial year can be found in the Audit Committee Report on page 38.

Greenhouse gas emissions

The disclosure in respect of the greenhouse gas emissions of the Group that are attributable to human activity in tonnes of carbon dioxide is set out in the Corporate Responsibility Report on page 27.

Fraud

Whilst the Group cannot guarantee to prevent fraud, an internal control framework is in place to reduce the likelihood of fraud arising. The Group's whistleblowing policy is available to employees on the Company's intranet, should any employee become aware of any incidence of fraud.

Directors' conflicts

Group and subsidiary directors are required to notify their employing company of all directorships they hold. Annual conflict of interest disclosures require them to disclose such directorships or other relationships, which they or a person connected to them may hold. These are reviewed by the Board to assess the impact on the Company and whether it would impair the Group's objectives.

Bribery Act 2010

In response to the Bribery Act 2010, the Board performed a risk assessment across the Group and formalised its policy to prevent bribery. The Board has in place processes to prevent corruption or unethical behaviour. The policy explains what is considered a bribe or facilitation payment, which are prohibited, and provides guidance over the levels of gifts, entertainment and hospitality that are considered reasonable. Training has been mandatory for those groups of employees identified and is available as required to new joiners. During 2017, an online training programme was made available to all employees. The Group's policy is communicated to all appropriate third parties. The more rigorous processes around declaring directors' interests and identifying potential conflicts have improved the regular monitoring of the Group's policy.

Whistleblowing

The Company is committed to the highest standards of integrity and honesty. Along with other policies which encourage this behaviour, the Group's whistleblowing policy is available to employees on the Company's intranet. This policy allows all employees to disclose openly, in confidence or anonymously, any concerns they may have about possible improper practices, in financial or other matters. An escalation process has been communicated to employees. Any matters raised will be investigated and resolved. The Audit Committee will be notified of any issues raised through this process and appropriate action taken. However, no incidents were noted during the year.

Modern Slavery Act 2015

The Company is committed to implementing and enforcing effective systems and controls to ensure modern slavery is not taking place anywhere in its business or in any of its supply chains. The Company's slavery and human trafficking statement for the purposes of section 54 of the Modern Slavery Act 2015 is available on the Company's website, www.centaurmedia.com. The Group has in place an anti-slavery and human trafficking policy which has been made available to employees on the Company's intranet and, from 2017, is notified to all new joiners. Training has been provided to key employees and the policy is communicated to suppliers and other third parties where appropriate.

Capital structure

Information on the share capital structure is included in the Directors' Report on page 31.

Approved by the Board of Directors and signed by order of the Board.

HELEN SILVER
Company Secretary

20 March 2018

AUDIT COMMITTEE REPORT

ROBERT BOYLE
Chairman of the Audit Committee

Dear Shareholder,

I am pleased to present the report of the Audit Committee ('the Committee') for the year ended 31 December 2017. This report details the Audit Committee's responsibilities and key activities over the period. The role of the Committee is to protect the interests of shareholders regarding the integrity of financial information published by the Group and to oversee the effectiveness of the external audit. It does this through reviewing and reporting to the Board on the Group's financial reporting, internal controls and risk management processes and the performance, independence and effectiveness of the external auditors, PricewaterhouseCoopers LLP ('PwC').

Committee composition

During the year, the Committee comprised Non-Executive Directors, Robert Boyle (Chairman), Rebecca Miskin and Ron Sandler who stood down on 3 January 2018. Their biographies are shown on pages 28 and 29. The Group's Chairman, Neil Johnson, was appointed on 3 January 2018 and attends meetings by invitation but is not a member of the Committee. The membership of the Committee is balanced, and is considered to contain the appropriate combination of recent, relevant financial experience through the Chairman, as well as competence relevant to the sector.

The Executive Directors, representatives of the external auditors and other Group executives regularly attend meetings at the invitation of the Committee. The Committee met four times during the year, with all members attending. Meetings are held throughout the year, and timed to align with the overall financial reporting timetable. At least once during the year, the Committee meets separately with the external auditors and with management, and as Chairman I am in regular direct contact with the external auditors and with the Chief Financial Officer.

Roles and responsibilities

The main roles and responsibilities of the Audit Committee are to:

- Monitor the integrity of the financial statements of the Group and any public announcements relating to the Group's financial performance, reviewing (and approving) significant financial reporting judgements contained in them;
- Review and monitor the external auditors' independence and objectivity and the effectiveness of the audit process, taking into consideration relevant UK professional and regulatory requirements;
- Review and assess the Annual Report in order to determine that it can advise the Board that, taken as a whole, the Annual Report is fair, balanced and understandable, and provides shareholders with the information they need to assess the Company's position and performance, business model and strategy as required by provision C.1.1 of the UK Corporate Governance Code;
- Make recommendations to the Board in relation to the appointment and terms of engagement of the external auditors and to review and approve levels of audit and non-audit remuneration;
- Develop and implement policy on the engagement of the external auditors to supply non-audit services;
- Review the effectiveness of the Group's internal financial control and risk management systems;
- Review the Group's financial and operational policies and procedures to ensure they remain effective and relevant;
- Oversee the whistleblowing arrangements of the Group and to ensure they are operating effectively; and
- Report to the Board on how it has discharged its responsibilities.

AUDIT COMMITTEE REPORT

Financial statements

During the year and up until the date of this report, the Audit Committee undertook the following activities to ensure the integrity of the Group's financial statements and formal announcements:

- Regularly met with management and the Chief Financial Officer to discuss the results and performance of the business, including regular review of the aged debt position throughout the year;
- Received reports from management on the internal controls covering the financial reporting process;
- Reviewed and agreed the external auditors' strategy in advance of their audit for the year;
- Reviewed compliance with requirements under the UK Corporate Governance Code, and in particular its impact on the Strategic Report and Viability Statement;
- Discussed the report received from the external auditors regarding their audit in respect of the prior year, which included comments on significant financial reporting judgements and their findings on internal controls;
- Met with other management personnel including the Head of Credit; and
- Reviewed and discussed with management and the Chief Financial Officer each formal announcement made by the Group.

The most significant financial reporting judgements considered by the Audit Committee and discussed with the external auditors during the year were as follows:

Carrying value of goodwill and intangible assets

The Audit Committee has reviewed management's assessment of the recoverability of the Group's goodwill and intangible assets and whether there is a need for any resulting impairment. The recoverable amount of goodwill has been determined through value-in-use calculations of each cash-generating unit ('CGU') based on formally Board approved forecasts for the first three years of the value-in-use calculation, and applying a terminal growth rate of 2.0%.

In 2017 management's assessment of the recoverability of the Group's goodwill and intangible assets resulted in no impairment being recognised against the goodwill. The Committee has paid particular attention to the judgements and assumptions used to forecast cash flows, particularly around revenue and adjusted[2] EBITDA growth rates. The Committee was satisfied that the forecasts reflect the CGUs' historical budgeting performance and that reasonable sensitivities were performed, that the value-in-use calculation reflects management's best estimate, and that the booking of no impairment against any segment is appropriate. As a result the Audit Committee was satisfied with the carrying value of goodwill and intangible assets in the Group balance sheet.

Further details on goodwill and the impairment testing are included in note 10 to the financial statements.

Recoverability of trade receivables

Gross trade receivables over 90 days overdue fell to £1.6m at the end of 2017 from £4.1m (£3.2m excluding Home Interest) at the end of 2016. The Committee notes that collectability of trade receivables is a judgemental area. The Committee has reviewed management's detailed assessment of the recoverability of the trade receivables balance, and the methodology used to determine the provision required, which includes a range of sensitivities. The Group continues to operate a policy of accruing a certain percentage of revenue against a provision for doubtful debts however, it has been deemed that no further exceptional provision is required in 2017.

The Committee is pleased that 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'). Both the Audit Committee and the Board have paid close attention to quantum and ageing of trade receivables throughout the year, reviewed the processes and controls implemented to manage the risk of these issues recurring, and have received regular reports from management, including the Head of Credit.

Further details on trade receivables and the associated provision are shown in notes 18 and 29.

Other areas of judgement discussed with the external auditors were as follows:

Adjusting items

The Audit Committee has challenged management strongly over recent financial reporting periods with regard to the presentation of exceptional items and other alternative performance measures. Adjusting items disclosed in the year include the profit on disposal of the Home Interest segment disposal, earn-out consideration and amortisation of acquired intangible assets mainly in relation to the acquisition of MarketMakers and Oystercatchers (see below), and exceptional costs arising in relation to restructuring activities. The Committee notes that the restructuring activities (both staff-related and corporate) arise from specific change programmes during the year, and that they are material and could therefore distort the user's view of the Group's results. The Committee is satisfied that it is appropriate to present these items as adjusting items on the basis that they assist the user in assessing the core operating performance of the Group.

The Committee assesses the appropriateness of all alternative performance measures disclosed as adjusting and the impact these have on the presentation of the Group's results, and is satisfied that they do not inappropriately replace or obscure IFRS measures.

Further details on adjusting items are included in notes 1(b) and 4 to the financial statements.

Acquisition of MarketMakers

On 2 August 2017, the Group acquired 100% of Market Makers Incorporated Limited which constituted a Business Combination under IFRS3.

The acquisition resulted in an initial consideration of £18.9m which has been allocated for fair value adjustments in relation to identified intangible assets (brand, customer contracts and relationships and in-house developed CRM systems) of £5.1m and goodwill of £11m cash and working capital amounted to £3.0m. Amortisation of the acquired intangibles was £0.6m in the year and would be £1.3m on a full year basis.

The Committee has reviewed the results of the purchase price allocation exercise performed by management to identify and value intangible assets and concluded that it is appropriate.

Details of the acquisition of MarketMakers are set out in notes 14 and 23 to the financial statements.

Disposal of Home Interest

On 1 August 2017, the Group completed the disposal of the Home Interest Segment for £32.8m. The Committee is satisfied that the accounting for its disposal and treatment of the applicable transitional services arrangement are fair and appropriate. Details of the disposal are set out in notes 8 and 15 to the financial statements.

Acquisition of Oystercatchers

On 30 September 2016, the Group acquired the business and assets of The Oystercatchers LLP, which constitutes a Business Combination under IFRS 3.

The agreement included contingent consideration relating to an earn-out arrangement of up to £1.2m.

Since payment of this consideration was linked to employees remaining in the business up to 31 March 2017, the charge for this earnout has been taken through the statement of comprehensive income as a remuneration expense. In both 2017 and 2016, charges of £0.6m have been treated as an adjusting item in line with the Group's accounting policy.

The Committee notes that the amounts involved are material and require judgement, and concurs with the treatment of the acquisition, including its presentation, in the financial statements.

Further details on the business combination are presented in note 14 to the financial statements.

Going concern and viability

The Audit Committee received a report setting out the going concern review undertaken by management which forms the basis of the Board's going concern conclusion. During 2015, the Group agreed a four year £25.0m multi-currency revolving bank facility. The Committee notes that working capital was strongly positive in the year and the Group has now no draw down from the facility. The Committee has reviewed forecasts to cover the eighteen months from signature date with various downside scenarios explored. The Committee has concluded that the adoption of the going concern basis is appropriate.

In addition, the Committee has assessed the statement in relation to the longer-term viability of the Group and of the Group's principal risks to viability, including reviewing the long-term financial projections for the period over which the statement is made, and reviewing qualitative and quantitative analysis and scenario testing prepared by management. The Committee concluded that the statement in relation to the longer-term viability of the Group in the Strategic Report is appropriate.

Risk management

The Group's management is responsible for the identification, assessment and management of risk, as well as for designing and operating the system of internal control as set out in the Strategic Report on pages 6 to 27. The Committee has assessed management's identification of risk and concluded that appropriate mitigating actions are being taken. The Auditor has also detailed certain risks in his report and set out the work performed to satisfy himself that these have been properly reflected in the Financial Statements. The Committee has worked closely with management and received detailed information to assess the effectiveness of internal financial control and risk assessment and management systems, and report on them to the Board (which retains ultimate responsibility). Details of financial risks are set out in note 29.

Having monitored the Group's risk management and internal control system, and having reviewed the effectiveness of material controls, including financial, operational and compliance controls, the Committee confirms on behalf of the Board that it has not identified any significant control failings or weaknesses at any time during the year and to the date of this report. The Committee is satisfied that appropriate actions have been taken to address weaknesses in the order to cash cycle following the accounting system implementation during 2015, and that significant improvements in cash collections have now been instrumental in driving strong cash collection.

AUDIT COMMITTEE REPORT

Risk of fraud

The Committee considered the risk of fraudulent financial reporting in the business, and through its review of the effectiveness of internal controls and reporting from management, has concluded that adequate controls were in place during the year.

Whistleblowing

The Committee reviewed the Group's whistleblowing policy and is satisfied that this has met FCA rules and good standards of corporate governance. Further details of the whistleblowing policy are set out within the Directors' Statement on Corporate Governance on page 36.

Internal audit

The Committee considered whether it was appropriate to appoint internal auditors and concluded that this is not currently required given the size of the business, its relatively centralised operations and the risks identified together with the mitigating controls.

External audit

The Group's external auditors are PricewaterhouseCoopers LLP. The Committee monitors the external audit process to ensure high standards of quality and effectiveness. This was assessed throughout the year using a number of measures, including:

- Reviewing the quality and scope of planning of the audit and the level of fees;
- Monitoring the independence and transparency of the audit; and
- Obtaining feedback from management and the Directors on the quality of the audit team, their business understanding and audit approach, and approving reappointment.

PwC have been the Company's external auditor since its incorporation in 2004. The appointment was subject to competitive tender in 2016.

The Audit Committee has considered the independence and objectivity of the external auditors through a careful review of their terms of engagement, scope of work and level of fees (which are shown in note 3 to the financial statements). This included reviewing the nature and extent of non-audit services supplied by the external auditors to the Group, seeking to balance objectivity and value for money.

In light of new regulations, the Committee reviewed and approved updates to the Group's policy regarding non-audit services during 2016. The external auditors are excluded from providing any non-audit services that individually, or in aggregate, may impair the independence of the auditor. Prior approval from the Audit Committee is required for any permitted audit related or other services in accordance with the Audit Committee's policy, and effective from 1 January 2017 fees for any such services should not exceed 70% of the fee for the external audit in any given year.

During the year, PricewaterhouseCoopers LLP provided non-audit services to the Group in respect of the Group's Class One transactions. Work consisted of providing an Accountant's Opinion On Pro Forma Financial Information provided within the Group's circular and a review of the Group's working capital provided to the Board pursuant to those two Class One transactions. The Committee decided that in view of the urgency of the reporting requirements and PricewaterhouseCoopers LLP's familiarity with the business being disposed of they were likely to be the lowest risk and most financial effective providers of these services.

Following the update to the Group's non-audit services policy, tax advisory and compliance services have no longer been supplied since 31 December 2016. The external auditors' report to the Directors and the Audit Committee also confirmed their independence in accordance with auditing standards and the Committee concurred. Should such services be required in the forthcoming year we are likely to use alternative suppliers.

Self-assessment

During the period the Audit Committee performed a formal, questionnaire based, self-assessment of the effectiveness of the Audit Committee with satisfactory results.

Report to the Board

The Board has requested the Committee to confirm that in its opinion the Board can make the required statement that the Annual Report taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy. The Committee has given this confirmation on the basis of its review of the whole Annual Report, underpinned by involvement in the planning for its preparation, review of the processes to ensure the accuracy of factual content and by assurances from the Remuneration Committee.

Independent auditors

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

ROBERT BOYLE
Chairman of the Audit Committee

20 March 2018

NOMINATION COMMITTEE REPORT

NEIL JOHNSON
Chairman of the Nomination Committee

Dear Shareholder,

I am pleased to present the report of the Nomination Committee for the year ended 31 December 2017. This report details the Committee's ongoing responsibilities and key activities over the period. The Committee comprised Ron Sandler (Chairman) until 3 January 2018, myself with effect from 3 January 2018, William Eccleshare and Rebecca Miskin, ensuring that there is a majority of independent Non-Executive Directors on the Committee.

Nomination Committee Responsibilities

The Committee's key responsibilities include:

- Reviewing the Board's structure, size and composition;
- Reviewing the composition of Board Committees;
- Defining the role and competencies required for appointments to the Board;
- Identifying, nominating and reviewing candidates for appointment to the Board;
- Putting in place plans for succession for the Chairman and other members of the Board, the Chief Executive and the Chief Financial Officer; and
- Reviewing the leadership needs of the organisation, both Executive and Non-Executive.

The appointment of directors is a matter for the Board, which considers recommendations of the Nomination Committee. The Committee is responsible for ensuring that the Board and the Board Committees are properly constituted and balanced in terms of skills, experience and diversity. Our policy on Board diversity is set out in the Directors' Report above and during the year we had two female Board members, comprising 33% of the Board.

Activities during the year

During the second part of the year, the primary focus of the Committee was to identify and appoint a new Chairman in preparation for the departure of Ron Sandler. The Committee was led by William Eccleshare for this purpose and followed a rigorous process that was approved by the Board and supported by executive search consultants. Following a comprehensive short list and interview exercise, my appointment was recommended to the Board by the Committee and I was confirmed as Chairman and a member of the Nomination Committee with effect from 3 January 2018.

Zygos Partnership, the external search consultancy used in the search process has no other connection with Centaur Media.

For the remainder of the year the Committee focused on the responsibilities set out above, including in particular undertaking a review of the Board's structure, size and composition, as well as the effectiveness of the Board and its Committees.

NEIL JOHNSON
Chairman of the Nomination Committee

20 March 2018

REMUNERATION COMMITTEE REPORT

Annual Statement

REBECCA MISKIN
Chair of the Remuneration Committee

Dear Shareholder,

On behalf of the Board, I am pleased to present the Remuneration Report for the year ended 31 December 2017. This report is in three parts: this Annual Statement; the Remuneration Policy Report; and the Annual Report on Remuneration. As no changes are being proposed to the existing Remuneration Policy, only the advisory shareholder vote on the Annual Report on Remuneration will be tabled at the Annual General Meeting on 3 May 2018.

Committee membership and work of the Committee during the year

During the year, Centaur Media's Remuneration Committee comprised myself (Chairman), Ron Sandler, Robert Boyle, and William Eccleshare.

The Committee met four times during 2017. The main Committee activities during the year (full details of which are set out in the relevant sections of this report) included:

- agreeing Executive Director base salary levels from 1 April 2017;
- agreeing the performance against the targets for the 2016 annual bonus awards;
- setting the performance targets for the 2017 annual bonus;
- agreeing the award levels and earnings per share and Total Shareholder Return (TSR) targets for the 2017 LTIP awards. This included a consultation exercise with the Company's largest investors;
- reviewing the Company's share dilution position;
- review draft Gender Pay disclosures; and
- agreeing the new Non-Executive Chairman's fee level and the departing arrangements for the outgoing Chairman.

Context for executive remuneration at Centaur Media

Executive remuneration consists of a base salary, pension contribution, benefit provision and, subject to performance conditions, an annual bonus plan, part paid in cash and part deferred into shares, and shares awarded annually under an LTIP. Incentive pay is subject to clawback and malus provisions and, post-vesting, Executive Directors are required to retain 50% of the net of tax shares awarded until they have satisfied the Company's share ownership guidelines. The Committee considers that the current Remuneration Policy remains appropriate and that it satisfies the Committee's objective to operate a remuneration structure which successfully promotes the long-term success of the Group and fully aligns the interests of the Executive Directors with those of our shareholders. As such, no changes are being proposed at the 2018 AGM.

Implementation of the Remuneration Policy in 2017

- Base salary levels were not increased from 1 April 2017 and there were no changes to pension or benefit provision;
- Performance against financial and personal/strategic targets in the year ended 31 December 2017 resulted in the Remuneration Committee awarding bonuses of 37% and 50% of the maximum for the Chief Executive and Chief Financial Officer respectively;
- LTIP awards granted to the Chief Executive in 2015, which were due to vest in March 2018, based on performance to 31 December 2017 will lapse as a result of failing to meet threshold EPS and TSR performance targets.
- LTIP awards were granted to the Chief Executive and Chief Financial Officer on 24 April 2017 over shares equal to 100% of salary based on EPS and TSR performance targets. While the original intention was to grant awards over 150% of salary, based on EPS, TSR, EBITDA and cumulative free cash flow targets, the Remuneration Committee reverted to the normal 100% of salary grant level based on EPS and TSR only, following consultation with the Company's major investors.

Implementing the Remuneration Policy for 2018

In respect of implementing the Remuneration Policy for Executive Directors in 2018:

- Base salary levels for Executive Directors will increase from 1 April 2018 by 2% in line with general workforce increases;
- There will be no changes to pension and benefit provision;
- The annual bonus will continue to be capped at 100% of salary, with the majority of bonus potential measured against financial-based targets and a minority based on strategic targets. Any annual bonus greater than 75% of basic salary will continue to be awarded in Centaur Media Plc shares and deferred for three years; and
- LTIP awards are expected to be granted on a basis consistent with awards granted in prior years in terms of grant levels (100% of salary) and performance targets (50% based on EPS, 50% based on relative Total Shareholder Return).

We trust that you find this Report to be informative and we hope to receive your support for the Annual Report on Remuneration at our forthcoming AGM. It is the intention of the Committee to have a further review of Remuneration policy which will be discussed with shareholders during 2018, ahead of the need to put the policy to shareholders for approval in 2019.

REBECCA MISKIN
Chair of the Remuneration Committee

20 March 2018

DIRECTORS' REMUNERATION POLICY

Centaur Media's shareholders approved the Directors' Remuneration Policy at the 2016 AGM held on 11 May 2016. We have included an updated version of the Policy to provide context for the Annual Report on Remuneration. It has been updated only to make it easier to follow and to take account of the changes to the Board, so the substance remains unchanged. A copy of the Policy approved at the 2016 AGM can be found in the 2015 Annual Report and at **www.centaurmedia.com/investors**.

Centaur Media recognises the need to attract, retain and incentivise executives with the appropriate skills and talent to manage and develop the Group's businesses, drive the Group's strategy and deliver shareholder value. The main principles of the Directors' Remuneration Policy are:

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

Considerations of employment conditions elsewhere in the group

The Committee considers the general base salary increases for all employees when determining the annual salary increases for the Executive Directors. Employees have not been consulted in respect of the design of the Group's Executive Director Remuneration Policy, although the Committee will keep this approach under review.

Consideration of shareholder views

The Committee considers shareholder feedback received in relation to the Annual Report and AGM each year. This feedback, plus any additional feedback received during the course of the year is then considered as part of the Company's annual review of remuneration policy. In addition, the Committee will seek to engage directly with major shareholders and their representative bodies should any material changes be made to the Directors' Remuneration Policy. Details of votes for and against the resolution to approve last year's Remuneration Report are set out in the Annual Report on Remuneration.

Directors' Remuneration Policy – summary table

The table below sets out the remuneration policy that was approved by shareholders in 2016 and which became formally effective from the date of the 2016 AGM.

Note that payments may be made under arrangements in place prior to this policy becoming effective (including pension, other benefits and incentives).

The remuneration policy offered to employees of the Group will be adapted to reflect local market practice and seniority.

ELEMENT	PURPOSE AND LINK TO STRATEGY	OPERATION	MAXIMUM	PERFORMANCE TARGETS AND RECOVERY PROVISIONS
Base salary	• Reflects the value of the individual and their role • Reflects skills and experience over time • Provides an appropriate level of basic fixed income avoiding excessive risk arising from over reliance on variable income	• Reviewed annually, normally effective 1 April • Paid in cash on a monthly basis • Pensionable • Takes periodic account against companies with similar characteristics and sector comparators	• The Committee has not set a maximum level of salary. Increases will be set in the context of salary increases amongst the wider work force • The Committee retains the discretion to make increases above this level in certain circumstances, for example, but not limited to: – An increase in the individual's scope and responsibilities – Alignment to the external market – An increase to reflect an individual's performance and development in the role, e.g. where a new appointment is recruited at a lower salary level and is awarded stepped increases	Not applicable

DIRECTORS' REMUNERATION POLICY

ELEMENT	PURPOSE AND LINK TO STRATEGY	OPERATION	MAXIMUM	PERFORMANCE TARGETS AND RECOVERY PROVISIONS
Annual bonus	• Incentivises annual delivery of financial and strategic goals • Maximum bonus only payable for achieving demanding targets	• Targets reviewed annually • Not pensionable • Mandatory deferral of any bonus over 75% of base salary into shares for 3 years • Dividend equivalents may be payable on deferred share awards	100% of salary	• Normally measured over a one year performance period • Primarily based on Group's annual financial performance (majority, if not all) • Personal and/or strategic objectives (minority) • Measures for the following years will be set out in the Annual Report on Remuneration of the relevant year • Clawback provisions apply
Long term incentives	• Aligns to main strategic objectives of delivering profit growth and shareholder return	• Annual grant of conditional awards or nil cost options granted • Dividend equivalents may be payable on shares to the extent awards vest	Awards capped at 100% of salary (200% in exceptional circumstances)	• Normally a three year performance period • Performance is based on financial and/or share price based measures (e.g. relative Total Shareholder Return and EPS) • The Committee may alter the weighting and targets annually if it determines that it is appropriate to do so • Targets for the following years will be set out in the Annual Report on Remuneration • Awards vest as follows: – Threshold performance: 25% of award – Maximum performance: 100% of award • Clawback provisions apply

ELEMENT	PURPOSE AND LINK TO STRATEGY	OPERATION	MAXIMUM	PERFORMANCE TARGETS AND RECOVERY PROVISIONS
Pension	• Provides competitive retirement benefits • Provides an opportunity for Executive Directors to contribute to their own retirement plan	• Defined contributions made to Executive Directors' own pension plans. Cash supplements may also be paid	Up to 15% of base salary	Not applicable
Other benefits	• Aids retention and recruitment	• Executive Directors are provided with private medical insurance • Other benefits including company car allowance may be provided if considered appropriate by the Committee	There is no maximum. Set at a level which the Committee considers is appropriate in the context of the circumstances of the role/individual and local market practice	Not applicable
Share ownership	• To provide alignment of interests between Executive Directors and shareholders	• 50% of the net of tax vested LTIP shares required to be retained until the guideline is met	100% of salary	Not applicable

Notes

1. The Annual Report on Remuneration sets out how the Company implemented the policy presented above in 2017 and will apply it in 2018.

2. Not all employees have a bonus opportunity, and below Executive Director level bonus opportunities are generally lower. Participation in the LTIP is limited to Executive Directors and certain selected senior management. Other employees are eligible to participate in the Company's all employee share plan. In general, these differences arise to ensure remuneration arrangements are competitive in the market, together with the fact that remuneration of the Executive Directors and senior executives typically has a greater emphasis on performance related pay. All bonus schemes are discretionary.

3. The choice of performance metrics applicable to the annual bonus plan reflect the Committee's belief that any incentive compensation should be appropriately challenging and primarily tied to financial measures.

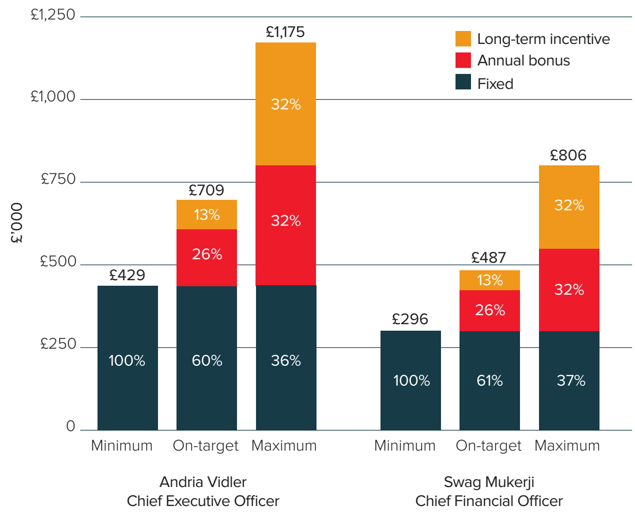
4. The TSR and EPS performance conditions applicable to the LTIP were selected by the Committee on the basis that they reward the delivery of long-term returns to shareholders and the Group's financial growth, and are consistent with the Company's objective of delivering long-term value to shareholders.

5. Executive Directors may participate in any all-employee share plan, in line with HMRC limits, and to the extent offered.

DIRECTORS' REMUNERATION POLICY

Reward scenarios

The chart below shows how the composition of each Executive Director's remuneration package varies at different levels of performance under the policy set out above, as a percentage of total remuneration opportunity and as a total value:



Notes

Fixed pay consists of salary from 1 April 2018. The value of benefits and pension have been estimated for 2018.

1. Target performance is the level of performance required to deliver 50% of the maximum bonus and 25% of the maximum LTIP value (see below).
2. Maximum performance would result in a maximum bonus payment of 100% of salary and full vesting of the maximum LTIP award (100% of salary for Andria Vidler and Swag Mukerji).
3. No share price appreciation has been assumed.

Approach to recruitment and promotions

The remuneration package for a new Executive Director would be set in accordance with the terms of the Company's prevailing approved remuneration policy at the time of appointment and would take into account the skills and experience of the individual, the market rate for a candidate of that experience and the importance of securing the relevant individual.

On recruitment, salary may (but need not necessarily) be set below the normal market rate, with phased increases as the executive gains experience. The maximum annual bonus would be no more than 100% of salary and grants under the LTIP would be limited to a maximum of 100% of salary (200% in exceptional circumstances). In addition, on recruitment the Company may compensate for amounts foregone from a previous employer (using Listing Rule 9.4.2 if necessary) taking into account the quantum foregone and, as far as reasonably practicable, the extent to which performance conditions apply, the form of award and the time left to vesting.

For an internal appointment, any variable pay element awarded in respect of their prior role should be allowed to pay out according to its terms. Any other ongoing remuneration obligations existing prior to appointment may continue, provided that they are put to shareholders for approval at the earliest opportunity.

The Committee may agree that the Company will meet relocation, legal fees or incidental costs where appropriate.

Executive director service contracts and loss of office payments

The current Executive Directors have service contracts which have a twelve month notice period. In respect of Andria Vidler's service contract (dated 30 October 2013), at the Board's discretion, a payment in lieu of any unexpired notice may be paid, comprising an amount for base salary, pension and any accrued holiday entitlement. The amount may be paid in one lump sum or in two instalments and mitigation will be applied to the second instalment. If termination is within six months of a change of control, a payment equal to 12 months' salary, pension and accrued holiday pay is payable. Where the Company terminates the contract in any other manner, any damages shall be calculated in accordance with common law principles including those relating to mitigation of loss. Notwithstanding the above, the Company is entitled to terminate employment without compensation, damages or payment in lieu of notice in specified circumstances (e.g. serious misconduct).

In respect of Swag Mukerji's service contract (dated 21 September 2016), at the Board's discretion, a payment in lieu of any unexpired notice may be paid, comprising an amount for base salary, pension and any accrued holiday entitlement. The amount may be paid in one lump sum or in two instalments and mitigation will be applied to the second instalment. If termination is within six months of a change of control, a payment equal to 12 months' salary, pension and accrued holiday pay is payable. Where the Company terminates the contract in any other manner, any damages shall be calculated in accordance with common law principles including those relating to mitigation of loss. Notwithstanding the above, the Company is entitled to terminate employment without compensation, damages or payment in lieu of notice in specified circumstances (e.g. serious misconduct).

An annual bonus will normally be payable for the period of the financial year served, although it will be pro-rated and paid at the normal pay-out date. Any share-based entitlements granted to an Executive Director under the Company's share plans will be determined based on the relevant plan rules. However, in certain prescribed circumstances, such as death, disability, retirement or other circumstances at the discretion of the Committee, 'good leaver' status may be applied. For good leavers, awards will normally vest at the vesting date set out in the relevant award, subject to the satisfaction of the relevant performance conditions at the time, and reduced pro-rata to reflect the proportion of the performance period actually served. However, the Committee has discretion to determine that awards vest at cessation of employment or to dis-apply time pro-rating.

In addition to the above, outplacement support may be provided and legal fees or any other minor incidental costs which are considered appropriate may be payable.

Remuneration Policy for the Chairman and Non–Executive Directors

The Company Chairman's fee is determined by the Remuneration Committee (other than the Company Chairman, if he sits on the Committee). The fees for the Non-Executive Directors are reviewed by the Board, excluding the Non-Executive Directors. The table summarises the key aspects of the remuneration policy for the Chairman and Non-Executive Directors:

ELEMENT	PURPOSE AND LINK TO STRATEGY	OPERATION	MAXIMUM	PERFORMANCE TARGETS & RECOVERY PROVISIONS
Non–Executive Directors fees	Provides fees reflecting time commitments and responsibilities of each role, in line with those provided by similarly sized companies	• Cash fee normally paid on a monthly basis • Reimbursement of incidental expenses where appropriate • Fees are reviewed periodically	There is no prescribed maximum annual fee or fee increase The Committee and Board are guided by the general increase in the Non-Executive market, but may decide to award a lower or higher fee increase to recognise, for example, an increase in the scale, scope or responsibility of the role or take account of relevant market movements	Not applicable

Letters of appointment

The Chairman and Non-Executive Directors have letters of appointment with the Company, which are for an initial three-year period with an extension for a further three-year period, and provide for a notice period of one month. All of the current Directors on the Board have chosen to submit to annual re-election at each AGM.

	First appointed as a director	Current letter of appointment commencement date	Current letter of appointment expiry date
Neil Johnson	3 January 2018	3 January 2018	3 January 2021
William Eccleshare	1 July 2016	1 July 2016	1 July 2019
Robert Boyle	8 January 2010	8 January 2016	8 January 2019
Rebecca Miskin	13 January 2011	14 January 2017	14 January 2020

Approach to recruitment

For the appointment of a new Chairman or Non-Executive Director, the fee arrangement would be set in accordance with the approved remuneration policy in force at that time.

ANNUAL REPORT ON REMUNERATION

Implementation of the Remuneration Policy for the year ending 31 December 2018

A summary of how the Directors' Remuneration Policy will be applied during the year ending 31 December 2018 is set out below:

Base salary

The Executive Directors' current and proposed salaries are as follows:

	From 1 April 2018 (£)	As at 1 April 2017 (£)	% change
Andria Vidler	£373,278	£365,959	2%
Swagatam Mukerji	£255,000	£250,000	2%

The salary increases that will be awarded to the Executive Directors from 1 April 2018 are reflective of the general workforce increase.

Pension and benefits

Pension and benefit provision will be in line with the disclosed policy.

Annual bonus

The maximum bonus for Executive Directors will remain at 100% of salary. The majority of bonus potential will be measured against financial-based targets with a minority based on strategic targets. Any annual bonus greater than 75% of basic salary will be awarded in Centaur Media Plc shares and deferred for three years.

Long term incentives

It is intended that LTIP awards granted to Executive Directors in March 2018 under the Centaur Media Long Term Incentive Plan 2016 ('2016 LTIP'), will be consistent with awards granted in prior years. The structure and the targets are as follows:

- 50% of the 2018 LTIP award will be based on absolute earnings per share targets. 25% of this part of the award will vest for a threshold EPS of 4.15p increasing pro-rata to 100% vesting for a maximum EPS of 7.04p for the year ending 31 December 2020. The EPS target range for these awards has been set in line with the Company's long-term business plan.
- 50% of the 2018 LTIP award will be based on relative total shareholder return ('TSR') measured against the constituents of the FTSE SmallCap (excluding investment trusts). 25% of this part of the award will vest for median TSR increasing pro-rata to 100% vesting for upper quartile TSR over the three years ending 31 December 2020. In addition to the TSR performance condition, the Committee will need to be satisfied that the Company's TSR performance reflects the underlying[1] financial performance of the Company for this part of an award to vest.

Fees for the chairman and Non–Executive Directors

The fees for the Company Chairman and the Non-Executive Directors from 1 April 2018 are as follows:

	From 1 April 2018 (£)	As at 1 April 2017 (£)	% change
Neil Johnson	125,000	125,000[1]	0%
William Eccleshare	43,775	43,775	0%
Robert Boyle	43,775	43,775	0%
Rebecca Miskin	43,775	43,775	0%

1. From appointment

Remuneration received by Directors for the Year (audited)

Directors' remuneration for the years ended 31 December 2017 and 2016 was as follows:

		Salary and fees (£)	Benefits (£)	Bonus (£)	Pension (£)	LTIP (£)	Total (£)
Executive							
Andria Vidler	2017	365,959	18,135	135,000	39,432	0	558,526
	2016	363,269	18,631	–	40,705	0	422,605
Swagatam Mukerji (appointed 1 October 2016)	2017	250,000	8,240	125,000	22,627	–	405,867
	2016	62,500	1,670	–	1,616	–	65,786
Non–Executive							
Ronald Sandler (resigned 3 January 2018)	2017	125,000	–	–	–	–	125,000
	2016	125,000	–	–	–	–	125,000
William Eccleshare (appointed 1 July 2016)	2017	43,775	–	–	–	–	43,775
	2016	21,888	–	–	–	–	21,888
Robert Boyle	2017	43,775	–	–	–	–	43,775
	2016	43,456	–	–	–	–	43,456
Rebecca Miskin	2017	43,775	–	–	–	–	43,775
	2016	43,456	–	–	–	–	43,456
Former Directors							
Mark Kerswell (resigned 29 July 2016)	2016	150,747	1,866	–	13,754	–	166,366
Christopher Satterthwaite (resigned 27 July 2016)	2016	24,768	–	–	–	–	24,768

Annual bonus for the year (audited)

The Remuneration Committee set performance targets at the start of 2017 in respect of adjusted profit[2] before tax targets, strategic and personal objectives. The adjusted[2] profit before tax result was £6.6m, against a target of £6.4m.

The strategic targets were focused on the need to reshape the portfolio based on two strategic transactions – the acquisition of MarketMakers and the sale of Home Interest. MarketMakers is now fully integrated and performing well while the post-sale separation of Home Interest was completed smoothly whilst the Group continued to perform.

The personal objectives for both Executive Directors were based on improving the revenue mix and cash collection, making progress against the operational improvement plan and reducing the company's exposure to print revenue volatility. Significant progress has been made on all three of these. In addition, Andria Vidler had personal objectives to drive customer focus and ensure that content was enriched in order to enable further monetisation. Swagatam Mukerji's additional personal objectives were to improve cash management in the business, achieving industry average KPIs whilst reducing the costs of the finance overhead.

Andria Vidler received a bonus award of £135,000 which comprised £60,000 as a result of profit before tax performance exceeding the target, £50,000 in respect of delivering the strategic objectives noted above successfully and £25,000 in respect of the Remuneration Committee's assessment of her strong performance against her personal objectives.

Swagatam Mukerji received a bonus award of £125,000 which comprised £60,000 as a result of profit before tax performance exceeding the target, £50,000 in respect of delivering the strategic objectives noted above and £15,000 in respect of his excellent performance against his personal objectives.

Consistent with the approved Remuneration Policy, both annual bonus awards were less than 75% of salary, no bonus deferral will operate in respect of the 2017 bonus paid in 2018.

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2015 LTIP vesting

With respect to the LTIP awards granted to Andria Vidler on 26 March 2015 which will lapse on 26 March 2018, vesting was based 50% on EPS and 50% on relative TSR. The three-year performance period for these awards ended on 31 December 2017. Further details relating to the award are provided in the table below:

Measure	Weighting	Targets	Outcome (to 31 December 2017)	Vesting
EPS	50%	0% vesting below 6.5 pence 25% vesting at 6.5 pence 100% vesting at 10.5 pence Straight-line vesting between these points	Below threshold EPS	0%
Relative TSR vs FTSE SmallCap index (excluding investment trusts)	50%	0% vesting below median 25% vesting at median 100% vesting at upper quartile Straight-line vesting between these points	Below median	0%*
Total LTIP vesting				0%

Further details of the vesting/lapse are as follows:

Director	Interests held	Vesting	Number of shares vesting	Date of vesting	Market price on vesting	Value £000
Andria Vidler	493,129	0%	0	26 March 2018	n/a	–

Scheme interests awarded during the year

The Executive Directors received awards, structured as nil cost options, under the 2016 LTIP during 2017. These awards were in line with the policy table set out in the Directors' Remuneration Policy and details of these awards are set out below.

Executive	Award date	Number of shares under award	Basis	Face value of awards	Performance condition	Performance period
Andria Vidler	24 April 2017	802,982	100% of base salary	£365,959	Vesting will be determined by absolute earnings per share ('EPS') in the final year of the performance period and total shareholder return ('TSR') over the performance period.	1 January 2017 to 31 December 2019
Swagatam Mukerji	24 April 2017	548,546	100% of base salary	£250,000		

The performance conditions for these awards are set out below. While the original intention was to grant awards over 150% of salary, based on EPS, TSR, EBITDA and cumulative free cash flow targets, the Remuneration Committee reverted to the normal 100% of salary grant level based on EPS and TSR only following consultation with the Company's major investors:

Performance condition	% of shares under award subject to condition	Measurement period	Targets	% of shares under award which will vest
EPS	50%	Year ended 31 December 2019	EPS of 6.7p	25%
			EPS of 10.7p or more	100%
			Between 6.7p and 10.7p	Straight line basis between 25% and 100%
TSR against the constituents of the FTSE SmallCap (excluding investment trusts) at 1 January 2017	50%	1 January 2017 to 31 December 2019	Median	25%
			Upper quartile	100%
			Between median and upper quartile	Straight line basis between 25% and 100%

The TSR element will only vest if there has been sustained improvement in the Company's underlying[1] financial performance over the performance period.

Details of the Executive Directors' outstanding LTIP awards are detailed in the remuneration table below.

Andria Vidler purchased 3,672 shares during the period under the Share Incentive Plan. The Company matched these shares on a 1 for 2 basis in accordance with the Plan rules, resulting in 1,836 matching shares being awarded in the year.

Swag Mukerji purchased 3,670 shares during the period under the Share Incentive Plan. The Company matched these shares on a 1 for 2 basis in accordance with the Plan rules, resulting in 1,835 matching shares being awarded in the year.

Board changes and payments for loss of office (audited)

There were no Board changes during 2017 although following the year end, Neil Johnson replaced Ron Sandler as Chairman from 3 January 2018. No payments for loss of office were paid or are payable to Ron Sandler.

Payments to past directors (audited)

Consistent with a long-standing arrangement, Graham Sherren, former Chief Executive and Chairman, was paid £3,000 during the year for advisory services performed.

Directors' shareholding and share interests (audited)

Share ownership plays a key role in the alignment of our executives with the interests of shareholders. The Executive Directors are expected to build up and maintain a shareholding in the Company equal to 100% of salary. Where an executive does not meet this guideline, they are required to retain at least 50% of the vested shares net of tax under the Company's LTIP until the guideline is met.

The tables below set out details of Executive Directors' outstanding share awards under LTIP schemes (which will vest in future years, subject to performance and continued service). Under each scheme the exercise price is £nil.

Executive	At 31 December 2016	Granted	Lapsed	At 31 December 2017	Date of award	Performance period	Exercise period	Share price on date of grant
Andria Vidler	618,182	–	618,182	–	8/11/13	1/7/13 – 31/12/16	13/3/17 – 12/9/17	55.0p
	493,129	–	–	493,129	26/3/15	1/1/15 – 31/12/17	26/3/18 – 25/9/18	72.05p
	674,194	–	–	674,194	30/3/16	1/1/16 – 31/12/18	30/3/19 – 29/9/19	52.7p
	–	802,982	–	802,982	24/4/17	1/1/17 – 31/12/19	24/4/20 – 23/10/20	45.8p
	1,785,505	802,982	618,182	1,970,305				
Swagatam Mukerji	573,394	–	–	573,394	4/10/16	1/1/16 – 31/12/18	4/10/19 – 3/4/20	43.6p
	–	548,546	–	548,546	24/4/17	1/1/17 – 31/12/19	24/4/20 – 23/10/20	45.8p
	573,394	548,546	–	1,121,940				

As detailed above, the awards granted to Andria Vidler in 2015 will lapse at the end of March 2018 as a result of the threshold EPS and TSR targets not being met.

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The table below sets out the number of shares held or potentially held by directors (including their connected persons where relevant).

	Interests in ordinary shares		Shareholding guideline achieved?	Interests in share schemes	Total
	31 December 2016	31 December 2017		LTIP	
Executive					
Andria Vidler	153,930	**159,438**	Not yet	1,970,305	2,129,743
Swagatam Mukerji	30,000	**35,505**	Not yet	1,121,940	1,157,445
Non–Executive					
Ronald Sandler[1]	45,000	**45,000**	N/A	–	45,000
William Eccleshare	–	**–**	N/A	–	–
Robert Boyle	117,037	**117,037**	N/A	–	117,037
Rebecca Miskin	14,800	**14,800**	N/A	–	14,800
Christopher Satterthwaite	95,942	**N/A**	N/A	–	N/A

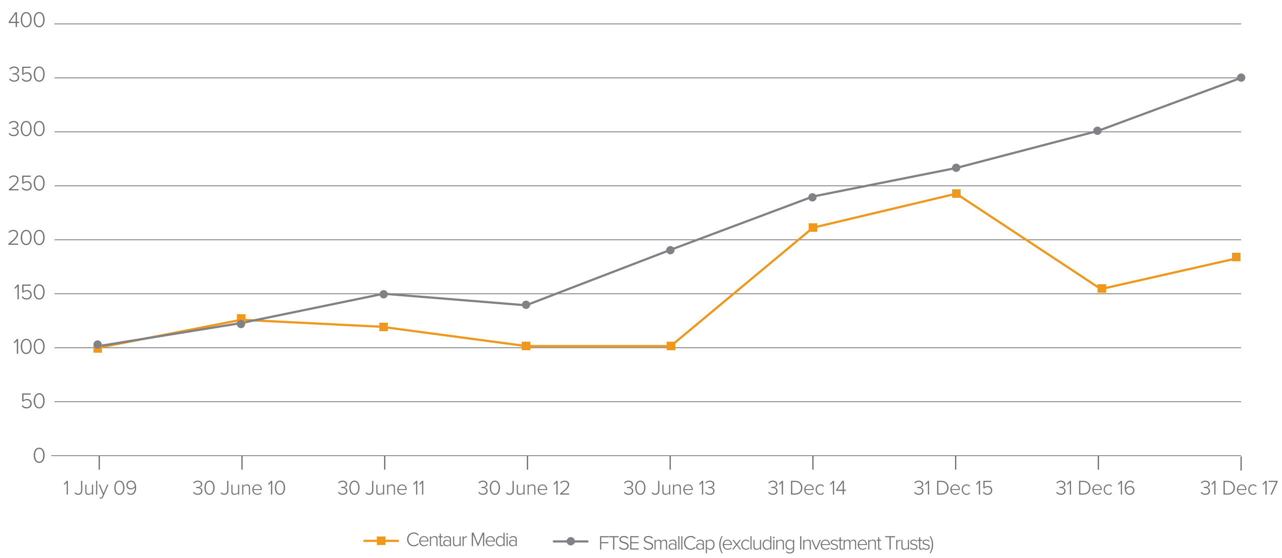
1. Ronald Sandler stepped down from the Board as Chairman on 3 January 2018 and Neil Johnson was appointed on the same date.

Performance graph

The graph below shows the total shareholder return ('TSR') of Centaur Media Plc compared to the performance of the FTSE SmallCap (excluding Investment Trusts) over the last eight and a half years This comparator has been chosen on the basis that it is the group against which performance for the purposes of share awards made under the Long-Term Incentive Plan is assessed. Owing to the change to the financial year end, there was no financial year ended 30 June 2014 and, instead TSR performance for the 18 months ended 31 December 2014 is shown.

The graph shows the value, by 31 December 2017, of £100 invested in Centaur Media Plc on 1 July 2009 compared with the value of £100 invested in the FTSE SmallCap Index (excluding Investment Trusts). The other points plotted represent intervening financial period ends.

Total Shareholder Return. Source: Thompson Reuters Datastream



History of payouts for the CEO

The table below sets out the Chief Executive single figure total remuneration over the past eight and a half years.

Period ending	Chief Executive	Total remuneration	Annual bonus (% of max)	Long–term incentives (% of max)
31 December 2017	Andria Vidler	£558,526	37	0
31 December 2016	Andria Vidler	£422,605	0	0
31 December 2015	Andria Vidler	£416,607	2	N/A
31 December 2014	Andria Vidler	£670,077	56	N/A
(18 month period)	(from 14 November 2013)	£514,920	0	0
30 June 2013	Geoff Wilmot	£514,920	0	0
30 June 2012	Geoff Wilmot	£363,321†	7	0
30 June 2011	Geoff Wilmot	£568,673	58	0
30 June 2010	Geoff Wilmot	£450,180	45	0

† Excludes £384,704 termination and contractual notice payment as detailed in 30 June 2013 Report and Accounts.

Change in the Chief Executive's remuneration

The table below shows the movement in salary, benefits and annual bonus for the Chief Executive between the current and previous financial year compared to all employees of the Company.

Element of remuneration		% change
Salary	Chief Executive	0%
	Employees	7%
Benefits	Chief Executive	(3)%
	Employees	3%
Annual bonus	Chief Executive	100%
	Employees	62%

Relative importance on the spend on pay

The following table sets out the percentage change in distributions to shareholders and employee remuneration costs.

	2017	2016	% Change
Employee remuneration costs	**£30.9m**	£29.7m	4%
Dividends paid and share repurchases	**£4.4m**	£4.5m	(2)%

ANNUAL REPORT ON REMUNERATION

External directorships

Swag Mukerji is a non-executive director of Hoppa Limited.

The Remuneration Committee

The Remuneration Committee is responsible for monitoring, reviewing and making recommendations to the Board at least annually on the broad policy for the remuneration of the Executive Directors, the Chairman and Company Secretary. It also determines their individual remuneration packages, including pension arrangements, bonuses and all incentive schemes and the determination of targets for any performance-related pay schemes operated by the Group. The Committee asks the Board, when appropriate, to seek shareholder approval for any long-term incentive arrangements, bonuses, incentive payments and any compensation payments and share option entitlements. In addition, the Committee monitors and recommends the level and structure of remuneration for senior management.

During the year, the Committee consisted of the following Non-Executive Directors: Rebecca Miskin (Chair), Robert Boyle, William Eccleshare and Ron Sandler. The Remuneration Committee meets at least twice each year and met formally four times in 2017. Minutes of the Committee are circulated to the Board once they have been approved by the Committee.

External advisors

The Remuneration Committee has access to independent advice where it considers it appropriate. During the year, the Remuneration Committee sought advice relating to executive remuneration from FIT Remuneration Consultants ('FIT'), who were appointed by the Remuneration Committee.

The Committee is satisfied that the advice received from FIT in relation to executive remuneration matters during the year under review was objective and independent. FIT is a member of the Remuneration Consultants Group and abides by the Remuneration Consultants Group Code of Conduct. The fees charged by FIT, on a time spent basis, amounted to £19,813.

Statement of shareholder voting

At last year's AGM, the Directors' Remuneration Policy and the Directors' Remuneration Report received the following votes from shareholders:

Resolution	Number of votes for (and percentage of votes cast)	Number of votes against (and percentage of votes cast)	Number of votes cast	Number of votes withheld
Approval of Directors' Remuneration Policy in 2016	107,205,929 (99.91%)	91,798 (0.09%)	107,297,727	12,250
Approval of Directors' Remuneration Report in 2017	72,382,198 (96.01%)	3,003,488 (3.99%)	75,385,686	11,600

Approval

The Board of Directors has approved this Remuneration Committee Report, including both the Policy and Annual Remuneration Report.

Signed on behalf of the Board of Directors

REBECCA MISKIN
Chair of the Remuneration Committee
20 March 2018

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

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

- Select suitable accounting policies and then apply them consistently;
- State whether applicable IFRSs as adopted by the European Union have been followed for the Group financial statements and IFRSs as adopted by the European Union have been followed for the Company financial statements, subject to any material departures disclosed and explained in the financial statements;
- Make judgements and accounting estimates that are reasonable and prudent; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

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

The Directors are also responsible for safeguarding the assets of the Group and the hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

The Directors consider that the Annual Report and Financial Statements, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group and Company's performance, business model and strategy.

Each of the Directors, whose names and functions are listed in the Board of Directors on pages 28 and 29, confirms that, to the best of their knowledge:

- The Company financial statements, which have been prepared in accordance with IFRSs as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and loss of the Company;
- The Group financial statements, which have been prepared in accordance with IFRS as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit of the Group; and

The Directors' Report includes a fair review of the development and performance of the business and the position of the Group and Company, together with a description of the principal risks and uncertainties that it faces. In the case of each director in office at the date the Directors' Report is approved:

- So far as the Director is aware, there is no relevant audit information which the Group and Company's auditors are unaware; and
- They have taken all steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Group and Company's auditors are aware of that information.

By order of the Board

HELEN SILVER
Company Secretary
20 March 2018

INDEPENDENT AUDITORS' REPORT

to the members of Centaur Media Plc

Report on the audit of the financial statements

Opinion

In our opinion, Centaur Media Plc's group financial statements and company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the company's affairs as at 31 December 2017 and of the group's profit and the group's and the company's cash flows for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union and, as regards the company's financial statements, as applied in accordance with the provisions of the Companies Act 2006; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and, as regards the group financial statements, Article 4 of the IAS Regulation.

We have audited the financial statements, included within the Annual Report (the 'Annual Report'), which comprise: the consolidated and company statements of financial position as at 31 December 2017; the consolidated statement of comprehensive income, the consolidated and company cash flow statements, and the consolidated and company statements of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Our opinion is consistent with our reporting to the Audit Committee.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided to the group or the company.

Other than those disclosed in the Directors' Report, we have provided no non-audit services to the group or the company in the period from 1 January 2017 to 31 December 2017.

Our audit approach

Overview

- Overall group materiality: £0.3 million (2016: £0.4 million), based on 5% of Adjusted profit before tax (as presented on the face of the consolidated statement of comprehensive income).
- Overall company materiality: £0.3 million (2016: £0.4 million), based on 1% of Total Assets (capped to the level of group materiality).

- The whole Group was audited by the UK audit team.

- Goodwill and intangible assets impairment; and
- Recoverability of trade receivables;

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain.

We gained an understanding of the legal and regulatory framework applicable to the group and company and the industry in which it operates, and considered the risk of acts by the group which were contrary to applicable laws and regulations, including fraud. We designed audit procedures to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. We focused on laws and regulations that could give rise to a material misstatement in the group and company financial statements, including, but not limited to, Companies Act 2006, the Listing Rules and UK tax legislation. Our tests included, but were not limited to, agreement of the financial statement disclosures to underlying supporting documentation and enquiries of management. There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it.

We did not identify any key audit matters relating to irregularities, including fraud. As in all of our audits we also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

INDEPENDENT AUDITORS' REPORT

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. This is not a complete list of all risks identified by our audit.

Key audit matter	How our audit addressed the key audit matter
Goodwill and intangible assets impairment assessment Refer to page 38 (Audit Committee Report), page 80 (Key accounting assumptions, estimates and judgements) and pages 92 and 93 (Note10). Determining if an impairment charge is required for Goodwill and intangible assets involves significant judgements about the future results and cash flows of the business, including forecast growth in future revenues and EBITDA margins, as well as determining an appropriate discount factor and long term growth rate. In light of the judgement involved and the impairment charges recognised in previous years we consider this to be a key audit matter. Management used a Value in Use model to compute the present value of forecast future cash flows for each cash generating unit ('CGU') which was then compared to the carrying value of the net assets of each CGU (including goodwill and intangible assets) to determine if there was an impairment. Management aggregates businesses into CGUs which represent the level at which the cash flows of the businesses (and goodwill) are monitored and therefore this is the level at which management performs its impairment assessment. Market conditions remain challenging and performance has varied compared to expectations in certain parts of the business. Despite this, management's impairment assessment has not highlighted that any CGU are impaired.	We checked and confirmed that the allocation of CGUs to segments was consistent with internal management reporting. This has changed from the prior year due to the disposal of the Home Interest business which was considered a separate CGU. MarketMakers an acquired business during the year is included as part of the marketing CGU. We reviewed the judgements applied to future forecasts to ensure that these included appropriate consideration of historical variances and uncertain market conditions. We also considered the appropriateness of sensitivity disclosures provided in the financial statements, to explain that impairment amounts would not arise from reasonably possible changes to the model's key assumptions. We evaluated the Board approved cash flow forecasts for each CGU, and understood the process by which these were calculated. We also obtained evidence of the Board's approval of this forecast to 2020. – the directors' key assumptions including revenue and EBITDA growth rates used in the cash flow forecasts by comparing them to historical results and industry forecasts; – the discount rate applied, by assessing the cost of capital for the Group and comparable organisations; and – the long term growth rate applied, by comparing management's rate to forecast long term GDP growth in the UK and industry growth reports. We found the key assumptions to be reasonable. The long term growth rate applied was within our expected range. The discount rate applied was slightly outside our expected range, however sensitivities showed that amending this assumption to bring it into our expected range did not cause an impairment in any CGU. With regard to the above procedures, all CGUs showed headroom above the carrying value of the net assets including goodwill. We evaluated the results and disclosure of the sensitivity analyses performed by management (as set out in Note10). We determined the results of these sensitivities are appropriately disclosed and the sensitivities present a fair reflection of reasonably possible changes to assumptions used in the Value in Use model. For all CGUs, the sensitivities showed remaining headroom in all scenarios. This included Goodwill attributable to the MarketMakers acquisition which was included in the impairment testing in respect of the marketing CGU.

Key audit matter	How our audit addressed the key audit matter
Recoverability of trade receivables	
Refer to page 38 (Audit Committee Report), page 81 (Key accounting assumptions, estimates and judgements) and page 109 (Note 29). As set out in the Audit Committee Report on page 38, at the year end £1.3 million of trade receivables are aged over 90 days (£1.3 million excluding MarketMakers). Significant judgement is required in determining the amount to be provided against these balances. As a result of the significant judgement required and the additional provision established in 2016 we consider this a key audit matter. Throughout 2017 management has actively focussed on pursuing these amounts and the balance has significantly reduced from that held at 31 December 2016. At 31 December 2017, trade receivables over 90 days past due date was £1.3 million (2016: £4.1 million) and the associated provision for impairment of trade receivables was £1.5 million (2016: £2.5 million).	The determination of whether trade receivables are collectable involves management judgement. Accordingly, with regard to the amount of aged trade receivables at the year end, we considered whether management's judgements were appropriate and whether the estimated provision reflected the latest available evidence. We also considered the application of management's policy for providing against aged trade receivables, including the ordinary provisioning policy. Management recognise provisions for impairment of trade receivables based on specific known facts or circumstances surrounding the invoice or customers' abilities to pay. For example, certain trade receivables may be being pursued through legal avenues and these are mainly provided against. Customers on direct debit payment plans or where deferred income exists are also factors taken into account in determining if a provision for impairment is required. We were able to confirm that the policy for providing against trade receivables had been implemented consistently year on year. For the year end balance, we: • Tested the ageing of trade receivables and concluded that this was accurately determined; • Tested the accuracy of management's computations of provisions reflecting the history of bad debt write-offs. This included checking that amounts excluded from this computation were appropriate, such as amounts invoiced in advance of exhibitions (where there is an associated liability held within deferred income); and • Considered the levels of post year end cash received and allocated against aged trade receivables at the year end. We also considered the amount of the provision included in the disposal of the Home Interest business and found this to be reasonable. We considered any residual exposure against the circumstances giving rise to the ageing, the ongoing actions taken and in place to collect the aged debt (and what has been achieved to date), together with the history of write-offs in the business. As noted, determining an appropriate level of provision at the year end is a judgemental area and there could therefore be a range of possible outcomes. We concluded that the evidence obtained supports the level of provision at the year end of £1.5 million and that it is within our acceptable range.

We determined that there were no key audit matters applicable to the company to communicate in our report. The company does not trade therefore the key audit matters above are not applicable.

INDEPENDENT AUDITORS' REPORT

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the group and the company, the accounting processes and controls, and the industry in which they operate.

The group maintains all of its books and records of its operations in the UK. Therefore the group audit team performed audit procedures on the consolidated results and balances. A detailed scoping exercise to determine which entities should be included for testing was therefore not performed.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate, on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Group financial statements	Company financial statements
Overall materiality	£0.3 million (2016: £0.4 million).	£0.3 million (2016: £0.4 million).
How we determined it	5% of Adjusted profit before tax (as presented on the face of the consolidated statement of comprehensive income).	1% of Total Assets (capped to the level of group materiality).
Rationale for benchmark applied	We believe that Adjusted profit before tax provides us with a consistent period on period basis for determining materiality and eliminates the disproportionate effect of a small number of items on the profit before tax. Additionally this is how management monitor the performance of the group.	We believe that Total Assets is the primary measure used by the shareholders in assessing the position of the non-trading holding Company, and is an accepted auditing benchmark.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £15,000 (Group audit) (2016: £21,500) and £15,000 (Company audit) (2016: £21,500) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

Going concern

In accordance with ISAs (UK) we report as follows:

Reporting obligation	Outcome
We are required to report if we have anything material to add or draw attention to in respect of the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting in preparing the financial statements and the directors' identification of any material uncertainties to the group's and the company's ability to continue as a going concern over a period of at least twelve months from the date of approval of the financial statements.	We have nothing material to add or to draw attention to. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's and company's ability to continue as a going concern.
We are required to report if the directors' statement relating to Going Concern in accordance with Listing Rule 9.8.6R(3) is materially inconsistent with our knowledge obtained in the audit.	We have nothing to report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities. With respect to the Strategic Report, Directors' Report and Corporate Governance Statement, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, the Companies Act 2006(CA06), ISAs (UK) and the Listing Rules of the Financial Conduct Authority (FCA) require us also to report certain opinions and matters as described below (required by ISAs (UK) unless otherwise stated).

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 December 2017 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements. (CA06)

In light of the knowledge and understanding of the group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report. (CA06)

Corporate Governance Statement

In our opinion, based on the work undertaken in the course of the audit, the information given in the Corporate Governance Statement (pages 33 to 36) about internal controls and risk management systems in relation to financial reporting processes and about share capital structures in compliance with rules 7.2.5 and 7.2.6 of the Disclosure Guidance and Transparency Rules sourcebook of the FCA ("DTR") is consistent with the financial statements and has been prepared in accordance with applicable legal requirements. (CA06)

In light of the knowledge and understanding of the group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in this information. (CA06)

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Statement on Corporate Governance (pages 33 to 36) with respect to the company's corporate governance code and practices and about its administrative, management and supervisory bodies and their committees complies with rules 7.2.2, 7.2.3 and 7.2.7 of the DTR. (CA06)

We have nothing to report arising from our responsibility to report if a corporate governance statement has not been prepared by the company. (CA06)

The directors' assessment of the prospects of the group and of the principal risks that would threaten the solvency or liquidity of the group

We have nothing material to add or draw attention to regarding:

- The directors' confirmation on page 22 of the Annual Report that they have carried out a robust assessment of the principal risks facing the group, including those that would threaten its business model, future performance, solvency or liquidity.
- The disclosures in the Annual Report that describe those risks and explain how they are being managed or mitigated.
- The directors' explanation on page 25 of the Annual Report as to how they have assessed the prospects of the group, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the group will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

INDEPENDENT AUDITORS' REPORT

We have nothing to report having performed a review of the directors' statement that they have carried out a robust assessment of the principal risks facing the group and statement in relation to the longer-term viability of the group. Our review was substantially less in scope than an audit and only consisted of making inquiries and considering the directors' process supporting their statements; checking that the statements are in alignment with the relevant provisions of the UK Corporate Governance Code (the "Code"); and considering whether the statements are consistent with the knowledge and understanding of the group and company and their environment obtained in the course of the audit. (Listing Rules)

Other Code Provisions

We have nothing to report in respect of our responsibility to report when:

- The statement given by the directors, on page 55, that they consider the Annual Report taken as a whole to be fair, balanced and understandable, and provides the information necessary for the members to assess the group's and company's position and performance, business model and strategy is materially inconsistent with our knowledge of the group and company obtained in the course of performing our audit.
- The section of the Annual Report on page 37 describing the work of the Audit Committee does not appropriately address matters communicated by us to the Audit Committee.
- The directors' statement relating to the company's compliance with the Code does not properly disclose a departure from a relevant provision of the Code specified, under the Listing Rules, for review by the auditors.

Directors' Remuneration

In our opinion, the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006. (CA06)

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement set out on page 55, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

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

Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.

Appointment

We were appointed by the directors to audit the financial statements for the year ended 30 June 2004 and subsequent financial periods. This is the year Centaur Media Plc became a public company. The period of total uninterrupted engagement is 14 years, covering the years ended 30 June 2004 to 31 December 2017. A competitive tender process for the audit was undertaken for the year ended 31 December 2017 during 2016.

JULIAN JENKINS
(Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
20 March 2018

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2017

	Note	Adjusted Results[2] 2017 £m	Adjusting Items[2] 2017 £m	Statutory Results 2017 £m	Restated[6] Adjusted Results[2] 2016 £m	Restated[6] Adjusting Items[2] 2016 £m	Restated[6] Statutory Results 2016 £m
Continuing operations							
Revenue	2	**65.4**	**–**	**65.4**	59.7	–	59.7
Net operating expenses	3	**(61.3)**	**(4.4)**	**(65.7)**	(55.5)	(12.6)	(68.1)
Operating profit / (loss)		**4.1**	**(4.4)**	**(0.3)**	4.2	(12.6)	(8.4)
Finance costs	6	**(0.4)**	**–**	**(0.4)**	(0.5)	–	(0.5)
Profit / (loss) before tax		**3.7**	**(4.4)**	**(0.7)**	3.7	(12.6)	(8.9)
Taxation	7	**(0.9)**	**0.5**	**(0.4)**	(0.8)	0.7	(0.1)
Profit / (loss) for the period from continuing operations	9	**2.8**	**(3.9)**	**(1.1)**	2.9	(11.9)	(9.0)
Discontinued operations							
Profit for the period from discontinued operations	8,15	**2.1**	**20.9**	**23.0**	3.9	(0.3)	3.6
Profit / (loss) for the period attributable to owners of the parent after tax		**4.9**	**17.0**	**21.9**	6.8	(12.2)	(5.4)
Total comprehensive income / (loss) attributable to owners of the parent		**4.9**	**17.0**	**21.9**	6.8	(12.2)	(5.4)
Earnings / (loss) per share attributable to owners of the parent	9						
Basic from continuing operations		**1.9p**	**(2.7)p**	**(0.8)p**	2.0p	(8.3)p	(6.3)p
Basic from discontinued operations		**1.5p**	**14.5p**	**16.0p**	2.7p	(0.2)p	2.5p
Basic from profit / (loss) for the year		**3.4p**	**11.8p**	**15.2p**	4.7p	(8.5)p	(3.8)p
Fully diluted from continuing operations		**1.8p**	**(2.6)p**	**(0.8)p**	1.9p	(8.2)p	(6.3)p
Fully diluted from discontinued operations		**1.4p**	**13.7p**	**15.1p**	2.6p	(0.1)p	2.5p
Fully diluted from profit / (loss) for the year		**3.2p**	**11.1p**	**14.3p**	4.5p	(8.3)p	(3.8)p

The notes on pages 71 to 113 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2017

Attributable to owners of the 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 2016	15.0	(6.5)	0.7	0.9	0.1	66.2	76.4
Loss for the period and total comprehensive loss	–	–	–	–	–	(5.4)	(5.4)
Transactions with owners:							
Dividends (note 27)	–	–	–	–	–	(4.3)	(4.3)
Acquisition of treasury shares (note 25)	–	(0.2)	–	–	–	–	(0.2)
Acquisition of business and assets (note 14)	0.1	–	0.4	–	–	–	0.5
Exercise of share awards	–	0.3	–	(0.2)	–	(0.1)	–
Fair value of employee services (note 26)	–	–	–	0.1	–	–	0.1
As at 31 December 2016	**15.1**	**(6.4)**	**1.1**	**0.8**	**0.1**	**56.4**	**67.1**
Profit for the period and total comprehensive income	–	–	–	–	–	21.9	21.9
Transactions with owners:							
Dividends (note 27)	–	–	–	–	–	(4.3)	(4.3)
Acquisition of treasury shares (note 25)	–	(0.1)	–	–	–	–	(0.1)
Acquisition of business and assets (note 14)	–	–	–	(0.1)	–	–	(0.1)
Fair value of employee services (note 26)	–	–	–	0.4	–	–	0.4
As at 31 December 2017	**15.1**	**(6.5)**	**1.1**	**1.1**	**0.1**	**74.0**	**84.9**

The notes on pages 71 to 113 are an integral part of these consolidated financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2017

Attributable to owners of the 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 2016	15.0	(6.0)	0.7	0.9	0.1	95.1	105.8
Loss for the period and total comprehensive loss	–	–	–	–	–	(2.2)	(2.2)
Transactions with owners:							
Dividends (note 27)	–	–	–	–	–	(4.3)	(4.3)
Acquisition of treasury shares (note 25)	–	(0.2)	–	–	–	–	(0.2)
Acquisition of business and assets (note 14)	0.1	–	0.4	–	–	–	0.5
Exercise of share awards	–	–	–	(0.2)	–	0.2	–
Fair value of employee services (note 26)	–	–	–	0.1	–	–	0.1
As at 31 December 2016	**15.1**	**(6.2)**	**1.1**	**0.8**	**0.1**	**88.8**	**99.7**
Loss for the period and total comprehensive loss	–	–	–	–	–	(2.9)	(2.9)
Transactions with owners:							
Dividends (note 27)	–	–	–	–	–	(4.3)	(4.3)
Acquisition of treasury shares (note 25)	–	(0.1)	–	–	–	–	(0.1)
Acquisition of business and assets (note 14)	–	–	–	(0.1)	–	–	(0.1)
Exercise of share awards	–	–	–	–	–	(0.2)	(0.2)
Fair value of employee services (note 26)	–	–	–	0.4	–	–	0.4
As at 31 December 2017	**15.1**	**(6.3)**	**1.1**	**1.1**	**0.1**	**81.4**	**92.5**

The Company has taken advantage of the exemption available under section 408 of the Companies Act 2006 and has not presented its own statement of comprehensive income in these financial statements. The Company's loss for the year amounted to £2.9m (2016: loss of £2.2m).

The notes on pages 71 to 113 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2017

Registered number 04948078

	Note	31 December 2017 £m	31 December 2016 £m
Non-current assets			
Goodwill	10	**75.6**	72.1
Other intangible assets	11	**18.6**	16.7
Property, plant and equipment	12	**1.7**	2.0
Deferred tax assets	16	**0.7**	0.6
		96.6	91.4
Current assets			
Inventories	17	**1.4**	2.5
Trade and other receivables	18	**11.6**	15.7
Cash and cash equivalents	19	**4.1**	3.4
		17.1	21.6
Total assets		**113.7**	113.0
Current liabilities			
Trade and other payables	20	**(10.9)**	(9.7)
Deferred income		**(14.6)**	(16.9)
Current tax liabilities	22	**–**	(0.7)
Provisions	23	**(1.8)**	(0.4)
		(27.3)	(27.7)
Net current liabilities		**(10.2)**	(6.1)
Non-current liabilities			
Borrowings	24	**–**	(17.4)
Provisions	23	**(0.1)**	–
Deferred tax liabilities	16	**(1.4)**	(0.8)
		(1.5)	(18.2)
Net assets		**84.9**	67.1
Capital and reserves attributable to owners of the parent			
Share capital	25	**15.1**	15.1
Own shares		**(6.5)**	(6.4)
Share premium		**1.1**	1.1
Other reserves		**1.2**	0.9
Retained earnings		**74.0**	56.4
Total equity		**84.9**	67.1

The financial statements on pages 71 to 113 were approved by the Board of Directors on 20 March 2018 and were signed on its behalf by:

Swag Mukerji
Chief Financial Officer

COMPANY STATEMENT OF FINANCIAL POSITION

as at 31 December 2017

Registered number 04948078

	Note	31 December 2017 £m	31 December 2016 £m
Non-current assets			
Investments	13	**134.0**	134.0
		134.0	134.0
Current assets			
Trade and other receivables	18	**3.0**	2.1
Cash and cash equivalents	19	**–**	–
		3.0	2.1
Total assets		**137.0**	136.1
Current liabilities			
Trade and other payables	20	**(44.5)**	(19.0)
		(44.5)	(19.0)
Net current liabilities		**(41.5)**	(16.9)
Non-current liabilities			
Borrowings	24	**–**	(17.4)
		–	(17.4)
Net assets		**92.5**	99.7
Capital and reserves attributable to owners of the parent			
Share capital	25	**15.1**	15.1
Own shares		**(6.3)**	(6.2)
Share premium		**1.1**	1.1
Other reserves		**1.2**	0.9
Retained earnings		**81.4**	88.8
Total equity		**92.5**	99.7

The Company has taken advantage of the exemption available under section 408 of the Companies Act 2006 and has not presented its own statement of comprehensive income in these financial statements. The movement in retained earnings is the Company's loss for the year of £2.9m (2016: £2.2m) and dividends of £4.3m (2016: £4.3m).

The financial statements on pages 71 to 113 were approved by the Board of Directors on 20 March 2018 and were signed on its behalf by:

Swag Mukerji
Chief Financial Officer

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 December 2017

	Note	2017 £m	2016 £m
Cash flows from operating activities			
Cash generated from operations	28	**13.8**	15.3
Tax paid		**(1.6)**	(1.3)
Net cash generated from operating activities		**12.2**	14.0
Cash flows from investing activities			
Other acquisitions - settlement of deferred consideration	23	**(1.5)**	–
Disposal of subsidiary	15	**27.9**	–
Purchase of property, plant and equipment	12	**(0.2)**	(0.3)
Purchase of intangible assets	11	**(2.6)**	(2.3)
Acquisition of business and assets	14	**–**	(1.5)
Acquisition of subsidiary	14	**(12.9)**	–
Net cash flows from / (used in) investing activities		**10.7**	(4.1)
Cash flows from financing activities			
Payment for shares bought back	25	**(0.1)**	(0.2)
Interest paid		**(0.3)**	(0.5)
Dividends paid to Company's Shareholders	27	**(4.3)**	(4.3)
Proceeds from borrowings	28	**5.5**	1.5
Repayment of borrowings	28	**(23.0)**	(5.0)
Repayment of loan notes	24	**–**	(1.1)
Net cash flows used in financing activities		**(22.2)**	(9.6)
Net increase in cash and cash equivalents		**0.7**	0.3
Cash and cash equivalents at beginning of the year		**3.4**	3.1
Cash and cash equivalents at end of the year	19	**4.1**	3.4

The notes on pages 71 to 113 are an integral part of these consolidated financial statements.

COMPANY CASH FLOW STATEMENT

for the year ended 31 December 2017

	Note	2017 £m	2016 £m
Cash flows from operating activities			
Cash generated from operating activities	28	**22.2**	8.5
Cash flows from financing activities			
Interest paid		**(0.3)**	(0.5)
Payment for shares bought back	25	**(0.1)**	(0.2)
Dividends paid to Company's Shareholders	27	**(4.3)**	(4.3)
Proceeds from borrowings	28	**5.5**	1.5
Repayment of borrowings	28	**(23.0)**	(5.0)
Net cash flows used in financing activities		**(22.2)**	(8.5)
Net increase in cash and cash equivalents		**–**	–
Cash and cash equivalents at beginning of the financial year		**–**	–
Cash and cash equivalents at end of the year	19	**–**	–

The notes on pages 71 to 113 are an integral part of these consolidated financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these consolidated and Company 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 and Company 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.

Going concern

The financial statements have been prepared on a going concern basis. The Directors have carefully assessed the Group's ability to continue trading, and have a reasonable expectation that the Group and Company have adequate resources to continue in operational existence for at least 12 months from the date of approval of these financial statements and for the foreseeable future.

Net cash (see reconciliation in note 28) at 31 December 2017 amounted to £4.1m (2016: net debt £14.1m). In June 2015, the Group agreed a four year £25m multi-currency revolving credit facility with the Royal Bank of Scotland and Lloyds, which runs to 31 August 2019. Cash conversion[4] during 2017 has remained strong and following the disposal of the Home Interest segment the Group is currently in a strong cash positive position.

The Group has net current liabilities which mainly arise from its normal high levels of deferred income relating to events in the future rather than an inability to service its liabilities. An assessment of cash flows for the next three financial years, which has taken into account the factors described above, has indicated an expected level of cash generation which would be sufficient to allow the Group to fully satisfy its working capital requirements and the guarantee given in respect of its UK subsidiaries, to cover all principal areas of expenditure, including maintenance, capital expenditure and taxation during this period, and to meet the financial covenants under the revolving credit facility.

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

Having assessed the principal risks and the other matters discussed in connection with the viability statement, the Directors consider it appropriate to adopt the going concern basis of accounting in preparing its consolidated financial statements.

New and amended standards adopted by the Group

None of the new standards and amendments to standards (including the Annual Improvements (2015) to existing standards) that are mandatory for the first time for the financial year commencing 1 January 2017 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

No new standards, amendments or interpretations effective for the first time for the financial year beginning on or after 1 January 2017 have had a material impact on the Group or the Company.

The following new accounting standards and interpretations have been published that are not mandatory for 31 December 2017 reporting periods and have not been early adopted by the Group:

IFRS 9 'Financial Instruments'

IFRS 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets.

NOTES TO THE FINANCIAL STATEMENTS

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

Impact

The Group has reviewed its financial assets and liabilities and is only expecting trade receivables to be impacted once the new standard is adopted on 1 January 2018.

The new impairment model for trade receivables requires the recognition of impairment provisions based on expected credit losses (ECL) rather than only incurred credit losses as is the case under IAS 39. The significant majority of the Group's debt instruments relate to trade receivables and as such have been tested using the new impairment model.

Based on the assessments undertaken to date, the Group does not expect a material change to the loss allowance for trade receivables. The Group has also reviewed all other financial assets and liabilities, including cash and cash equivalents, and no material impact is expected.

Date of adoption by the Group

Must be applied for financial years commencing on or after 1 January 2018. The Group will apply the new rules retrospectively from 1 January 2018, with the practical expedients permitted under the standard. Comparatives for 2017 will not be restated.

IFRS 15 'Revenue from contracts with customers'

IFRS 15 sets out the requirements for recognising revenue from contracts with customers, replacing all existing revenue standards. The standard requires entities to apportion revenue earned from contracts to individual performance obligations, on a stand-alone selling price basis, based on a five-step model framework.

Impact

The Group has performed an impact assessment on the FY17 revenue. The Group's reported revenue is generated through a high volume of low value contracts and therefore a scoping exercise has been performed to identify revenue streams with like commercial terms and performance and delivery patterns. Revenue has been reviewed at this level to determine the appropriate revenue recognition under IFRS 15.

The results of the impact assessment indicate that there will not be a material change to the timing or quantum of revenue recognition at a Group level or at an operating segment level. The impact assessment also indicates that the Group rarely sells products relating to different operating segments to the same customer under the same contract. Consequently, a change to revenue recognised in any given operating segment is almost wholly the effect of timing differences under IFRS 15.

Date of adoption by the Group

For the Group, transition to IFRS 15 will take effect from 1 January 2018. The half year results for FY18 will be IFRS 15 compliant, with the first Annual Report published in accordance with IFRS 15 being that for the year ended 31 December 2018.

As outlined above, given the insignificant change to FY17 reported revenues, the Group does not plan to adopt a fully retrospective transition approach and so comparatives for the year ended 31 December 2017 will not be restated.

Other

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.

Discontinued operations

In preparing the consolidated financial statements, the results of the Home Interest segment have been reclassified as a discontinued operation in both years following disposal of the business on 1 August 2017.

(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 the core trading performance of the Group. 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, split between continuing and discontinued operations, 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 magnitude, is material and likely to be non-recurring in nature 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 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 11.
- 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. Details of share-based payments are shown in note 26.
- 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. There has not been an impairment charge in the current year. Details of the goodwill impairment analysis are shown in note 10.
- Earn-out consideration – deferred or contingent consideration in relation to business combinations recognised in the statement of comprehensive income (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, statement of comprehensive income items relating to business combinations are removed from adjusted results. See notes 14 and 23.
- Acquisition related costs – expenses in relation to business combinations recognised in the statement of comprehensive income is not considered reflective of the core trading of the Group since it results from investment activities and is volatile in nature. As such, statement of comprehensive income items relating to business combinations are removed from adjusted results. See note 14.
- 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 7 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 9.

NOTES TO THE FINANCIAL STATEMENTS

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

Loss before tax reconciles to adjusted operating profit as follows:

	Note	2017 £m	2016 £m
Profit/(loss) before tax		**(0.7)**	(8.9)
Adjusting items			
Impairment of goodwill	10	**–**	7.2
Amortisation of acquired intangible assets	11	**2.5**	2.2
Share-based payments	26	**0.5**	(0.1)
Earn-out consideration	14	**0.6**	0.6
Additional impairment of trade receivables	4	**–**	1.5
Acquisition related costs	14	**0.6**	–
Exceptional operating costs	4	**0.2**	1.2
Adjusted profit before tax		**3.7**	3.7
Adjusted finance costs	6	**0.4**	0.5
Adjusted operating profit		**4.1**	4.2
Cash impact of adjusting items		**(0.9)**	(1.3)
Tax impact of adjusting items		**0.5**	0.7

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:

	2017 £m	2016 £m
Reported cash flow from operations	**13.8**	15.3
Cash impact of adjusting items	**0.9**	1.3
Working capital impact of adjusting items	**(0.6)**	(0.1)
Adjusted operating cash flow	**14.1**	16.5
Capital expenditure	**(2.8)**	(2.6)
Post capital expenditure cash flow	**11.3**	13.9

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 £m	Professional £m	Financial Services £m	Total £m
Reported revenue 2016	29.8	20.2	9.7	59.7
Underlying revenue 2016	**29.8**	**20.2**	**9.7**	**59.7**
Reported revenue 2017	36.3	20.2	8.9	65.4
Biennial events – AMS	–	(0.2)	–	(0.2)
Acquired business – Oystercatchers	(3.3)	–	–	(3.3)
Acquired business – MarketMakers	(6.1)	–	–	(6.1)
Underlying revenue 2017	**26.9**	**20.0**	**8.9**	**55.8**
Reported revenue growth	22%	(0)%	(8)%	10%
Underlying revenue growth	(10)%	(1)%	(8)%	(6)%

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:

	2017 £m	2016 £m
Adjusted operating profit (as above)	4.1	4.9
Depreciation (note 12)	0.7	0.6
Amortisation of computer software (note 11)	2.9	2.7
Adjusted EBITDA	7.7	8.2

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 28.

(c) Principles of consolidation

The consolidated financial statements incorporate the financial statements of Centaur Media Plc and all of its subsidiaries after elimination of intercompany transactions.

(i) Subsidiaries

Subsidiaries are all entities controlled by the Group. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group until the date that the Group ceases to control them. In the statement of comprehensive income the results of subsidiaries for which control has ceased are presented separately as discontinued operations in the year in which they have been disposed of and in the comparative year.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. The accounting policies of subsidiaries are consistent with the policies adopted by the Group.

NOTES TO THE FINANCIAL STATEMENTS

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

(c) Principles of consolidation (continued)

(ii) Business combinations

The acquisition method of accounting is used to account for all business combinations. The consideration transferred for acquisition of a subsidiary is measured at the aggregate of fair values of assets transferred, liabilities incurred or assumed to the former owners of the acquired business and equity interests issued by the Group in exchange for control of the subsidiary. Acquisition-related costs are expensed as incurred and included in the consolidated statement of comprehensive income.

Any deferred consideration to be transferred by the acquirer is recognised at fair value. If the conditions attached to the consideration indicate that the payment forms part of the acquisition, a provision is made for the future liability at the acquisition date. Where the deferred consideration is contingent on the continued employment of the vendors, such arrangements are recognised in the consolidated statement of comprehensive income on a straight-line basis over the period over which the contingent consideration is earned with an associated provision on the consolidated statement of financial position. Subsequent changes to the fair value of the contingent consideration are recognised in accordance with IAS 39 through the consolidated statement of comprehensive income.

The excess of the aggregate consideration transferred, amount of any non-controlling interest in the acquired entity, and acquisition date fair value of any previous equity interest in the acquired entity over the fair value of the net assets acquired is recorded as goodwill.

(d) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in pounds sterling, which is the Group's and Company's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in the statement of comprehensive income.

(iii) Group companies

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

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- Income and expenses for each statement of comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- All resulting exchange differences are recognised in other comprehensive income.

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

(e) Revenue recognition

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

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities as described below.

Sales of advertising space are recognised in the period in which publication occurs. Sales of publications are recognised in the period in which the sale is made. Sales of online advertising are recognised over the period during which the advertisements are placed. Consideration received in advance for events is deferred and revenue is recognised in the period in which the event takes place.

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

Revenue from project work and consultancy contracts is recognised when the Group has obtained the right to consideration in exchange for its performance, which is when a separately identifiable phase (milestone) of a contract has been completed.

(f) Investments

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

(g) Income tax

The tax expense represents the sum of current and deferred tax.

Current tax is based on the taxable profit for the period. Taxable profit differs from profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years, and it further includes items that are never taxable or deductible. The Group's and Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the statement of financial position date.

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

Deferred tax is calculated at the enacted or substantively enacted tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited to the statement of comprehensive income, except when it relates to items charged or credited directly to equity, in which case the deferred tax is recognised in other comprehensive income.

(h) Leases

Agreements under which payments are made to owners in return for the right to use an asset for a period are accounted for as leases. Leases that transfer substantially all of the risks and rewards of ownership are recognised at the commencement of the lease term as finance leases within property, plant and equipment and debt at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Finance lease payments are apportioned between interest expense and repayments of debt. All other leases are classified as operating leases and the cost is recognised in income on a straight-line basis.

(i) Impairment of assets

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

(j) Inventories

Inventories are stated at the lower of cost and net realisable value. Work in progress comprises of costs incurred relating to publications and exhibitions prior to the publication date or the date of the event.

(k) Property, plant and equipment

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

Leasehold improvements	– 10 years or the expected length of the lease if shorter
Fixtures and fittings	– 10 years
Computer equipment	– 3 to 5 years

The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

NOTES TO THE FINANCIAL STATEMENTS

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

(l) Intangible assets

(i) Goodwill

Where the cost of a business acquisition exceeds the fair values attributable to the separable net assets acquired, the resulting goodwill is capitalised and allocated to the cash-generating unit ('CGU') or groups of CGUs that are expected to benefit from the synergies of the business combination. Goodwill has an indefinite useful life and is tested for impairment annually on a Group level or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

Each segment is deemed to be a CGU. Goodwill and acquired intangible assets are assessed 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 as the higher of fair value less cost of disposal and value-in-use. Any impairment is recognised in the statement of comprehensive income (in net operating expenses) and is classified as an adjusting item. Impairment of goodwill is not subsequently reversed.

On the disposal of a CGU, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

(ii) Brands and publishing rights, customer relationships and non-compete arrangements

Separately acquired brands and publishing rights are shown at historical cost. Brands and publishing rights, customer relationships and non-compete arrangements acquired in a business combination are recognised at fair value at the acquisition date. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses.

(iii) Software

Computer software that is not integral to the operation of the related hardware is carried at cost less accumulated amortisation. Costs associated with the development of identifiable and unique software products controlled by the Group that will generate probable future economic benefits in excess of costs are recognised as intangible assets when the criteria of IAS 38 'Intangible Assets' are met. They are carried at cost less accumulated amortisation and impairment losses.

(iv) Amortisation methods and periods

Amortisation is calculated to write off the cost or fair value of assets on a straight-line basis over the expected useful economic lives to the Group over the following periods:

Computer software	– 3 to 5 years
Brands and publishing rights	– 5 to 20 years
Customer relationships	– 3 to 10 years or over the term of any specified contract
Separately acquired websites and content	– 3 to 5 years
Non-compete arrangements	– Over the term of the arrangement

(m) Employee benefits

(i) Post-employment obligations

The Group and Company contribute to a defined contribution pension scheme for the benefit of employees. The assets of the scheme are held separately from those of the Group in an independently administered fund. Contributions to defined contribution schemes are charged to the statement of comprehensive income when employer contributions become payable.

(ii) Share-based payments

The Group operates a number of equity-settled share-based compensation plans for its employees. The fair value of the share-based compensation expense is estimated using either a Monte Carlo or Black-Scholes option pricing model and is recognised in the statement of comprehensive income over the vesting period with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the awards granted:

- Including any market performance conditions;
- Excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets, cash flow performance and remaining an employee of the entity over a specified time period); and

- Including the impact of any non-vesting conditions (for example, the requirement for employees to save.
- The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each reporting period, the Group revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in the statement of comprehensive income, with a corresponding adjustment to equity. The Company issues new shares or transfers shares from treasury shares to settle share-based compensation awards.

The award by the Company of share-based compensation awards over its equity instruments to the employees of subsidiary undertakings in the Group is treated as a capital contribution, only if it is left unsettled. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity.

(n) Provisions
Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and the obligation can be reliably estimated.

Provisions for deferred contingent consideration are measured at fair value. Where the deferred consideration is contingent on the continued employment of the vendors, such arrangements are recognised in the consolidated statement of comprehensive income on a straight-line basis over the period of the arrangement.

(o) Share capital and share premium
Ordinary and deferred shares are classified as equity. The excess of consideration received in respect of shares issued over the nominal value of those shares is recognised in the share premium account. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Where any Group company purchases the Company's equity instruments, for example as the result of a share buyback or share-based payment plan, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the owners of the Company as treasury shares until the shares are cancelled or reissued. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the owners of the Company.

Shares held by the Centaur Employees' Benefit Trust are disclosed as treasury shares and deducted from contributed equity. The Company also holds a non-distributable reserve representing the fair value of unvested share-based compensation plans.

(p) Dividends
Dividends are recognised in the period in which they are paid or, in respect of the Company's final dividend for the year, approved by the Shareholders in the Annual General Meeting.

(q) Segmental reporting
Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The Executive Committee has been identified as the chief operating decision-maker, responsible for allocating resources and assessing performance of the operating segments. The Group operates in three market-facing divisions: Marketing, Financial Services and Professional.

(r) Financial instruments
The Group has applied IFRS 7, Financial Instruments: Disclosures, and IAS 39, Financial Instruments: Recognition and Measurement, as outlined below:

(i) Financial assets
The Group classifies its financial assets in the following categories where relevant: at fair value through profit or loss; loans and receivables; and available-for-sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

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

NOTES TO THE FINANCIAL STATEMENTS

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

(ii) Trade receivables
Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

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

(iii) Cash and cash equivalents
Cash and cash equivalents includes cash in hand and deposits repayable on demand or maturing within three months of the statement of financial position date.

(iv) Financial liabilities
Debt and trade payables are recognised initially at fair value based on amounts exchanged, net of transaction costs, and subsequently at amortised cost.

Interest expense on debt is accounted for using the effective interest method and is recognised in income.

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

(vi) Borrowings
Borrowings are initially recognised at fair value, net of transaction costs incurred and carried subsequently at amortised cost. Costs of borrowings are recognised in the statement of comprehensive income as incurred or, where appropriate, across the term of the related borrowing.

(vii) Derivative financial instruments
The Group does not hold derivative financial instruments either for trading purposes or designated as hedges.

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

(i) Carrying value of goodwill and other intangible assets
In assessing whether goodwill and other intangible fixed assets are impaired, the Group uses a discounted cash flow model which includes forecast cash flows and estimates of future growth. If the results of operations in future periods are lower than included in the cash flow model, impairments may be triggered. Further details of the assumptions and sensitivities in the discounted cash flow model are included in note 10.

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

(ii) Recoverability of trade receivables

The recoverability of trade receivables requires judgement. The Group uses all available evidence to determine the appropriate level of provision for impairment of trade receivables, including known disputes, historical trends in write-offs, collections post year end and the ageing of the receivables. Further details about trade receivables are included in note 18 and information about the credit risk and impairment of receivables are shown in note 29.

(iii) Adjusting items

The term 'adjusted' is not a defined term under IFRS. Judgement is required to ensure that the classification and presentation of certain items as adjusting, including exceptional items, is appropriate and consistent with the Group's accounting policy. Further details about the amounts classified as adjusting are included in notes 1(b) and 4.

(iv) Contingent consideration

The valuation of contingent consideration arising from business combinations ('earn-out' consideration) requires judgement, including assessing the probability and quantum of the expected payment. The Group uses all available information, including current and forecasted performance under earn-out arrangements to assess the required level of provision. Items relating to earn-out consideration are treated as an adjusting item under the Group's accounting policy. Further details about the classification of earn-out consideration are included in notes 1(b) and 4, and details of current and prior year earn-out arrangements and provisions are shown in notes 14 and 23.

(v) Share-based payments

The fair value of the share-based compensation expense recognised in the statement of comprehensive income requires the use of estimates. Details regarding the determination of fair value of these costs are set out in note 1(m)(ii).

(vi) Deferred tax

The calculation of deferred tax assets and liabilities requires judgement. Where the ultimate tax treatment is uncertain, the Group recognises deferred tax assets and liabilities based on estimates of future taxable income and recoverability. Where a change in circumstances occurs, or the final tax outcome is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax balances in the year in which that change or outcome is known. The accounting policy regarding deferred tax is set out above in note 1(g).

(vii) Valuation of intangibles

Intangible assets acquired in a business combination are required to be recognised separately from goodwill and amortised over their useful life. The Group has separately recognised computer software, brands and customer relationships in the acquisitions made (see note 14).

The fair value of these acquired intangibles is based on valuation techniques that require inputs based on assumptions about the future and estimates related to current market conditions.

The Group also makes assumptions about the useful life of the acquired intangibles as outlined in note 1(l)(iv).

NOTES TO THE FINANCIAL STATEMENTS

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 three reportable market-facing segments: Marketing, Financial Services and Professional. 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.

2017	Marketing £m	Professional £m	Financial Services £m	Continuing operations £m	Discontinued operations £m	Group £m
Revenue	36.3	20.2	8.9	**65.4**	7.2	**72.6**
Adjusted operating profit	1.7	1.8	0.6	**4.1**	2.5	**6.6**
Amortisation of acquired intangibles	(2.0)	(0.3)	(0.2)	**(2.5)**	–	**(2.5)**
Earn-out consideration	(0.6)	–	–	**(0.6)**	–	**(0.6)**
Costs relating to business acquisition	(0.6)	–	–	**(0.6)**	–	**(0.6)**
Exceptional operating costs	(0.1)	(0.1)	–	**(0.2)**	–	**(0.2)**
Share-based payments	(0.3)	(0.1)	(0.1)	**(0.5)**	–	**(0.5)**
Profit on disposal of subsidiary	–	–	–	**–**	20.9	**20.9**
Operating (loss)/profit	(1.9)	1.3	0.3	**(0.3)**	23.4	**23.1**
Finance costs				**(0.4)**	–	**(0.4)**
(Loss) / profit before tax				**(0.7)**	23.4	**22.7**
Taxation				**(0.4)**	(0.4)	**(0.8)**
(Loss) / profit for the year				**(1.1)**	23.0	**21.9**
Segment assets	71.4	28.6	8.8	**108.8**	–	**108.8**
Corporate assets						**4.9**
Consolidated total assets						**113.7**
Segment liabilities	(15.3)	(8.2)	(2.2)	**(25.7)**	–	**(25.7)**
Corporate liabilities						**(3.1)**
Consolidated total liabilities						**(28.8)**
Other items						
Capital expenditure (tangible and intangible assets)	1.5	1.0	0.4	**2.9**	–	**2.9**

Restated[6] 2016	Marketing £m	Professional £m	Financial Services £m	Continuing operations £m	Discontinued operations £m	Group £m
Revenue	29.8	20.2	9.7	**59.7**	12.8	**72.5**
Adjusted operating profit	2.5	0.9	0.8	**4.2**	4.9	**9.1**
Amortisation of acquired intangibles	(1.6)	(0.4)	(0.2)	**(2.2)**	(0.1)	**(2.3)**
Impairment of goodwill	–	–	(7.2)	**(7.2)**	–	**(7.2)**
Earn-out consideration	(0.6)	–	–	**(0.6)**	–	**(0.6)**
Additional impairment of trade receivables	(0.8)	(0.5)	(0.2)	**(1.5)**	(0.3)	**(1.8)**
Exceptional operating costs	(0.5)	(0.5)	(0.2)	**(1.2)**	–	**(1.2)**
Share-based payments	0.1	–	–	**0.1**	–	**0.1**
Operating (loss)/profit	(0.9)	(0.5)	(7.0)	**(8.4)**	4.5	**(3.9)**
Finance costs				**(0.5)**	–	**(0.5)**
(Loss)/profit before tax				**(8.9)**	4.5	**(4.4)**
Taxation				**(0.1)**	(0.9)	**(1.0)**
(Loss)/profit for the year				**(9.0)**	3.6	**(5.4)**
Segment assets	56.1	29.5	9.3	**94.9**	13.2	**108.1**
Corporate assets						**4.9**
Consolidated total assets						**113.0**
Segment liabilities	(11.6)	(7.2)	(2.0)	**(20.8)**	(4.5)	**(25.3)**
Corporate liabilities						**(20.6)**
Consolidated total liabilities						**(45.9)**
Other items						
Capital expenditure (tangible and intangible assets)	1.1	0.7	0.3	**2.1**	0.5	**2.6**

Supplemental information – revenue by geographical location

The Group's revenues from continuing operations from external customers by geographical location are detailed below:

	2017 £m	Restated[6] 2016 £m
United Kingdom	**52.2**	46.9
Europe (excluding United Kingdom)	**3.5**	3.8
North America	**6.0**	6.2
Rest of world	**3.7**	2.8
	65.4	59.7

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

NOTES TO THE FINANCIAL STATEMENTS

2 SEGMENTAL REPORTING CONTINUED

The Group's revenue from continuing operations operations by type is as follows:

	2017 £m	Restated[6] 2016 £m
Sale of goods and services		
Premium content	**18.1**	18.4
Live events	**26.7**	24.3
Advertising	**13.5**	16.2
Capability Services	**6.1**	–
Other	**1.0**	0.8
	65.4	59.7

3 NET OPERATING EXPENSES

Operating profit/(loss) is stated after charging/(crediting):

	Note	Adjusted Results 2017 £m	Adjusting Items 2017 £m	Statutory Results 2017 £m	Restated[6] Adjusted Results 2016 £m	Restated[6] Adjusting Items 2016 £m	Restated[6] Statutory Results 2016 £m
Net foreign exchange (gains)/losses		**0.3**	**–**	**0.3**	0.3	–	0.3
Employee benefits expense	5	**30.9**	**0.2**	**31.1**	27.4	0.9	28.3
Depreciation of property, plant and equipment	12	**0.7**	**–**	**0.7**	0.5	–	0.5
Amortisation of intangible assets	11	**2.8**	**2.5**	**5.3**	2.7	2.2	4.9
Impairment of goodwill	10	**–**	**–**	**–**	–	7.2	7.2
Earn-out consideration	14	**–**	**0.6**	**0.6**	–	0.6	0.6
Acquisition related costs		**–**	**0.6**	**0.6**	–	–	–
Other exceptional operating costs	4	**–**	**–**	**–**	–	0.3	0.3
Operating lease rentals		**1.8**	**–**	**1.8**	1.7	–	1.7
Repairs and maintenance expenditure		**0.2**	**–**	**0.2**	0.3	–	0.3
Impairment of trade receivables	29	**0.5**	**–**	**0.5**	0.4	1.5	1.9
Share-based payment expense/(credit)	26	**–**	**0.5**	**0.5**	–	(0.1)	(0.1)
Other operating expenses		**24.1**	**–**	**24.1**	22.2	–	22.2
		61.3	**4.4**	**65.7**	55.5	12.6	68.1
Cost of sales		**29.1**	**–**	**29.1**	27.8	–	27.8
Distribution costs		**0.5**	**–**	**0.5**	0.9	–	0.9
Administrative expenses		**31.7**	**4.4**	**36.1**	26.8	12.6	39.4
		61.3	**4.4**	**65.7**	55.5	12.6	68.1

Rental income for the sub-lease of properties under leases totalled £0.7m (2016: £0.7m).

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

Services provided by the Company's auditor

	2017 £'000	2016 £'000
Fees payable to the Company's auditors for the audit of Company and consolidated financial statements	210	150
Additional audit fees relating to prior year	–	55
Fees payable to the Company's auditors and its associates for other services:		
The audit of the Company's subsidiaries pursuant to legislation	10	10
Total audit fees	220	215
Audit related assurance services	22	28
Taxation compliance services	–	17
Other taxation advisory services	–	66
Other assurance services	303	29
Total non-audit fees	325	140
Total fees	545	355

Fees payable to the Company's auditor for the audit of Company and consolidated financial statements include non-recurring fees of £60,000 (2016: £nil).

Other assurance related services include covenant compliance £7,500, acquisition related costs £100,000 and disposal related costs £195,000. In 2016 other assurance services of £29,000 are immaterial.

NOTES TO THE FINANCIAL STATEMENTS

4 ADJUSTING ITEMS

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

Continuing operations	Note	2017 £m	2016 £m
Exceptional operating costs			
Staff-related restructuring costs	5	0.2	0.9
Costs relating to strategic corporate restructuring initiatives		–	0.3
Exceptional operating costs		0.2	1.2
Impairment of goodwill	10	–	7.2
Amortisation of acquired intangible assets	11	2.5	2.2
Additional impairment of trade receivables	28	–	1.5
Share-based payment expense/(credit)	26	0.5	(0.1)
Earn-out consideration	14	0.6	0.6
Costs relating to business acquisition	14	0.6	–
Adjusting items to profit before tax		4.4	12.6
Tax relating to adjusting items	7	(0.5)	(0.7)
Total adjusting items after tax		3.9	11.9
Discontinued operations			
Profit on disposal of subsidiary		(20.9)	–
Amortisation of acquired intangible assets		–	0.1
Additional impairment of trade receivables		–	0.3
Tax relating to adjusting items		–	(0.1)
Total adjusting items after tax		(17.0)	12.2

Exceptional costs

Staff-related restructuring costs

During 2017, exceptional restructuring costs of £0.2m were incurred as a result of the reorganisation of the Human Resources function and the exit from print. 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 2016, exceptional restructuring costs of £0.9m were recognised as a result of restructuring activities and cost saving initiatives.

Costs relating to strategic corporate restructuring initiatives

In the prior year, these costs related to professional fees for strategic corporate restructuring initiatives of £0.2m and non-trading costs arising on prior disposals of £0.1m.

Other adjusting items

Other adjusting items relate to the amortisation of acquired intangible assets (see note 11) and share-based payment costs (see note 26) as well as the items discussed below:

Earn-out consideration

In 2017, a charge of £0.6m has been recognised in relation to acquisition earn-out consideration for Oystercatcher. See note 14 for further details.

The charge in 2016 of £0.6m also related to the Oystercatchers acquisition earn-out.

Costs relating to the acquisition of business

These costs relate to the acquisition of MarketMakers Incorporated Limited ('MarketMakers') (see note 14). These costs include stamp duty of £0.1m, sponsors' fees of £0.1m, legal fees of £0.1m, due diligence and planning fees of £0.1m and various other professional fees of £0.2m.

Profit on disposal of subsidiary
On 1 August 2017, the Group sold its business-to-consumer division, the Home Interest segment, recognising a profit on disposal of £20.9m (see note 15 for more detail).

Additional impairment of trade receivables
In the prior year, an additional, separately reported charge was recognised in relation to impairment of trade receivables of £1.8m (£1.5m from continuing operations, £0.3m from discontinued operations). 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 remained unpaid at 31 December 2016, which was significantly in excess of levels historically experienced by the Group. A detailed review and risk assessment to ascertain the recoverability of this debt was undertaken. This review, together with the fact that there was further extended ageing despite active pursuit of the amounts in 2016 meant the Group considered 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 was separately reported in adjusting items. In addition, an ordinary charge of £0.5m was recorded in adjusted operating profit, which was not separately reported.

In 2017, no such additional charge is required.

Impairment of goodwill
During 2017, there was no impairment charge in relation to goodwill (2016: £7.2m impairment charge in relation to goodwill in the Financial Services segment).

5 DIRECTORS AND EMPLOYEES

	2017 Group £m	2016 Group £m	2017 Company £m	2016 Company £m
Wages and salaries	**26.9**	23.4	**1.3**	0.9
Social security costs	**3.1**	3.1	**0.1**	0.1
Other pension costs	**0.9**	0.9	**0.1**	0.1
Adjusted staff costs	**30.9**	27.4	**1.5**	1.1
Exceptional staff-related restructuring costs (note 4)	**0.2**	0.9	**–**	–
Earn-out consideration (note 14)	**0.6**	0.6	**–**	–
Equity-settled share-based payments (note 26)	**0.5**	(0.1)	**0.2**	–
Total staff costs	**32.2**	28.8	**1.7**	1.1

The staff costs presented above are for continuing operations and exclude all staff costs relating to the Home Interest segment, which are presented in discontinued operations.

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

	2017 Group Number	2016 Group Number	2017 Company Number	2016 Company Number
Marketing	**233**	168	**–**	–
Professional	**90**	93	**–**	–
Financial Services	**43**	48	**–**	–
Central	**149**	184	**4**	4
	515	493	**4**	4

With the exception of the newly acquired business of MarketMakers, the Group's employees have contracts of service with Centaur Communications Limited and are paid by Chiron Communications Limited, both Group companies. As the employees provide services to the Company, their costs are recharged and the relevant disclosures are made in the financial statements. The MarketMakers' employees are employed and paid by MarketMakers Incorporated Limited.

NOTES TO THE FINANCIAL STATEMENTS

5 DIRECTORS AND EMPLOYEES CONTINUED

Key management compensation

	2017 £m	2016 £m
Salaries and short term employment benefits	2.5	1.9
Termination benefits	–	0.3
Post-employment benefits	0.1	0.1
Share-based payments	0.3	(0.1)
Earn-out consideration	0.2	0.2
	3.1	2.4

Key management is defined as the Executive Directors and Executive Committee members.

Aggregate Directors' remuneration

	2017 £m	2016 £m
Salaries, fees, bonuses and benefits in kind	1.2	1.0
Charge / (credit) under long term incentive schemes	0.2	(0.1)
Post-employment benefits	0.1	0.1
	1.5	1.0

Highest paid Director's remuneration

	2017 £m	2016 £m
Salaries, fees, bonuses and benefits in kind	0.6	0.4
Charge / (credit) under long term incentive schemes	0.1	0.1
Post-employment benefits	–	0.1
	0.7	0.6

No Directors exercised share options during the current or prior year. No Directors were paid compensation in respect of loss of office during either year. Further details of Directors' remuneration are included in the Remuneration Committee Report between pages 42 to 54.

6 FINANCE COSTS

	2017 £m	2016 £m
Interest payable on revolving credit facility	0.2	0.4
Commitment fees and amortisation of arrangement fee in respect of revolving credit facility	0.2	0.1
Total finance costs	0.4	0.5

7 TAXATION

	2017 £m	2016 £m
Analysis of charge for the year		
Current tax		
UK corporation tax	1.2	1.2
Overseas tax	0.1	0.1
Adjustments in respect of prior years	0.1	(0.2)
	1.4	1.1
Deferred tax (note 16)		
Current period	(0.6)	(0.3)
Adjustments in respect of prior years	–	0.2
	(0.6)	(0.1)
Taxation	0.8	1.0

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

	2017 £m	2016 £m
Profit/(loss) before tax	22.7	(4.4)
Tax at the UK rate of corporation tax of 19.25% (2016: 20.0%)	4.3	(0.9)
Effects of:		
Expenses not deductible for tax purposes	0.4	0.5
Goodwill impairment not deductible	–	1.4
Profit on disposal	(4.1)	–
Adjustments in respect of prior years	0.1	–
Different tax rates of subsidiaries in other jurisdictions	0.1	–
	0.8	1.0

The tax charge for the year is based on the Group profit before tax from both continuing and discontinued operations. It is comprised of £0.4m relating to continuing operations, as per the statements of comprehensive income, and £0.4m relating to discontinued operations.

The Finance (No 2) Act 2015, which provides for reductions in the main rate of corporation tax from 20% to 19% effective from 1 April 2017 and to 18% effective from 1 April 2020, was substantively enacted on 26 October 2015. These rate reductions have been reflected in the calculation of deferred tax at the statement of financial position date.

The Finance Act 2016, which provides for reductions in the main rate of corporation tax to 17% effective from 1 April 2020, was substantively enacted on 15 September 2016.

NOTES TO THE FINANCIAL STATEMENTS

7 TAXATION CONTINUED

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:

	2017 £m	2016 £m
Reported tax expense	**0.8**	1.0
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**	0.1
Earn-out consideration	**–**	0.1
Adjusted tax expense	**1.3**	1.8

8 DISCONTINUED OPERATIONS

On 1 August 2017, the Group disposed of its Home Interest segment, comprised of Centaur Consumer Exhibitions Limited and Ascent Publishing Limited. The disposal was effected in line with the Group's strategy to become a pure business-to-business ('B2B') business.

The results of the discontinued operations, which have been included in the consolidated statement of comprehensive income and consolidated cash flow statement, were as follows:

Statement of comprehensive income	Period ended 31 July 2017 £m	Year ended 31 December 2016 £m
Revenue	**7.2**	12.8
Expenses	**(4.7)**	(8.3)
Profit on disposal	**20.9**	-
Profit before tax	**23.4**	4.5
Attributable tax expense	**(0.4)**	(0.9)
Statutory profit after tax	**23.0**	3.6
Profit on disposal	**(20.9)**	–
Amortisation of acquired intangible assets	**–**	0.1
Additional impairment of trade receivables	**–**	0.3
Attributable tax expense	**–**	(0.1)
Adjusted profit attributable to discontinued operations	**2.1**	3.9

Cash flows	Period ended 31 July 2017 £m	Year ended 31 December 2016 £m
Operating cash flows	**0.7**	0.1
Investing cash flows	**–**	–
Financing cash flows	**–**	–
Total cash flows	**0.7**	0.1

A profit of £20.9m arose on the disposal of the Home Interest segment, being the difference between proceeds of disposal and the carrying amount of the subsidiaries' net assets and attributable goodwill, less £1.9m of transaction costs.

9 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 (2016: 91,191) shares held in the employee benefit trust and 6,964,613 (2016: 6,870,437) 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 share save 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 continuing and discontinued basis, as the Directors believe that this measure is more reflective of the underlying performance of the Group. These have been calculated as follows:

	2017 Earnings attributable to owners of the parent £m	2017 Weighted average number of shares Millions	2017 Earnings per share Pence	2016 Earnings attributable to owners of the parent £m	2016 Weighted average number of shares Millions	2016 Earnings per share Pence
Basic						
Continuing operations	(1.1)	144.4	(0.8)	(9.0)	143.6	(6.3)
Continuing and discontinued operations	21.9	144.4	15.2	(5.4)	143.6	(3.8)
Effect of dilutive securities						
Options: Continuing operations	–	–	–	–	–	–
Options: Continuing and discontinued operations	–	8.3	(0.9)	–	–	–
Diluted						
Continuing operations	(1.1)	144.4	(0.8)	(9.0)	143.6	(6.3)
Continuing and discontinued operations	21.9	152.7	14.3	(5.4)	143.6	(3.8)
Adjusted						
Continuing operations						
Basic	(1.1)	144.4	(0.8)	(9.0)	143.6	(6.3)
Amortisation of acquired intangibles (note 11)	2.4		1.7	2.2		1.5
Impairment of trade receivables	–		–	1.5		1.1
Earn-out consideration	0.6		0.4	0.6		0.4
Other exceptional costs (note 4)	0.3		0.2	1.2		0.8
Share-based payments (note 26)	0.5		0.3	(0.1)		(0.1)
Impairment of goodwill (note 10)	–		–	7.2		5.0
Acquisition related costs (note 14)	0.6		0.4	–		–
Tax effect of above adjustments	(0.5)		(0.3)	(0.7)		(0.4)
Discontinued operations						
Basic	23.0	144.4	16.0	3.6	143.6	2.5
Amortisation of acquired intangibles	–		–	0.1		0.1
Impairment of trade receivables	–		–	0.3		0.2
Profit on disposal (note 15)	(20.9)		(14.5)	–		–
Tax effect of above adjustments	–		–	(0.1)		(0.1)
Adjusted basic						
Continuing operations	2.8	144.4	1.9	2.9	143.6	2.0
Continuing and discontinued operations	4.9	144.4	3.4	6.8	143.6	4.7
Effect of dilutive securities						
Options: Continuing operations	–	8.3	(0.1)	–	6.2	(0.1)
Options: Continuing and discontinued operations	–	8.3	(0.2)	–	6.2	(0.2)
Adjusted diluted						
Continuing operations	2.8	152.7	1.8	2.9	149.8	1.9
Continuing and discontinued operations	4.9	152.7	3.2	6.8	149.8	4.5

NOTES TO THE FINANCIAL STATEMENTS

10 GOODWILL

Cost	Group £m
At 1 January 2016	155.1
Additions in the year	1.2
At 31 December 2016	156.3
Additions in the year (note 14)	11.0
Disposal of subsidiary (note 15)	(7.9)
At 31 December 2017	**159.4**
Accumulated impairment	
At 1 January 2016	77.0
Charge for the year	7.2
At 31 December 2016	84.2
Charge for the year	–
Disposal of subsidiary (note 15)	(0.4)
At 31 December 2017	**83.8**
Net book value	
At 31 December 2017	**75.6**
At 31 December 2016	72.1

Additions in the year relate to the acquisition of MarketMakers. See note 14 for further details.

Disposal in the year relates to the disposal of the Home Interest segment. See note 15 for further details.

Goodwill by segment

Each brand is deemed to be a Cash Generating Unit ('CGU'), being the lowest level at which cash flows are separately identifiable. Goodwill is attributed to individual CGUs but is reviewed at the segment level for the purposes of the annual impairment review as this is the level at which management monitors goodwill. The majority of the Group's goodwill arose on the acquisition of Centaur Communications Group in 2004.

Goodwill is allocated to segments as follows:

	Marketing £m	Professional £m	Financial Services £m	Home Interest £m	Total £m
At 1 January 2016	36.7	21.6	12.3	7.5	78.1
Additions	1.2	–	–	–	1.2
Charge	–	–	(7.2)	–	(7.2)
At 31 December 2016	37.9	21.6	5.1	7.5	72.1
Additions	11.0	–	–	–	11.0
Disposal	–	–	–	(7.5)	(7.5)
At 31 December 2017	**48.9**	**21.6**	**5.1**	**–**	**75.6**

Impairment testing of goodwill and acquired intangible assets

During the period, 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 amounts are measured based on value-in-use.

The Group estimates the value-in-use of its CGUs using a discounted cash flow model, which adjusts the cash flows for risks associated with the assets and discounts these using a pre-tax rate of 11.4% (2016: 12.6%). The discount rate used is consistent with the Group's weighted average cost of capital and is used 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 approved forecasts for the first three years of the calculation and applied a terminal growth rate of 2.0% (2016: 2.0%). This timescale and the terminal growth rate are both considered appropriate given the cyclical nature of the Group's revenues.

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 2017, before impairment testing, goodwill of £48.9m, £21.6m and £5.1m was allocated to the Marketing, Professional and Financial Services segments respectively. In a 'base case' scenario, and in the sensitised scenarios outlined below, the value-in-use calculations exceed the carrying values and therefore no impairment to goodwill is indicated for any of the three segments.

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

(i) apply a 10% reduction to forecast adjusted EBITDA in each year of the modelled cash flows. No impairment would occur in any of the segments.

(ii) apply a 2.0% increase in discount rate from 11.4% to 13.4%. No impairment would occur in any of the segments.

(iii) reduce the terminal value growth rate from 2.0% to 1.0%. No impairment would occur in any of the segments.

11 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 2016	10.9	5.6	11.6	4.7	0.5	33.3
Additions – separately acquired	1.3	–	–	–	–	1.3
Additions - internally generated	1.0	–	–	–	–	1.0
Additions – business combination (note 14)	–	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
Additions - separately acquired	1.5	–	–	–	–	1.5
Additions - internally generated	1.2	–	–	–	–	1.2
Additions – business combination (note 14)	0.7	0.8	3.6	–	–	5.1
Disposal of subsidiary (note 15)	(0.5)	(1.0)	(0.7)	–	–	(2.2)
At 31 December 2017	**16.1**	**5.6**	**15.4**	**4.7**	**–**	**41.8**
Accumulated amortisation						
At 1 January 2016	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
Amortisation charge for the year	2.9	0.3	1.7	0.4	–	5.3
Disposal of subsidiary (note 15)	(0.3)	(0.5)	(0.8)	–	–	(1.6)
At 31 December 2017	**9.5**	**1.9**	**7.2**	**4.6**	**–**	**23.2**
Net book value at 31 December 2017	**6.6**	**3.7**	**8.2**	**0.1**	**–**	**18.6**
Net book value at 31 December 2016	6.3	3.7	6.2	0.5	–	16.7
Net book value at 1 January 2016	6.7	3.9	6.4	1.3	–	18.3

* Amortisation of £2.5m (2016: £2.3m) of acquired intangible assets from business combinations is presented as an adjusting item (see note 1(b) for further information). The current year charge of £2.5m includes £0.1m in computer software (2016: £nil).

The Company has no intangible assets (2016: £nil). Amortisation of intangible assets is included in net operating expenses in the statement of comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS

12 PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements £m	Fixtures and fittings £m	Computer equipment £m	Total £m
Cost				
At 1 January 2016	2.1	0.6	0.9	3.6
Additions - separately acquired	0.1	–	0.1	0.2
Additions - business combination (note 14)	–	0.1	–	0.1
At 31 December 2016	2.2	0.7	1.0	3.9
Additions - separately acquired	0.1	–	0.1	0.2
Additions - business combination (note 14)	–	–	0.2	0.2
Disposal of subsidiary (note 15)	(0.1)	(0.1)	–	(0.2)
At 31 December 2017	**2.2**	**0.6**	**1.3**	**4.1**
Accumulated depreciation				
At 1 January 2016	1.0	0.2	0.1	1.3
Depreciation charge for the period	0.2	0.1	0.3	0.6
At 31 December 2016	1.2	0.3	0.4	1.9
Depreciation charge for the year	0.2	0.1	0.4	0.7
Disposal of subsidiary (note 15)	(0.1)	(0.1)	–	(0.2)
At 31 December 2017	**1.3**	**0.3**	**0.8**	**2.4**
Net book value at 31 December 2017	**0.9**	**0.3**	**0.5**	**1.7**
Net book value at 31 December 2016	1.0	0.4	0.6	2.0
Net book value at 1 January 2015	1.1	0.4	0.8	2.3

The Company has no property, plant and equipment at 31 December 2017 (2016: £nil).

13 INVESTMENTS

Company	Investments in subsidiary undertakings £m
Cost	
At 31 January 2015 and 31 December 2016	146.2
Additions	–
Disposals	–
As at 31 December 2017	146.2
Accumulated impairment	
At 1 January 2015, 31 December 2016 and 31 December 2017	12.2
Net book value at 31 December 2017	**134.0**
Net book value at 31 December 2015 and 31 December 2016	134.0

The Group disposed of its interests in the following subsidiaries on 1 August 2017:

Name	Proportion of ordinary shares and voting rights held (%)	Principal activities	Country of incorporation
Ascent Publishing Limited	100	Digital and print publishing	United Kingdom
Centaur Consumer Exhibitions Limited	100	Exhibitions	United Kingdom

The gain on disposal of Ascent Publishing Limited and Centaur Consumer Exhibitions Limited was £20.9m. The gain on disposal is presented as an adjusting item against net operating expenses on the statement of comprehensive income.

Name	Proportion of ordinary shares and voting rights held (%)	Principal activities	Country of incorporation
Centaur Communications Limited [1]	100	Holding company and agency services	United Kingdom
Centaur Media USA Inc.[2]	100	Digital information, training and events	United States
Chiron Communications Limited	100	Digital information, training and events	United Kingdom
E-consultancy.com Limited	100	Digital information, training and events	United Kingdom
E-consultancy Asia Pacific Pty Limited [3]	100	Digital information, training and events	Singapore
E-consultancy Australia Pty Limited [4]	100	Digital information, training and events	Australia
E-consultancy LLC [5]	100	Digital information, training and events	United States
Investment Platforms Limited	100	Research data and analysis	United Kingdom
MarketMakers Incorporated Limited[6,7]	100	Telemarketing and research	United Kingdom
Mayfield Publishing Limited	100	Investment company	United Kingdom
Pro-talk Ltd	100	Digital publishing	United Kingdom
Taxbriefs Holdings Limited	100	Holding company	United Kingdom
Taxbriefs Limited	100	Digital and print publishing	United Kingdom
The Forum for Expatriate Management Limited	100	Events and information services	United Kingdom
The Profile Group (UK) Limited	100	Digital information services	United Kingdom
Your Business Magazine Limited	100	Investment company	United Kingdom
Venture Business Research Limited	100	Research data and analysis	United Kingdom

1. Directly owned by Centaur Media Plc.
2. Registered address is 2711 Centerville Road, Suite 400 Wilmington, DE19808, USA. Functional currency is USD.
3. Registered address is 30 Cecil Street, #19-08 Prudential Tower, Singapore 049712. Functional currency is USD.
4. Registered address is Level 17, 383 Kent Street, Sydney, NSW, 2000, Australia. Functional currency is AUD.
5. Registered address is 41 East, 11 Street, 11Fl, New York, NY 10003, USA. Functional currency is USD.
6. Registered address is 1000 Lakeside North Harbour Western Road, Portsmouth, Hampshire, PO6 3EN.
7. Subsidiary acquired on 2 August 2017. No previous interest held.

The registered address of all subsidiary companies is 79 Wells Street, London, W1T 3QN, United Kingdom, with the exception of those identified above. The functional currency of all subsidiaries is GBP except for those identified above. The consolidated financial statements incorporate the financial statements of all entities controlled by the Company at 31 December 2017.

NOTES TO THE FINANCIAL STATEMENTS

14 BUSINESS COMBINATION

On 2 August 2017, Centaur Communications Limited, a Group company, acquired 100% of the issued share capital of MarketMakers Incorporated Limited ('MarketMakers'), a business-to-business ('B2B') telemarketing agency. This acquisition forms a significant aspect of Centaur's transformation into a pure B2B-focused business. MarketMakers will provide a range of higher value-added products and services, and will allow Centaur to offer end-to-end lead generation management. The results of MarketMakers are included in the Marketing segment. Details of the purchase consideration, the net assets acquired and goodwill are as follows:

	£m
Purchase consideration:	
Cash paid	17.1
Deferred cash consideration	0.1
Contingent cash consideration	1.7
Total purchase consideration	18.9

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

	2 August 2017 Fair value £m
Intangible assets: Brands	0.8
Intangible assets: Customer contracts and relationships	3.6
Intangible assets: ERP platform	0.7
Total identified intangible assets (see note 11)	5.1
Deferred tax liabilities on identified intangible assets	(1.0)
	4.1
Property, plant and equipment	0.2
Trade receivables	2.3
Prepayments and other debtors	0.3
Current tax assets	0.2
Accrued income	0.3
Cash	4.2
Trade payables	(0.2)
Accruals	(1.2)
Deferred income	(1.4)
Social security and other taxes	(0.9)
Net identifiable assets acquired	7.9
Goodwill (see note 10)	11.0
Total purchase consideration	18.9

Certain intangible assets have been separately identified on acquisition including brands of £0.8m, customer relationships of £3.6m, and the ERP platform of £0.7m. The fair value of the brands has been estimated using a relief from royalty approach, and the customer relationships and ERP platform have been valued using an excess earnings approach.

The useful economic life of the intangibles is as follows:

Intangible assets – Brands - 8 years

Intangible assets – Customer contracts and relationships - 3 to 4 years

Intangible assets – ERP platform – 5 years

The goodwill is comprised of the deferred tax liability on the identified intangible assets, the acquired workforce and, in particular, the ability of the business to generate new customer relationships.

Deferred consideration

£0.1m of deferred consideration is payable in cash upon completion of the Company tax return related to the year ended 31 December 2017, subject to any claims made under the purchase agreement. £0.1m has been recognised in other liabilities in respect of this deferred consideration.

Contingent consideration

In the event that certain pre-determined EBITDA levels are achieved by MarketMakers for the year ended 31 December 2017, additional consideration of up to £3.6m may be payable in cash during the first quarter of 2018.

The potential undiscounted amount payable under the agreement is between £nil for EBITDA below £2.0m and £3.6m for EBITDA above £2.5m. The fair value of the contingent consideration is undiscounted as the payment is due in less than one year from the acquisition date.

Acquired receivables

The fair value of acquired trade receivables is £2.3m. The gross contractual amount for trade receivables due is £2.3m, all of which is expected to be collectible.

Revenue and profit contribution

MarketMakers contributed revenues of £6.1m and net profit of £1.1m to the Group for the period from 2 August 2017 to 31 December 2017. If the acquisition had occurred on 1 January 2017, MarketMakers pro forma revenue and operating profit for the year ended 31 December 2017 would have been £13.9m and £2.1m respectively.

Acquisition costs

Costs relating to the acquisition of MarketMakers amounted to £0.6m (see note 4). These costs include stamp duty of £0.1m, sponsors' fees of £0.1m, legal fees of £0.1m, due diligence and planning fees of £0.1m and various other professional fees of £0.2m.

Prior year business combination

In the prior year, Centaur Communications Limited, a Group company, acquired the business and assets of The Oystercatchers LLP ('Oystercatchers'), a specialist marketing consultancy. The results of Oystercatchers are included in the Marketing segment. The £1.1m net identifiable assets of Oystercatchers were acquired for total purchase consideration of £2.3m, resulting in the recognition of £1.2m of goodwill. The consideration comprised a mixture of cash and shares, including deferred consideration of £0.2m that has been fully settled in cash in the current year.

At 31 December 2016, and under the sales purchase agreement, there was contingent consideration (earn-out consideration) of £1.2m to be settled in cash 75% and shares 25%. In the prior year, an expense and a provision of £0.4m was recognised under IAS 19 (for the cash element) and an expense and credit to equity of £0.2m was recognised under IFRS 2 (for the share-based payment element). During the period a further expense and provision of £0.4m was recognised under IAS 19 (for the cash element) and an expense and credit to equity of £0.2m under IFRS 2 (for the share-based payment element). The total amount of £1.2m was settled wholly in cash during the year and therefore an adjustment of £0.4m (£0.2m current year and £0.2m prior year) was made to reverse the share-based payment element under IFRS 2 and account for the whole transaction under IAS 19 appropriately.

Further details of this acquisition can be found in note 13 of the Group's Annual Report and financial statements for the year ended 31 December 2016.

NOTES TO THE FINANCIAL STATEMENTS

15 DISPOSAL OF SUBSIDIARY

On 1 August 2017, the Group disposed of its interest in its Home Interest segment, by way of sale of 100% of the equity shares of Ascent Publishing Limited and Centaur Consumer Exhibitions Limited.

The net assets of the Home Interest segment at the date of disposal were as follows:

	1 August 2017 £m
Goodwill	7.5
Other intangible assets	0.6
Inventories	0.6
Trade and other receivables	2.5
Intercompany	2.6
Cash and cash equivalents	0.9
Trade and other payables	(0.6)
Deferred income	(3.5)
Current tax liability	(0.4)
Net assets disposed attributable to Shareholders of the Company	**10.2**
Directly attributable costs of disposal	1.7
Gain on disposal	20.9
Fair value of consideration	**32.8**
Satisfied by:	
Cash and cash equivalents	30.2
Settlement of intercompany balances	2.6
	32.8
Net cash inflow arising on disposal:	
Consideration received in cash and cash equivalents	30.2
Less: directly attributable costs of disposal	(1.4)
Less: cash and cash equivalents disposed of	(0.9)
	27.9

Proceeds of £32.8m comprised cash of £30.2m and settlement of amounts owed by the continuing Group to the Home Interest segment of £2.6m. The gain on disposal of £20.9m is included in the profit for the year from discontinued operations (see note 8).

There were no disposals of subsidiaries during 2016.

16 DEFERRED TAX

The movement on the deferred tax account is shown below:

	Accelerated capital allowances £m	Other temporary differences £m	Tax losses £m	Total £m
Net asset / (liability) at 1 January 2016	0.4	(0.7)	0.2	(0.1)
Adjustments in respect of prior years	(0.2)	–	–	(0.2)
Recognised in the statement of comprehensive income	0.2	0.1	–	0.3
Arising on business combination	–	(0.2)	–	(0.2)
Net asset / (liability) at 31 December 2016	0.4	(0.8)	0.2	(0.2)
Recognised in the statement of comprehensive income	0.2	0.4	–	0.6
Arising on business combination	–	(1.0)	–	(1.0)
Disposed	(0.1)	–	–	(0.1)
Net asset / (liability) at 31 December 2017	**0.5**	**(1.4)**	**0.2**	**(0.7)**

Deferred tax assets and liabilities are only offset where there is a legally enforceable right of offset and there is an intention to settle the balances net.

	2017 Group £m	2016 Group £m
Deferred tax asset	**0.7**	0.6
Deferred tax liabilities	**(1.4)**	(0.8)
Total	**(0.7)**	(0.2)

At the statement of financial position date, the Group has unused tax losses of £1.4m (2016: £1.3m) available for offset against future profits. A deferred tax asset of £0.2m (2016: £0.2m) has been recognised in respect of £1.0m (2016: £1.0m) of such tax losses. No deferred tax has been recognised in respect of the remaining £0.4m (2016: £0.3m) as it is not currently considered probable that there will be future sufficient taxable profits available. Unrecognised losses may be carried forward indefinitely. Deferred tax assets and liabilities are expected to be materially realised after 12 months.

17 INVENTORIES

	2017 Group £m	2016 Group £m
Work in progress	**1.4**	2.5

The Company had no inventory at 31 December 2017 (2016: £nil).

There are no provision amounts in respect of inventories (2016: £nil).

NOTES TO THE FINANCIAL STATEMENTS

18 TRADE AND OTHER RECEIVABLES

	2017 Group £m	2016 Group £m	2017 Company £m	2016 Company £m
Amounts falling due within one year				
Trade receivables	**10.5**	15.8	**–**	–
Less: provision for impairment of receivables (note 29)	**(1.5)**	(2.7)	**–**	–
Trade receivables – net	**9.0**	13.1	**–**	–
Receivables from subsidiaries	**–**	–	**2.7**	1.6
Receivable from Employee Benefit Trust	**–**	–	**–**	0.2
Other receivables	**0.9**	0.8	**0.3**	0.3
Prepayments	**1.4**	1.2	**–**	–
Accrued income	**0.3**	0.6	**–**	–
	11.6	15.7	**3.0**	2.1

Receivables from subsidiaries are unsecured, have no fixed due date and bear interest at an annual rate of 2.39% (2016: 2.43%).

19 CASH AND CASH EQUIVALENTS

	2017 Group £m	2016 Group £m	2017 Company £m	2016 Company £m
Cash at bank and in hand	**4.1**	3.4	**–**	–

20 TRADE AND OTHER PAYABLES

	2017 Group £m	2016 Group £m	2017 Company £m	2016 Company £m
Trade payables	**2.6**	3.7	**–**	–
Payables to subsidiaries	**–**	–	**43.9**	18.9
Social security and other taxes	**1.1**	0.8	**–**	–
Other payables	**1.4**	1.3	**–**	–
Accruals	**5.8**	3.9	**0.6**	0.1
	10.9	9.7	**44.5**	19.0

Payables to subsidiaries are unsecured, have no fixed date of repayment and bear interest at an annual rate of 2.39% (2016: 2.43%).

The Directors consider that the carrying amount of the trade payables approximates their fair value.

21 FINANCE LEASES

Lease payables are secured as the rights to the leased assets revert to the lessor in the event of default. The Group's lease payables in the current and prior year are immaterial.

The Group leases office equipment with a carrying amount of £nil (2016: £0.1m) under a finance lease expiring in one year. There were no new finance leases during 2017 or 2016.

22 CURRENT TAX LIABILITIES

	2017 Group £m	2016 Group £m
Corporation tax	–	0.7

23 PROVISIONS

	Deferred consideration £m	Other £m	Total £m
Group			
At 1 January 2016	–	–	–
Charged to statement of comprehensive income during the period	0.4	–	0.4
At 31 December 2016	0.4	–	0.4
Charged to statement of comprehensive income during the period	0.5	–	0.5
Transferred from equity	0.3	–	0.3
Acquisition related (note 14)	1.8	0.1	1.9
Utilised in the period	(1.2)	–	(1.2)
At 31 December 2017	**1.8**	**0.1**	**1.9**
Current	1.8	–	1.8
Non-current	–	0.1	0.1
Total	1.8	0.1	1.9

Deferred consideration

Deferred consideration at 31 December 2016 related to the acquisition of Oystercatchers. Under the sales purchase agreement, the contingent consideration was to be settled in cash 75% and shares 25%. In the prior year, an expense and a provision of £0.4m was recognised under IAS 19 (for the cash element) and an expense and credit to equity of £0.2m was recognised under IFRS 2 (for the share-based payment element).

During the year, a further expense and provision of £0.4m was recognised under IAS 19 (for the cash element) and an expense and credit to equity of £0.2m under IFRS 2 (for the share-based payment element).

Per agreement with the former Oystercatchers Shareholders, the total amount of £1.2m was wholly settled in cash during the year and therefore an adjustment of £0.2m was made to reverse the share-based payment element recognised in the year under IFRS 2 and account for the charge under IAS 19, appropriately resulting in a total charge of £0.6m. A transfer was made for the total share-based payment amount of £0.3m held in non-distributable reserves in equity to provisions netting off against the payment made to settle the liability.

Deferred consideration at 31 December 2017 relates to the acquisition of MarketMakers Incorporated Limited (‘MarketMakers’) and is payable within 1 year (see note 14). The amount payable is dependent on achieving pre-determined EBITDA levels and has been treated as contingent consideration. All amounts represent the Directors’ best estimate of the balance to be paid at the statement of financial position date, based on information available at the acquisition date.

Other

A dilapidation provision was acquired on the acquisition of MarketMakers in relation to the building leased by the Company in Portsmouth. The lease expires in December 2022 and therefore the provision is classified as a non-current liability.

NOTES TO THE FINANCIAL STATEMENTS

24 BORROWINGS

	31 December 2017 Group £m	31 December 2016 Group £m	31 December 2017 Company £m	31 December 2016 Company £m
Non-current liabilities				
Arrangement fee in respect of revolving credit facility	–	(0.1)	–	(0.1)
Revolving credit facility	–	17.5	–	17.5
	–	17.4	–	17.4

All borrowings were classified as non-current at 31 December 2016. At 31 December 2017, there were no drawdowns on the revolving credit facility. Further details about the Group's borrowings are provided in note 29.

25 EQUITY

Ordinary shares of 10p each	Nominal value £m	Number of shares
Authorised share capital – Group and Company		
At 1 January 2016, 31 December 2016 and 31 December 2017	**20.0**	**200,000,000**
Issued and fully paid share capital – Group and Company		
At 1 January 2016, 31 December 2016 and 31 December 2017	**15.1**	**151,410,266**

Deferred shares reserve

The deferred shares reserve represents 800,000 (2016: 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.

Reserve 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.

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 2017, 6,964,613 (2016: 6,870,437) 10p ordinary shares are held in treasury and 91,191 (2016: 91,191) 10p ordinary shares are held in an employee benefit trust.

During 2017, the Company purchased 97,176 (2016: 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 9 May 2017 up to a value of £1.0m. The shares were acquired at an average price of 53.58p (2016: 42.75p) per share, with prices ranging from 46p to 55p. The total cost of £0.1m (2016: £0.2m) has been recognised in other reserves in the own shares reserve in equity.

26 SHARE-BASED PAYMENTS

The Group's share-based payment expense for the year by scheme:

	2017 £m	2016 £m
Equity-settled plans		
LTIP	**0.5**	(0.1)
Retention Plan	**–**	–
SELTIP	**–**	–
Share Incentive Plan	**–**	–
Total equity-settled incentive plans	**0.5**	(0.1)
Deferred contingent consideration (note 14)	**–**	0.2
Total share-based payment expense	**0.5**	0.1

The Group's share-based payment schemes are equity-settled. In the prior year opening reserves in equity were restated to account for historical share plan vests. See note 1(a) for details.

The current year charge of £0.5m includes £0.1m in relation to national insurance payables on equity-settled share-based schemes and is included in liabilities as it is to be settled in cash.

Long Term Incentive Plan

The Group operates a Long Term Incentive Plan ('LTIP') for Executive Directors and selected senior management. This is an existing incentive policy and was approved by Shareholders at the 2006 AGM. The share awards are valued at date of grant and the consolidated statement of comprehensive income is charged over the vesting period, taking into account the number of shares expected to vest.

Full details of how the scheme operates are included in the Directors' Remuneration Report. These awards were priced using the following models and inputs:

NOTES TO THE FINANCIAL STATEMENTS

26 SHARE-BASED PAYMENTS CONTINUED

	LTIP 2016	LTIP 2016	LTIP 2016	LTIP 2016	LTIP 2006	LTIP 2006	LTIP 2006	LTIP 2006	LTIP 2006	LTIP 2006
Grant date	24.04.17	07.04.17	04.10.16	22.09.16	30.03.16	27.10.15	10.08.15	26.03.15	04.08.14	08.11.13
Share price at grant date	45.75	40.75	44.00	41.00	49.00	78.25	80.5	69.5	56.75	54.25
Fair value	24.46	21.08	18.04	16.81	20.92	47.42	48.22	42.43	48.94	47.16
Exercise date	24.04.20	07.04.20	04.10.19	22.09.19	30.03.19	28.10.18	10.08.18	23.03.18	04.08.17	15.03.17
Exercise price (p)	£nil	£nil	£nil	£nil	£nil	£nil	£nil	£nil	£nil	£nil
Number of awards										
Balance at 1 January 2017	–	–	573,395	366,667	2,514,797	143,036	108,556	1,115,439	155,897	1,002,545
Granted during the year	1,351,528	3,758,228	–	–	–	–	–	–	–	–
Forfeited during the year	–	(168,823)	–	–	(455,407)	–	–	(272,447)	–	–
Exercised during the year	–	–	–	–	–	–	–	–	–	–
Lapsed during the year	–	–	–	–	–	–	–	–	(155,897)	(1,002,545)
Balance at 31 December 2017	**1,351,528**	**3,589,405**	**573,395**	**366,667**	**2,059,390**	**143,036**	**108,556**	**842,992**	**–**	**–**
Exercisable at 31 December 2017	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Balance at 1 January 2016	–	–	–	–	–	143,036	108,556	2,218,574	155,897	1,438,909
Granted during the year	–	–	573,395	366,667	3,752,937	–	–	–	–	–
Forfeited during the year	–	–	–	–	(1,238,140)	–	–	(1,103,135)	–	(436,364)
Exercised during the year	–	–	–	–	–	–	–	–	–	–
Lapsed during the year	–	–	–	–	–	–	–	–	–	–
Balance at 31 December 2016	**–**	**–**	**573,395**	**366,667**	**2,514,797**	**143,036**	**108,556**	**1,115,439**	**155,897**	**1,002,545**
Exercisable at 31 December 2016	–	–	–	–	–	–	–	–	–	–
Average share price at date of exercise (p)	–	–	–	–	–	–	–	–	–	–

The shares outstanding at 31 December 2017 had a weighted average exercise price of £nil (2016: £nil) and a weighted remaining life of 1.7 years (2016: 2.0 years).

	LTIP 2016	LTIP 2016	LTIP 2016	LTIP 2016	LTIP 2006	LTIP 2006	LTIP 2006	LTIP 2006	LTIP 2006	LTIP 2006
Grant date	24.04.17	07.04.17	04.10.16	22.09.16	30.03.16	27.10.15	10.08.15	26.03.15	04.08.14	08.11.13
Expected volatility (%)	45.4	45.4	43.8	43.8	31.8	28.10	36.80	39.40	43.60	43.80
Expected dividend yield (%)	–	–	–	–	–	–	–	–	–	–
Risk free interest rate (%)	0.12	0.12	0.06	0.06	0.48	0.69	1.02	0.58	1.17	0.92
Valuation of model used	Stochastic	Stochastic	Stochastic	Stochastic	Stochastic	Stochastic	Stochastic	Stochastic	Stochastic	Stochastic

2014 Retention Plan

The 2014 Retention Plan was introduced in June 2014 and is now closed to new participants. Awards vested over a period of two or three years, with the only condition being continued employment. Awards were granted under this scheme in 2014 for no consideration and no exercise price. The Retention Plan did not result in the issue of any new ordinary shares as this plan was not approved by Shareholders. The awards were settled from the shares held in the Employee Benefit Trust during 2016.

Senior Executive Long-Term Incentive Plan ('SELTIP')

The Centaur Media Plc 2010 Senior Executive Long-Term Incentive Plan (the 'SELTIP') was introduced during 2011 and was approved by Shareholders at the 2010 AGM. This is not an HMRC approved scheme and vests over a three year period with service and performance conditions. Awards were granted under this scheme in 2011 for no consideration and no exercise price. This scheme has closed to new awards.

Awards of bonus units were made in 2013 as summarised in the following table:

Financial year	Threshold profit	PBTA achieved	Profit growth	SELTIP contribution	Total bonus pool	Bonus pool allocated*	Number of shares awarded in total**
2013	£8.0m	£8.6m	£0.6m	30%	£0.1m	£0.1m	118,851

* The Remuneration Committee did not allocate the entire bonus pool in 2013.
** Awards were only made to participants with continuing employment.

NOTES TO THE FINANCIAL STATEMENTS

26 SHARE-BASED PAYMENTS CONTINUED

Retention Plan and Senior Executive Long-Term Incentive Plan

These awards were priced using the following models and inputs:

	2014 Retention Plan	SELTIP 2013
Grant date	30.06.14	15.09.11
Share price at grant date	62.38	33.88
Fair value	52.64	23.76
Exercise date	31.12.16	17.09.14
Exercise price (p)	£nil	£nil
Number of awards		
Balance at 1 January 2017	–	6,862
Granted during the year	–	–
Forfeited during the year	–	–
Exercised during the year	–	–
Balance at 31 December 2017	**–**	**6,862**
Exercisable at 31 December 2017	–	6,862
Average share price at date of exercise (p)	–	–
Balance at 1 January 2016	382,668	6,862
Granted during the period	–	–
Forfeited during the period	–	–
Exercised during the period	(382,668)	–
Balance at 31 December 2016	–	6,862
Exercisable at 31 December 2016	–	6,862
Average share price at date of exercise (p)	41.21	–

The shares outstanding at 31 December 2017 had a weighted average exercise price of £nil (2016: £nil) and a weighted remaining life of 4.7 years (2016: 5.7 years).

These awards were priced using the following models and inputs:

	2014 Retention Plan	SELTIP 2013
Grant date	30.06.14	15.09.11
Expected volatility (%)	49.5	54.0
Expected dividend yield (%)	6.79	5.26
Risk free interest rate (%)	1.22	0.57
Model of valuation used	Black–Scholes	Black–Scholes

Share Incentive Plan

The Group has a Share Incentive Plan, which is an HRMC approved Tax-Advantaged plan, which provides employees with the opportunity to purchase shares in the Company. This plan is open to all employees who have been employed by the Group for more than 12 months. Employees may invest up to £1,800 per annum (or 10% of their salary if less) in ordinary shares in the Company, which are held in trust. The shares are purchased in open market and are held in trust for each employee. The shares can be withdrawn with tax paid at any time, or tax-free after five years. The Group matches the contribution with a ratio of one share for every two purchased. Other than continuing employment, there are no other performance conditions attached to the plan.

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

	2017 Group	2016 Group
Number of outstanding matching shares	**57,532**	27,727

Deferred contingent consideration

In the prior year, the Group acquired The Oystercatchers LLP on 30 September 2016 (grant date) which included deferred contingent consideration to be partly settled by shares in the Group. The total consideration payable in shares was up to the maximum value of £0.3m to be issued at the share price on the settlement date. The total cost was spread over the vesting period from 1 October 2016 to 31 March 2017 and a charge of £0.2m was recognised in the statement of comprehensive income and equity during the prior year. The fair value of the share-based payment was deemed to be the maximum value of consideration payable. See note 14.

During the year a charge of £0.2m was recognised in the statement of comprehensive income and equity. The total deferred contingent consideration was settled wholly in cash during the year and therefore an adjustment was made to reverse the current year charge of £0.2m from share-based payments under IFRS 2 and recognised as employee compensation under IAS 19. A further adjustment was made to reallocate the total amount charged to equity in both years of £0.3m to provisions. See note 14.

27 DIVIDENDS

	2017 £m	2016 £m
Equity dividends		
Final dividend for 2015: 1.5p per 10p ordinary share	**–**	2.2
Interim dividend for 2016: 1.5p per 10p ordinary share	**–**	2.1
Final dividend for 2016: 1.5p per 10p ordinary share	**2.2**	–
Interim dividend for 2017: 1.5p per 10p ordinary share	**2.1**	–
	4.3	4.3

A final dividend for the year ended 31 December 2017 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 25 May 2018.

NOTES TO THE FINANCIAL STATEMENTS

28 NOTES TO THE CASH FLOW STATEMENT

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

	2017 Group £m	2016 Group £m	2017 Company £m	2016 Company £m
Profit/(loss) for the period	**21.9**	(5.4)	**(2.9)**	(2.2)
Adjustments for:				
Tax	**0.8**	1.0	**(0.7)**	(0.5)
Interest expense	**0.4**	0.5	**1.4**	1.0
Depreciation	**0.7**	0.6	**–**	–
Amortisation of intangible assets	**5.3**	5.0	**–**	–
Impairment of goodwill	**–**	7.2	**–**	–
Earn-out costs	**0.6**	0.6	**–**	–
Share-based payment charge / (credit)	**0.5**	(0.1)	**0.2**	–
Gain on disposal of subsidiary	**(20.9)**	–	**–**	–
Unrealised foreign exchange differences	**0.1**	–	**–**	–
Other	**0.1**	(0.1)	**–**	–
Changes in working capital (excluding effects of acquisitions and disposals of subsidiaries):				
Decrease / (increase) in inventories	**0.6**	(0.5)	**–**	–
Decrease / (increase) in trade and other receivables	**5.1**	9.2	**(1.0)**	–
(Decrease) / increase in trade and other payables	**(1.4)**	(2.6)	**25.2**	10.2
Increase / (decrease) in deferred income	**–**	(0.1)	**–**	–
Cash generated from operating activities	**13.8**	15.3	**22.2**	8.5

Analysis of changes in net debt

Group	Note	At 31 December 2016 £m	Net cash flow £m	At 31 December 2017 £m
Cash and cash equivalents	19	3.4	0.7	**4.1**
Revolving credit facility	24	(17.5)	17.5	**–**
Net (debt) / cash		(14.1)	18.2	**4.1**

Company	Note	At 31 December 2016 £m	Net cash flow £m	At 31 December 2017 £m
Cash and cash equivalents	19	–	–	**–**
Revolving credit facility	24	(17.5)	17.5	**–**
Net (debt) / cash		(17.5)	17.5	**–**

29 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.

Categories of financial instruments

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 1(r). All financial assets and liabilities are measured at amortised cost.

	Note	2017 £m	2016 £m
Financial assets			
Cash and bank balances	19	**4.1**	3.4
Trade receivables - net	18	**9.0**	13.1
Other receivables	18	**0.9**	0.8
Total financial assets		**14.0**	17.3
Financial liabilities			
Bank borrowings	24	**–**	17.5
Loan notes	24	**–**	–
Finance lease payables	21	**–**	–
Trade payables	20	**2.6**	3.7
Accruals	20	**5.8**	3.9
Provisions	23	**1.9**	0.4
Other payables	20	**1.4**	1.3
Total financial liabilities		**11.7**	26.8

Credit risk

The Group's principal financial assets are trade and other receivables (note 18) 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.

NOTES TO THE FINANCIAL STATEMENTS

29 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT CONTINUED

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.

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

	2017 Gross £m	2017 Provision £m	2016 Gross £m	2016 Provision £m
Not due	5.2	–	6.4	–
0-30 days past due	2.4	–	3.2	–
31-60 days past due	1.0	–	1.2	(0.1)
61-90 days past due	0.3	–	0.9	(0.1)
Over 90 days past due	1.6	(1.5)	4.1	(2.5)
	10.5	(1.5)	15.8	(2.7)

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 2017, there are debtors greater than 90 days past due with a carrying value of £0.1m (2016: £1.6m) 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.

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

	2017 Group £m	2016 Group £m
Balance at 1 January	2.7	0.9
Utilised	(1.2)	(0.5)
Disposal of subsidiaries	(0.5)	–
Additional provision charged to the statement of comprehensive income:		
Recorded in adjusted operating profit	0.5	0.5
Adjusting item in operating loss	–	1.8
Balance at 31 December	1.5	2.7

The Group's policy requires customers to pay in accordance with agreed payment terms, which are generally 30 days from the date of invoice or, in the case of live events related revenue, no less than 30 days before the event. All credit and recovery risk associated with trade receivables has been provided for in the statement of financial position. The Group's policy for recognising an impairment loss is given in note 1. Impairment losses are taken through administrative expenses in the statement of comprehensive income.

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

Cash and cash equivalents

Banks and financial institutions are independently rated by credit rating agencies. We choose only to deal with those with a minimum 'A' rating. We determine the credit quality for cash and cash equivalents to be strong.

Other receivables

Other receivables are neither past due nor impaired. These are primarily made up of sundry receivables, including employee-related debtors and receivables in respect of distribution arrangements.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. During the year, the Group was in a net borrowings position until the end of July, from which time through to 31 December 2017, the Group maintained a net cash position. The Group manages liquidity risk by maintaining adequate reserves and working capital credit facilities, and by continuously monitoring forecast and actual cash flows. The total facility available to the Group is £25.0m and is available through to August 2019. As at 31 December 2017, the Group had cash of £4.1m (2016: £3.4m) with a full undrawn loan facility of £25.0m (2016: undrawn loan facilities of £7.5m).

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

	Book value £m	Fair value £m	Less than 1 year £m	2–5 years £m
At 31 December 2017				
Financial liabilities				
Variable interest rate instruments	**–**	**–**	**–**	**–**
Non–interest bearing	**11.7**	**11.7**	**11.7**	**–**
	11.7	**11.7**	**11.7**	**–**
At 31 December 2016				
Financial liabilities				
Variable interest rate instruments	17.5	17.5	–	17.5
Non–interest bearing	9.3	9.3	9.3	–
	26.8	26.8	9.3	17.5

The Directors consider that book value is materially equal to fair value.

The book value of primary financial instruments approximates to fair value where the instrument is on a short maturity or where they bear interest at rates that approximate to the market.

All trade and other payables are due in one year or less, or on demand.

Interest rate risk

The Group has no significant interest-bearing assets but is exposed to interest rate risk when it borrows funds at floating interest rates through its revolving credit facility. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. The Group evaluates its risk appetite towards interest rate risks regularly, and may undertake hedging activities, including interest rate swap contracts, to manage interest rate risk in relation to its revolving credit facility if deemed necessary.

The Group did not enter into any hedging transactions during the current or prior year and, as at 31 December 2017, the only floating rate to which the Group is exposed was LIBOR. The Group's exposure to interest rates on financial assets and financial liabilities is detailed in the liquidity risk section of this note.

NOTES TO THE FINANCIAL STATEMENTS

29 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT CONTINUED

Interest rate sensitivity

The Group has exposure to interest rate risk, and sensitivity analysis has been performed based on exposure to variable interest rates at the reporting date.

If interest rates had been 50 basis points higher or lower and all other variables were held constant, the Group's net profit after tax would increase / decrease by an insignificant amount.

Capital risk

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

The capital structure of the Group consists of net debt/cash, which includes borrowings (note 24) and cash and cash equivalents (note 19), and equity attributable to the owners of the parent, comprising issued share capital (note 25), other reserves and retained earnings. The Board also considers the levels of own shares held for employee share schemes, and the ability to issue new shares for acquisitions, in managing capital risk in the business.

The Group continues to benefit from its banking facilities (as renewed during June 2015), which features both a working capital facility, to assist in managing the Group's liquidity risk, and an acquisition facility to support the Group's acquisition strategy. The facility, available until August 2019, allows for a maximum drawdown of £25m.

Interest is calculated on LIBOR plus a margin dependent on the Group's net leverage position, which is remeasured quarterly in line with covenant testing. The Group's borrowings are subject to financial covenants tested quarterly. The principal financial covenants under the facility are that the ratio of net debt to adjusted EBITDA (see note 1(b) for explanation and reconciliation of adjusted EBITDA) shall not exceed 2.5:1 and the ratio of EBITDA to net finance charges shall not be less than 4:1. At 31 December 2017, and throughout 2017, all of these covenants were achieved.

Currency risk

Substantially all of the Group's net assets are located in the United Kingdom. The majority of revenue and profits is generated in the United Kingdom and consequently foreign exchange risk is limited. The Group continues to monitor its exposure to currency risk, particularly as the business expands into overseas territories such as North America, however the results of the Group are not currently considered to be sensitive to movements in currency rates.

30 OPERATING LEASE COMMITMENTS - MINIMUM LEASE PAYMENTS

At 31 December 2017, the Group had committed to the following payments in respect of operating leases on land and buildings.

Commitments payable under non-cancellable operating leases	2017 £m	2016 £m
Within 1 year	**2.1**	2.1
Later than 1 year and less than 5 years	**3.8**	4.9
	5.9	7.0

At 31 December 2017, the Group had contracted with tenants to receive payments in respect of operating leases on land and buildings.

Commitments receivable under non-cancellable subleases	2017 £m	2016 £m
Within 1 year	**0.7**	0.5
Later than 1 year and less than 5 years	**0.5**	0.8
	1.2	1.3

The Company does not have any operating lease commitments.

31 PENSION SCHEMES

The Group contributes to individual and collective money purchase pension schemes in respect of Directors and employees once they have completed the requisite period of service. The charge for the period in respect of these defined contribution schemes is shown in note 5. Included within other payables is an amount of £0.1m (2016: £0.1m) payable in respect of the money purchase pension schemes.

32 CAPITAL COMMITMENTS

At 31 December 2017, the Group had capital commitments totalling £nil (31 December 2016: £nil).

33 RELATED PARTY TRANSACTIONS

Group

Key management compensation is disclosed in note 5. There were no other material related party transactions for the Group in the current or prior year.

Company

During the year, interest was recharged from subsidiary companies as follows:

	2017 £m	2016 £m
Interest payable	**1.0**	0.4

Borrowings of £17.5m were repaid (2016: £3.5m) by subsidiaries on behalf of the Company.

The balances outstanding with subsidiary companies are disclosed in notes 18 and 20.

There were no other material related party transactions for the Company in the current or prior year.

Audit exemption

For the year ended 31 December 2017, the Company has provided a guarantee pursuant to sections 479A-C of Companies Act 2006 over the liabilities of the following subsidiaries and, as such, they are exempt from the requirements of the Act relating to the audit of individual financial statements, or preparation of individual financial statements, as appropriate, for this financial year.

Name	Company Number	Outstanding liabilities £m
Centaur Communications Limited	01595235	10.6
Chiron Communications Limited	01081808	56.3
The Forum for Expatriate Management Limited	06776955	0.2
Pro-Talk Limited	03939119	0.2
Taxbriefs Holdings Limited	03572069	–
Taxbriefs Limited	01247331	0.4
Investment Platforms Limited	06439194	0.1
Venture Business Research Limited	05663936	1.4
The Profile Group (UK) Limited	05243851	0.7
Econsultancy.com Limited	04047149	0.8
Mayfield Publishing Limited	02034820	–
Your Business Magazine Limited	01707331	0.3
MarketMakers Incorporated Limited	05063707	–

The newly acquired business MarketMakers Incorporated Limited will have its statutory audit for the year ended 31 December 2017 performed by RSM UK.

34 POST BALANCE SHEET EVENTS

No material events have occurred after the reporting period.

FIVE YEAR RECORD (UNAUDITED)

	2013	2014	2015	2016	2017
Revenues (£m)	74.4	72.8	70.5	72.5	**65.4**
Live events and premium content revenues as % of whole	66%	68%	67%	71%	**68%**
Operating (loss) / profit (£m)	(33.3)	3.0	(4.7)	(3.9)	**(0.3)**
Adjusted operating profit	10.0	10.2	10.5	9.1	**4.1**
Adjusted operating profit margin	13%	14%	15%	13%	**6%**
(Loss) / profit before tax (£m)	(35.7)	14.2	(5.6)	(4.4)	**(0.7)**
Adjusted profit before tax (£m)	8.8	9.2	9.8	8.6	**3.7**
Adjusted diluted EPS (pence)	4.7	5.0	5.3	4.5	**1.8**
Dividend per share (pence)	2.4	3.0	3.0	3.0	**3.0**
Net operating cash flow (£m)	9.9	12.3	4.7	14.0	**12.1**
Average permanent headcount (FTE)	598	576	564	554	**515**
Revenue per head (£'000)	124	126	125	131	**127**

Revenue by type	2013 £m	2014 £m	2015 £m	2016 £m	2017 £m
Live events	28.0	28.9	27.2	30.7	**26.7**
Premium content	21.1	20.6	19.9	20.8	**18.1**
Advertising	24.6	22.4	22.5	20.2	**13.5**
Capability services	–	–	–	–	**6.1**
Other	0.7	0.9	0.9	0.8	**1.0**
	74.4	72.8	70.5	72.5	**65.4**

	2013 £m	2014 £m	2015 £m	2016 £m	2017 £m
Goodwill and other intangible assets	122.7	109.9	96.4	88.8	**94.2**
Other assets and liabilities	(18.6)	(8.4)	(2.1)	(7.6)	**(13.4)**
Net assets before net debt	104.1	101.5	94.3	81.2	**80.8**
Net debt	(27.0)	(14.7)	(17.9)	(14.1)	**4.1**
Total equity	77.1	86.8	76.4	67.1	**84.9**

DIRECTORS, ADVISERS AND OTHER CORPORATE INFORMATION

Company registration number
04948078

Incorporated / domiciled in
England and Wales

Registered office
Wells Point
79 Wells Street
London
W1T 3QN
United Kingdom

Directors
Ron Sandler (Chairman) (resigned 3 January 2018)
Neil Johnson (Chairman) (appointed 3 January 2018)
Andria Vidler (Chief Executive)
Swag Mukerji (Chief Financial Officer)
William Eccleshare
Robert Boyle
Rebecca Miskin

Company Secretary
Helen Silver (appointed 4 September 2017)

Independent Auditors
PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
1 Embankment Place
London
WC2N 6RH

Registrars
Share Registrars Limited
The Courtyard
17 West Street
Farnham
Surrey
GU9 7DR

SHAREHOLDER NOTES

CENTAUR MEDIA

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79 Wells Street
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