

CENTAUR

MEDIA

Annual Report and Financial Statements
for the year ended 31 December 2018
Stock Code: CAU

Advise. Inform. Connect.

A long-exposure photograph of a city street at night. The image shows a row of multi-story buildings on the left, illuminated with warm lights. The street is filled with light trails from moving vehicles, creating a sense of motion and energy. The overall color palette is dominated by blues and teals, with streaks of yellow and orange from the light trails.

INTRODUCTION

Centaur is an international provider of business information and specialist consultancy that inspires and enables professionals to excel at what they do. We provide the insight, advice and connections they need to succeed.

Our deep understanding of our communities is based on our heritage as a media company and our track record for providing essential content and data.

We continually innovate to help our customers raise their aspirations and to deliver better performance.

xeim
Excellence in marketing

MW
marketingweek.com

design WEEK

foresightnews
tomorrow's news today

CREATIRE REVIEW

VA yearahead.com

FMA

OYSTERCATCHERS

marketmakers

Really.

influencer intelligence

Econsultancy

FASHION BEAUTY MONITOR

PROFESSIONAL SERVICES

SUBCON

THE LAWYER

Business Travel Show

THE MEETINGS SHOW

employee benefits

the ENGINEER EXPO

FINANCIAL SERVICES

moneymarketing

taxbriefs
client communications

Platform

headline
money.co.uk

MORTGAGE STRATEGY

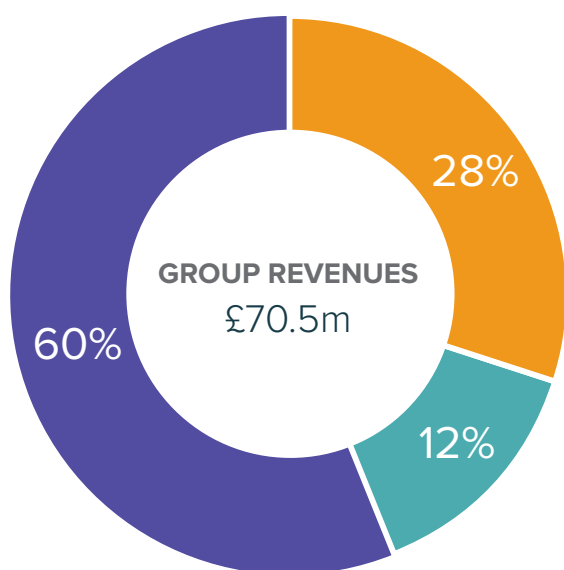
HIGHLIGHTS OF THE YEAR

Strategic and operational

- Centaur concluded a strategic review and resolved to focus on developing its international information, intelligence and consulting services, primarily in the marketing sector
- To maximise opportunities for Centaur's marketing segment, its largest business, we have created Xeim – bringing together all of our marketing brands and services in a single operational structure. This will enable us to offer customers a broader range of information, intelligence, marketing and consultancy services in an integrated and coordinated way. The new name is derived from 'excellence in marketing' – the essence of what we do
- To enhance shareholder value and to simplify the Group's structure, the Board is exploring the possible divestment of its non-marketing businesses, including its professional services and financial services divisions
- After these changes, Centaur has the opportunity to create a more efficient and higher margin operating model
- Econsultancy completed its transition to a new, scalable technology platform
- The integration of Oystercatchers' training business into Econsultancy has been successfully completed
- The new Influencer Intelligence service was launched and now fully combines data, intelligence and global trends in this fast-growing area of the marketing services industry
- The development of The Lawyer has continued with the launch of a new multi-channel digital platform that brings together news, data, insight and proprietary analysis in one place

Financial progress

- Adjusted² operating profits increased 18%¹ to £5.2 million
- Segmental breakdown of adjusted² operating profit:
 - Marketing achieved £1.7m in a transitional year
 - Financial services' strengthened to £1.2m
 - Professional services increased by 28% to £2.3m
- Revenues from continuing operations increased 9% to £70.5m, reflecting growth at The Lawyer and a full year of revenues from MarketMakers
- Recurring revenues have grown to 48% (2017: 44%)
- Adjusted² diluted EPS of 2.6p (2017: 3.2p)
- The Group has remained cash positive with closing net cash of £0.1m
 - The rate of cash conversion⁴ has remained good at 85% (2017:138%).
- Total dividend maintained at 3.0p per share



XEIM (MARKETING)

SEGMENT REVENUE

£42.7m

PROFESSIONAL SERVICES

SEGMENT REVENUE

£19.6m

FINANCIAL SERVICES

SEGMENT REVENUE

£8.2m

Footnotes

¹ Underlying growth rates adjust for the timing of the disposal of Corporate Adviser and the acquisition of MarketMakers in 2017, and the biennial contribution from the Advances 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.

INVESTMENT CASE

- ▶ We have strong brands in attractive markets, providing strong organic growth opportunities
- ▶ We are highly cash generative, with good conversion of operating profits into overall cash flow
- ▶ We have a high-quality mix of recurring revenues and earnings, supported by growth in consultancy, paid-for content and events

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 Read about our performance at:
www.centaurmedia.com

CHAIRMAN'S STATEMENT



Dear Shareholder,

I am pleased to be able to report another year of progress at Centaur during which the Company has continued to accelerate its transformation.

In 2018, we took important steps towards creating a more focused portfolio of businesses, better able to grow revenues and profits to create value for shareholders. We have increased adjusted² operating profits by 18%¹ to £5.2m while also moving to a new technology platform at Econsultancy and completing the integration of MarketMakers and Oystercatchers, which we acquired in 2017 and 2016 respectively.

Group performance

Group revenues from the continuing business – that is, adjusting for the sale of the Home Interest division in 2017 – increased from £64.7m to £70.5m. The increase principally reflected the inclusion of a full year from MarketMakers, acquired during 2017, growth at The Lawyer, and the growth of our marketing services business. On an underlying¹ basis revenues decreased by 1.6%.

All three divisions contributed to adjusted² operating profits, with significant higher contributions from our professional services division, which includes The Lawyer, and from financial services. These trends and divisional developments are discussed in greater detail in Andria Vidler's performance review, which begins on page 8.

Whilst we were pleased to deliver an improved performance in 2018, we faced greater challenges than initially anticipated and were not able to achieve the expectations we had set at the outset of the

year. Recognising that Centaur, in common with the rest of the business-to-business ('B2B') information services industry, needs to decide where it has the greatest opportunity to thrive, the Board conducted a strategic review.

An important outcome was a clearer focus on Centaur's strengths as an international provider of business information and specialist consultancy, acknowledging that the Company has long outgrown its origins as a publisher dependent on advertising. It now serves a much broader range of international customers and derives a high proportion of its revenues and profits from robust, recurring sources.

To support this transition and to create new cross-selling opportunities, Centaur launched Xeim, the new name for our marketing businesses, where we have significant scale. Xeim provides a common user platform for Marketing Week, Econsultancy, Festival of Marketing, Influencer Intelligence, MarketMakers, Marketing Week's Mini MBA, Oystercatchers, Creative Review and Design Week. The new name is derived from excellence in marketing – the essence of our customer offer.

Centaur's Board has long understood that the businesses within the Company need greater scale and focus to succeed, which has informed the reshaping of the portfolio that has taken place over recent years. Last October, we began exploring the divestment of our professional services and financial services divisions.

We continue to pursue other transactions and hope to be able to provide a further update shortly. This reshaping of the Group will allow us to reduce our overheads and operate more efficiently. We strongly believe this is the right strategy; it will make Centaur more resilient and focused, and gives us the opportunity to increase operating margins.

Governance

As Centaur is making good progress with its simplification strategy, I have decided to stand down at the end of June to take up another role. I will hand over to Colin Jones, who joined the Board in September after a successful 22-year career at Euromoney Institutional Investor PLC. Colin has excellent and relevant experience to lead the Company through its next phase.

It is our intention that Colin will remain as Chair of the Remuneration Committee

in the short term. While this is not compliant with the Corporate Governance Code, the Board considers it appropriate at this stage of Centaur's development. I would also like to thank Robert Boyle who has agreed to remain as Chair of the Audit Committee for up to 12 months.

I am pleased to have played a role during an important period in Centaur's ongoing evolution and am confident that I am leaving Centaur with the right strategy in place to deliver value for shareholders.

Centaur is 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 is set out within the Governance section on pages 29 to 32.

Our people

As I have learned more about the business over the past year, I have been impressed by the hard work and commitment of our employees, and I would like to thank everyone across the business for their dedication. Our people are key to our success and, throughout Centaur's transformation, have remained focused on helping our customers excel and stay one step ahead of their needs.

I would particularly like to thank Andria and Swag, our CEO and CFO, for their tireless energy and support as we continue this journey of improvement. Their commitment, strategic vision and leadership has been a vital component of the strategic progress made over the last year.

Dividend

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

This has been a year of good strategic progress at Centaur. The changes we are making to our portfolio will allow us to better focus on Xeim, our largest business, which provides business information, intelligence and consulting services to the international marketing industry.

NEIL JOHNSON
Chairman

19 March 2019

STRATEGY

Centaur is an international provider of business information and specialist consultancy that advises, informs and connects business professionals by offering business intelligence and expertise, consultancy and training, lead generation and events.

Background and context

Over the past five years Centaur has implemented a programme of radical transformation.

The competitive landscape continues to face disruption and we have responded with an ambitious strategy.

This strategy was built on strong foundations. Centaur's long-established, trusted media brands provide a strong understanding of customers, their interests and needs. We have re-energised these brands through innovation and new product development to broaden their role in those communities.

Business model

We have shifted Centaur's business model away from advertisers seeking to reach readers, towards customers willing to pay for the information and insight they need to deliver success. Instead of selling audiences to advertisers, today Centaur derives the bulk of its revenues from paying customers whom we advise and inform and whom we connect with their potential business partners.

We have transformed our business to produce more robust, recurring revenue streams and to develop more loyal and higher-value relationships with international clients, and our core brands have evolved digitally to strengthen their competitive advantages.

We have a deep understanding of our customers, based on our heritage, reputation and track record for providing essential and trusted content. We use this knowledge to constantly innovate to help our customers excel at what they do.



Case Study: FESTIVAL OF MARKETING

This year we hosted 4,000 people at the Festival of Marketing at Tobacco Dock, London – the largest global event devoted to brand marketers. The Festival helps marketing professionals by seamlessly blending inspiration and practical application. This year's event was our best yet, with 12 live stages of content and celebrated speakers including Louis Theroux, Sir Martin Sorrell and Dame Carolyn McCall, CEO of ITV.

Customers now benefit from additional & complementary products



INFORM USING DATA, CONTENT & INSIGHT

- Bespoke content & thought leadership
- Market reports & research
- Premium content subscription
- Business information & data
- Data analytics

ADVISE HOW TO IMPROVE PERFORMANCE & ROI

- Lead generation
- Consulting services
- Training & capability
- Agency search & performance
- Influencer marketing

CONNECT TO SPECIFIC COMMUNITIES

- Free news & commentary
- Large industry leading events
- Clubs & roundtables & expert panels
- Brand profile

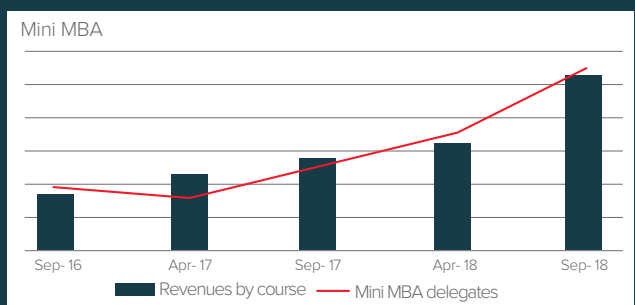
Gradually Centaur is converting audiences to customers and is consolidating around the strongest brands.



Case Study: MINI MBA

Marketing Week's Mini MBA was developed in 2016, in conjunction with Marketing Week columnist Mark Ritson. In 2018, Mini MBA trained marketers in more than 50 countries as delegate numbers doubled. Satisfaction scores have grown to over 95% with a NPS of +72, supporting the highest ever intake for the course in 2018.

Trust in the Marketing Week brand, stretching back over 40 years, gave the Mini MBA instant credibility and reach from launch.

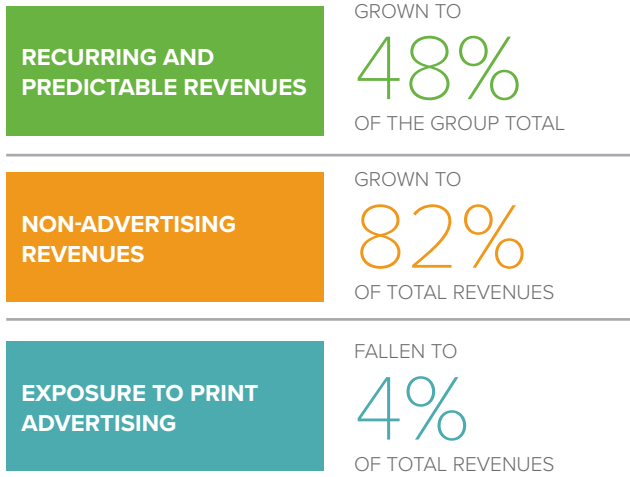


STRATEGY

A higher quality revenue mix

Our strategy has proved successful in building a group that is simpler and stronger. Our shift from readers to paying customers has enabled us to increase the proportion of recurring and predictable revenue streams significantly, amidst a challenging market backdrop. The positive impact of this transformation can be seen across our portfolio and, together with a scalable operating model, creates good opportunities for revenue growth, margin enhancement and shareholder value.

Over the past five years:



Strategic portfolio progress

Over the past 12 months we have completed a strategic review and accelerated the simplification of the Group's structure to improve operational execution and to focus attention on the leading brands within its marketing division and to explore the divestment of select smaller businesses.

As part of this transformation, we launched Xeim, the new name for the Group's marketing businesses. Xeim brings together all our marketing brands, including Marketing Week, Econsultancy, Festival of Marketing, Influencer Intelligence, MarketMakers, MW Mini MBA, Oystercatchers, Really, Creative Review and Design Week.

United by a common user platform, Xeim makes it possible to provide news content, insight, information, learning courses and benchmarking tools from across the portfolio to provide clients with an enhanced service and to create new cross-selling opportunities.

The migration of Econsultancy onto its new technology platform was an important investment and milestone for the Group. Since its relaunch in September, we have seen substantially higher and growing levels of page views and engagement across Econsultancy.

We also created a powerful and flexible technology platform to support the growth of The Lawyer. We continue to innovate in response to the rapidly evolving digital landscape, creating essential services and improving our digital capabilities to enable our customers to excel at what they do.

Our focus on innovation can be seen across multiple brands. The launch of Influencer Intelligence has been a notable success with Clients now benefitting from the opportunities that this new digital toolkit can unlock.

Innovation and a customer focussed product strategy have been an important lever in Centaur's strategic development. In 2018, 30% of our revenues were derived from products developed or acquired since 2014.



Case Study: INFLUENCER INTELLIGENCE

Influencer Intelligence's new immersive proposition is an example of the ongoing innovation across our portfolio. In 2018, we rebranded the former Celebrity Intelligence, completing the transformation of an old-fashioned print directory into a powerful data intelligence tool that combines the knowledge and insights needed to deliver a successful celebrity and influencer marketing strategy.

With Influencer Intelligence, we can now offer marketers the data – including social performance, interests and detailed audience profiles – for more than 140,000 influencers and celebrities.

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

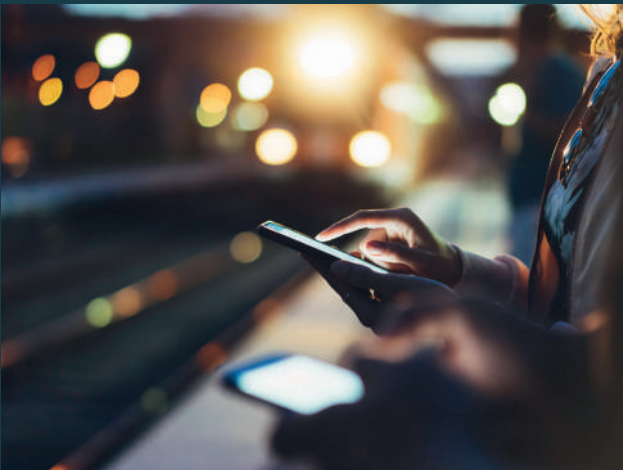
Free content and events that engage and connect with large professional audiences creating marketplaces that offer reach, activation and communication solutions.



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



Case Study: THE LAWYER

In The Lawyer, Centaur owns the most trusted publication for the UK legal profession. In 2018 we completed a refresh which is part of a technology investment of £1.1m over the last five years to give this growing business a new multi-channel and scalable digital platform. This combines news, market trends, analysis, rankings and company data, equipping industry leaders in private practice and corporate counsel with the actionable insight they need. Digital usage is up 25% year-on-year, underlining the impact of our customer-focused innovation programme.

The business has set clear strategic priorities – building subscription revenues, deepening customer relationships, capturing adjacent market segments – and is poised for further growth.

PERFORMANCE:

CEO Review



“We have developed and refined a new vision for Centaur, recognising that our businesses are united by helping professionals excel at what they do.”

ANDRIA VIDLER
Chief Executive Officer

Overview of 2018

While the transformation of Centaur continues, in 2018 the Group saw further benefits from the work, investment and repositioning that has taken place over the past five years. Our strong focus on the needs of our customers – increasingly large, international enterprises – has inspired the development of new products and services that are now delivering substantial revenues along with the potential for future growth. This has continued Centaur’s transition from being a media publisher heavily dependent on advertising and print to a more diverse and robust business, providing a range of business information and specialist consultancy services with more reliable and recurring revenue streams.

In 2018, Centaur was able to increase adjusted² operating profits by 18%¹ to £5.2 million, reflecting higher contributions from across the Group and the benefit from the reduction of overheads that followed the sale of our Home Interest division in 2017. Notable profit uplifts were delivered by the Festival of Marketing; by Marketing Week and its Mini MBA courses; by The Lawyer; and by the Business Travel Show. It was also encouraging that our financial services division strengthened its profits as we focused on its core brands. Group turnover amounted to £70.5m, the 9% growth from continuing operations reflecting higher revenues from The Lawyer, the launch of new products and a full year’s contribution from MarketMakers. On an underlying¹ basis revenues decreased by 1.6%.

The progress in reshaping our portfolio helped Centaur deliver a further increase in the proportion of revenues that it receives from repeatable and recurring sources, from 44% to 48%. Advertising now represents only 18% of Group revenues. Centaur is now a more resilient and focused business with good opportunities for long-term growth and margin enhancement.

Nonetheless, this improved performance fell short of our ambitions for 2018. Revenue growth was held back due to delays in completing new technology platforms for our subscription products, the cancellation of a small number of large US contracts and weaker second-half trading at MarketMakers.

These factors led Centaur to revise its guidance in a trading update that we issued in October. The Board acted decisively, changing the management oversight of Econsultancy, Influencer Intelligence and MarketMakers and accelerating the creation of Xeim, the new name

for our marketing businesses. Since these changes and the launch of the improved platforms, revenue and billings have gained traction.

As Centaur moves to focus on those businesses where it has the greatest opportunity, we have made a goodwill impairment of £13.1m, primarily relating to events to be closed and other businesses within the marketing portfolio. Together with a £2.8m amortisation charge made against the value of acquired assets, this resulted in a statutory loss for the year of £14.2m (loss of £0.7m in 2017).

Below, I will discuss the divisional performance in greater detail. First, I would like to explain the market context and set out the strategic progress that Centaur has made this year.

Centaur’s transformation

Five years ago, Centaur was still recognisable as a traditional print publisher, heavily reliant on advertising and print and vulnerable to newer digital business models that were disrupting the B2B information services market. Centaur faced new competition from online portals that were successfully attracting recruitment and classified advertising, while battling a deluge of free content.

Centaur responded with an ambitious strategy to shift its business model away from advertisers seeking to reach readers, and towards customers willing to pay for the information, insight and skills they need to deliver success. We built on our heritage and our reputation and track record for providing high quality, essential and trusted content. This gave us the understanding and insights necessary to develop new products and services for which customers would be willing to pay.

We also reshaped our portfolio of businesses, selling the Home Interest division of consumer titles in 2017 to focus the Group entirely on B2B information services. We acquired Oystercatchers (in 2016) and MarketMakers (in 2017) to strengthen our offering in consultancy and training, and in lead generation and data analytics.

We have developed and refined a new vision for Centaur, recognising that our businesses are united by helping professionals excel at what they do.

In 2018, we made further significant progress along this road as we become an international provider of business information and specialist consultancy.

Key highlights included:

- Following a comprehensive strategic review, we decided to accelerate the simplification of the Group's structure and explore the divestment of our non-marketing businesses.
- To increase management and investor focus on our largest business, we have launched Xeim as the new name for our marketing businesses, bringing together our brands including Marketing Week, Econsultancy, Festival of Marketing, Influencer Intelligence, MarketMakers, MW Mini MBA, Oystercatchers, Creative Review and Design Week. We believe Xeim will enable us to sell our broad range of marketing products and services in a more integrated and coordinated manner.
- We completed the integration of Oystercatchers, our specialist management and marketing consultancy, within Econsultancy.
- We achieved a significant reduction in central overheads. Improved processes across central and shared services, as well as the sale of Home Interest, have enabled us to reduce complexity. As we continue to simplify the portfolio we will see further opportunities for cost savings.

Segment review



The creation of Xeim continues the simplification of Centaur's structure by uniting all our marketing brands under the same divisional name.

Marketing remains Centaur's largest and best-positioned business, representing 60% of Group revenues. In 2018, it delivered adjusted² operating profits of £1.7m, unchanged from the prior year. While 2018 was a transitional year for the division, the investments, management changes and product launches that we made have created increased momentum, providing Centaur with the opportunity to benefit from the operational leverage in our marketing businesses.

Revenues and profits were held back by a delay in the migration of Econsultancy to a new technology platform, which impacted renewal income as well as a small number of significant enterprise contracts that we had hoped to close before the year-end. Revenues for the division were £42.7m, the increase from £36.0m in the prior year primarily reflecting the inclusion of MarketMakers for a full year.

Since relaunch, the new platform has enabled Econsultancy to offer a dynamic new service that has generated improvements in page views and engagement. We expect to build on this momentum as we move through 2019.

Influencer Intelligence, a new tool for brands seeking to harness the power of online marketers, also made its debut later than intended. It has met an enthusiastic market reception and is already achieving a good level of renewals and new sales.

The Marketing Week brand and its recent innovations had a strong year, with double-digit revenue uplifts from Marketing Week, Creative Review, the Festival of Marketing and its e-learning courses. The Festival of Marketing had its best year yet, attracting 4,000 attendees and more than doubling its profit contribution. The Mini MBA, a joint venture with Marketing Week columnist Mark Ritson,

had another strong year as delegate numbers more than doubled and revenues grew by 68%. Satisfaction scores remain in excess of 90% and we anticipate further growth in 2019.

MarketMakers, the lead generation business acquired in 2017, and its sister business Really, the B2B marketing agency, delivered a 3% increase in underlying¹ revenues despite a slower second half. Really had an excellent year, increasing its standalone revenues by 17%. Really's strengths were recognised at the International B2B Marketing Awards: it won gold for 'Best Use of Customer Insight', bronze for 'Best SME-Targeted Campaign', and silver awards for 'Best Corporate Decision-Maker – Targeted Campaign' and 'Best Multi-Channel Campaign'.

Oystercatchers had a stronger second half to deliver a satisfactory result for the year. Oystercatchers' training business has now been fully integrated within Econsultancy, and the combined business ended the year well. Further Oystercatchers developments have included the launch of the Modern Marketing Pitch, a new content platform for the Oystercatchers Club Network, a Fellows initiative and a new awards evening.

Xeim has a clear mission and defined purpose: "Advising, informing and connecting the modern marketer to accelerate performance." Steve Newbold, who previously headed Centaur's media and events business, will lead Xeim as its group managing director. Suki Thompson, founder and CEO of Oystercatchers, will be Xeim's executive director.

Centaur's move to a more customer-focused approach has allowed us to build deeper and lasting relationships with our most important customers. As an illustration, Xeim's top 100 customers increased their spend by 26% last year compared to 2017 and more than three-quarters of the top 100 spent money with the business for the third year running.

Professional services

The professional services division comprises The Lawyer and our exhibitions business which jointly represent 28% of Group revenues. It delivered adjusted² operating profits of £2.3m, up 28%, on revenue of £19.7m (2017: £19.6m). Approximately 61% of the division's revenue comes from live events, 23% from advertising and 16% from premium content.

The Lawyer is a leading provider of intelligence to the global legal market that generates revenue from digital subscriptions, live events and digital advertising revenue streams.

While The Lawyer continued to experience the expected erosion in its recruitment advertising revenues, it maintained its growth thanks to another strong increase in subscriptions. 73 of the top ranked international law firms are subscribers, and we ended 2018 with 88 of the top 100 UK and US law firms as subscribers. A good performance from digital display ads and higher revenues from The Lawyer's award event also contributed.

2018 was a significant year for The Lawyer as we completed a transition from weekly to monthly magazines and moved to a more scalable digital platform. This new platform will allow us to continue to drive consistent growth in digital usage from paying subscribers while delivering a best-in-class user experience.

PERFORMANCE:

CEO Review

As part of our technology investment, we have developed an interactive digital tool for tracking litigation that extends the functionality of The Lawyer's current market insight products. Launched in January 2019, this product has made a promising start.

The Lawyer is strongly positioned for continued growth in an attractive market. As Centaur disclosed in November, the Company has appointed Livingstone Partners to explore a possible divestment of the business. Centaur is confident of The Lawyer's growth trajectory which, it believes, merits a premium valuation.

Our exhibitions business includes the Business Travel Show, The Meetings Show, Employee Benefits Live and Subcon. Publications and websites linked to the events including well-established brands such as The Engineer and Business Travel iQ. Exhibitions and events are responsible for 61% of the division's revenue.

In 2018, the exhibitions management team refocused the brands on driving profitable events, positioning the businesses for strong future growth. This focus has enabled each of the brands to continue to drive strong operating leverage, presenting a number of opportunities for margin accretion as well as international and regional expansion.

The standout performer was the Business Travel Show which delivered double-digit revenue growth, reflecting higher exhibitor numbers, and a strong profit performance. Employee Benefits Live and EB Connect also turned in a good performance.

Despite slightly lower visitor numbers, The Meeting Show also increased its revenues. By harnessing skills from within MarketMakers, we were able to secure a big increase in forward bookings which augurs well for 2019.

Subcon, an event for subcontract manufacturing professionals, had a difficult year, reflecting wider market conditions in engineering markets. However, Subcon's net promoter scores remain significantly ahead of its competition.

Financial services

The financial services division owns well-positioned titles, including Money Marketing, Mortgage Strategy, Platform, Tax Briefs and Headline Money, that serve valuable communities of finance professionals. The division contributes 12% of Group revenues.

In 2018, financial services' adjusted² operating profits strengthened to £1.2m, up from £0.6m in 2017 on revenues of £8.2m (2017: £8.8m). While the longer-term trends in advertising remain unchanged, decisive management action has brought about a strong margin recovery. This has been aided by a focus on our strongest brands, Money Marketing and Mortgage Strategy, and their strong digital advertising performance.

We achieved a good uplift in display advertising, helping Money Marketing to deliver stable revenues. Mortgage Strategy grew its business, supported by a strong performance from its awards show.

As expected, Tax Briefs experienced a year of lower revenues as the UK Government reverted to a single Budget announcement after two in 2017. Revenues at Headline Money also softened, in line with expectations.

People

The Executive Committee is committed to maintaining a culture that supports our business ambitions, developing internal training plans and systems in line with these objectives.

Our male to female ratio is well-balanced and we continue to have a strong representation of women at a senior level. Three out of five (60%) of our Executive Committee members are female and a third of our senior leaders are female. Our family friendly policies include enhanced maternity and paternity leave, and flexible work options, and we have a high rate of maternity returners (83%).

Our Development Board continues to support our internal culture, leading our charity sponsorship activity and organising regular fundraising initiatives throughout the year. It also offers a range of mental health, wellbeing and fitness sessions.

We continue to take a proactive approach to diversity through policies and working practices. In 2018, we launched an LGBT+ Network, developed to provide support and advice and to ensure a fully inclusive environment.

In 2018, we launched a formal mentoring scheme, providing training to mentors and mentees, and delivered face-to-face coaching to more than 100 junior staff.

Through the Apprenticeship Levy, we continue to support staff to achieve professional qualifications in digital marketing, data analysis and management and leadership.

Every year we recognise those who have delivered outstanding performance, whether this is in sales, support or bringing to life our values, at our Annual Centaur Awards Ceremony.

Summary

Over the last 12 months our year-on-year profit growth was strong and whilst revenue was held back, I am pleased with the product innovation and efficiency improvements that Centaur has made. The benefits of the Group's strategic transformation are becoming clearer and we have a sharper focus – both on our customers and on the businesses where we have the greatest competitive strengths.

Continuing change, and a commitment to innovation and new product development, will be important to sustain the current momentum in our business. We recognise this requires a great deal of hard work from every Centaurian. The energy, ideas and expertise of our people remains a source of strength for Centaur; shareholders owe them our thanks.

The uncertainty about the impact of Brexit may make this a challenging year, but Centaur's strategy to strengthen its non-advertising revenues has improved the Company's resilience. The recent launch of Xeim, and the further moves we are taking to simplify and focus Centaur's business, give me encouragement for the year ahead.

ANDRIA VIDLER
Chief Executive Officer

19 March 2019

Key performance indicators

The Group has set out the following core financial and non-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 and CFO reviews.

KPI	GRAPH	COMMENTARY						
FINANCIAL								
Underlying¹ revenue growth	<table border="1"> <thead> <tr> <th>Year</th> <th>Revenue Growth</th> </tr> </thead> <tbody> <tr> <td>2017</td> <td>-6%</td> </tr> <tr> <td>2018</td> <td>-2%</td> </tr> </tbody> </table>	Year	Revenue Growth	2017	-6%	2018	-2%	Total revenue adjusted for the impact of acquisitions, disposals and event phasing
Year	Revenue Growth							
2017	-6%							
2018	-2%							
Adjusted² operating margin	<table border="1"> <thead> <tr> <th>Year</th> <th>Adjusted Operating Margin</th> </tr> </thead> <tbody> <tr> <td>2017</td> <td>9.2%</td> </tr> <tr> <td>2018</td> <td>7.4%</td> </tr> </tbody> </table>	Year	Adjusted Operating Margin	2017	9.2%	2018	7.4%	Adjusted ² operating profits as a percentage of revenues
Year	Adjusted Operating Margin							
2017	9.2%							
2018	7.4%							
Adjusted² diluted EPS	<table border="1"> <thead> <tr> <th>Year</th> <th>Adjusted Diluted EPS</th> </tr> </thead> <tbody> <tr> <td>2017</td> <td>3.2p</td> </tr> <tr> <td>2018</td> <td>2.6p</td> </tr> </tbody> </table>	Year	Adjusted Diluted EPS	2017	3.2p	2018	2.6p	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
Year	Adjusted Diluted EPS							
2017	3.2p							
2018	2.6p							
Cash conversion⁴	<table border="1"> <thead> <tr> <th>Year</th> <th>Cash Conversion</th> </tr> </thead> <tbody> <tr> <td>2017</td> <td>138%</td> </tr> <tr> <td>2018</td> <td>85%</td> </tr> </tbody> </table>	Year	Cash Conversion	2017	138%	2018	85%	The percentage by which adjusted operating cash flow ³ covers adjusted ² operating profit, excluding depreciation and amortisation as set out in the CFO Review
Year	Cash Conversion							
2017	138%							
2018	85%							

PERFORMANCE:

CEO Review

NON FINANCIAL

Net Promoter Scores

BRAND	DIGITAL NPS	COMPETITOR AVERAGE DIGITAL NPS	OUTPERFORMS COMPETITORS
Marketing Week	18	-3	Yes
Creative Review	13	13	-
Design Week	12	13	-
The Lawyer*	12	-2	Yes
Money Marketing	8	-3	Yes
Mortgage Strategy	22	11	Yes
The Engineer	14	1	Yes
Employee Benefits	15	5	Yes

*Premium subs only

For 2018 Centaur tracked digital NPS versus its competitor set. Six of the eight brands tracked outperformed the competition. Marketing Week, The Lawyer and Money Marketing all scored a positive NPS rating versus a competitor average negative NPS.

Customer lifetime value

Centaur's move to a more customer-focused approach has allowed us to build deeper and lasting relationships with our most important customers. Centaur's top 200 customers* in 2018 have increased their spend by 17.9% compared to 2017. Of these top 200 customers, 85% have spent with Centaur throughout 2016, 2017 and 2018.

*Figures used are sales made from Salesforce. Figures exclude MarketMakers in the absence of a full three years of customer spending history.

PERFORMANCE:

CFO Review



SWAG MUKERJI
Chief Financial Officer

Overview

The results of the business are presented in accordance with International Financial Reporting Standards ('IFRS').

2018 has seen an acceptable underlying¹ performance from the business with pleasing growth in profits at Festival of Marketing, The Lawyer, The Business Travel Show and Marketing Week's Mini MBA. The underlying¹ performance of the financial services division has strengthened from the previous year and tight control of overheads drove further underlying¹ Group profit growth. However, this improved performance fell short of our ambitions for 2018 as delays in completing Econsultancy's move to its new technology platform meant the business was unable to secure a small number of large contracts that had been expected to contribute to 2018 results. Additionally, weak second-half trading at MarketMakers held back its growth for the year.

We revised our trading guidance in October and the Board took decisive action as outlined in the CEO's Review. These actions have helped to deliver an improvement in trading.

In 2017, following the strategic decision to focus on business information and specialist consultancies, we sold our Home Interest segment and bought MarketMakers. Due to the disposal of the Home Interest segment, we were required to disclose this as a discontinued operation. Therefore, our adjusted² operating profit reported in 2017 of £4.1m excluded profits generated by the Home Interest segment and only included MarketMakers profits from the date of acquisition. For 2018, we report adjusted² operating profit of £5.2m for 2018, an increase of 27% against the reported 2017 result.

I am also pleased to report year-on-year adjusted² operating profit growth of 18% on an underlying¹ and continuing basis. Underlying¹ 2017 results include a full year of MarketMakers' profits but exclude any profits generated by Corporate Advisor which was disposed of in 2017 and the biennial AMS event.

Reported turnover of £70.5m represents an increase of 9.0% on 2017's reported turnover (1.6% decline on an underlying¹ basis). Underlying¹ revenue is down slightly due to the delays arising from moving Econsultancy to its new technology platform as detailed in the CEO's Review. However, we are pleased that the quality of revenue overall has improved as we continue to move to a

higher subscription, recurring-revenue base that is less dependent on volatile advertising revenue.

Adjusted² operating profit margin is 7.4% (2017: 6.3% excluding Home Interest) against 6.2% in 2017 on an underlying¹ basis.

As we announced in October 2018 alongside a profits warning, we have undertaken a strategic review and are now exploring the sale of the professional services and financial services portfolios. At the end of 2018, the actual sale of these portfolios was not probable enough to recognise them as assets held for sale. They are therefore reported as part of continuing operations in this Annual Report.

Non-statutory measures

In these results we refer to 'adjusted' and 'statutory' results, as well as other non-GAAP performance measures. Adjusted² 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. Adjusted² 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 underlying¹ revenue growth, adjusted² operating profit, adjusted operating cash flow³, adjusted² EBITDA and net debt⁵.

Adjusted² 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.

PERFORMANCE:

CFO Review

Statutory loss before tax from continuing operations reconciles to adjusted operating profit² as follows:

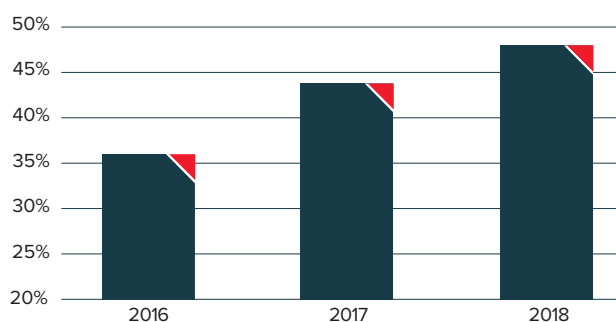
	Note	2018 £m	2017 £m
Statutory loss before tax		(14.2)	(0.7)
Adjusting items			
Impairment of goodwill	10	13.1	-
Amortisation of acquired intangible assets	11	2.8	2.5
Share-based payments	25	0.8	0.5
Earn-out consideration	14	-	0.6
Acquisition related costs	14	-	0.6
Exceptional operating costs	4	2.5	0.2
Adjusted² profit before tax		5.0	3.7
Adjusted ² finance costs	6	0.2	0.4
Adjusted² operating profit		5.2	4.1

Summary

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

MarketMakers continued to perform well in 2018, reporting revenue growth of 3%, with particularly strong growth within its Really B2B brand (17% growth). During 2018, our Group revenue mix improved in terms of higher quality, more recurring revenues. 48% of revenues are now recurring, up from 44% in 2017 and 36% in 2016. This is driven by the strategic choice to reduce exposure to the B2C arena, hence our Home Interest disposal in 2017, and the decision to focus on non-advertising revenues, offset by growth in marketing services and business analytics and training.

Strong Recurring Revenue Growth



The Group continues to be cash positive with £0.1m of net cash at the end of 2018 (2017: £4.1m).

Adjusted operating cash³ generation was good in the year. However, our reported cash conversion⁴ rate fell to 85% (2017: 138%). This was due to a number of non-cash items that have been reported in adjusted² operating profit, primarily the recognition of an expected

rent rebate due to be paid to the Company in March 2020. When adjusting for these items, cash conversion is 99%. The movement of the ratio towards 100% is as expected due to the Group having completed the collection of old outstanding debts following the well-documented cash collection issues of 2016. We have maintained tight control over costs.

Following the work undertaken to prepare for the potential divestment of our professional services and financial services businesses, we have reviewed our goodwill across the Group and consequently we have recognised a goodwill impairment of £13.1m to which reference was made above. This primarily relates to events to be closed and other businesses within the marketing portfolio.

I am pleased to report the Group's working capital generation is now at levels that would be considered normal following the billing and related cash collection issues highlighted in our 2016 Annual Report. Nonetheless, the overall level of cash has declined year on year by £4.0m following the Group's failure to meet earlier profit targets as outlined above. However, combined with the lower than hoped for operating profit in the year, this means the Group this year has not generated enough free cash. The dividend policy will therefore be kept under review.

Revenues

Revenues in 2018 were £70.5m (2017: £64.7m). On an underlying¹ operations basis, revenue is down 1.6% on 2017. The underlying¹ operations basis excludes the biennial show, AMS, Corporate Advisor, which was sold in 2017, and brings in a whole year of revenue from MarketMakers as if acquired on 1 January 2017 rather than on 2 August 2017.

MarketMakers saw underlying¹ revenue growth of 3%, but as already noted, Econsultancy failed to win some large contracts in the US and suffered in the UK due to the delay in the rollout of its new scalable technology platform.

Adjusted operating profit

Adjusted² operating profit for the year was £5.2m (2017: £4.1m), a reported growth of 27%. On an underlying basis¹, the growth is 18%.

Net adjusted² operating expenses were £66.1m, (2017: £61.3m) reflecting a full year of ownership of MarketMakers. Adjusted² employee related expenses were £36.9m, (2017: £30.9m), again as a result of a full year's ownership of MarketMakers, and the average number of permanent employees was 758 (2017: 589).

Reported operating losses of £14.0m (2017: £0.3m) were impacted by the adjusting items detailed below.

Adjusting items

The Directors believe that adjusted² results and adjusted² 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 adjusted² 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 £19.2m (2017: £4.4m). The largest adjusting item of £13.1m relates to the impairment of goodwill primarily relating to events to be closed and other businesses within the marketing portfolio. Exceptional costs also included £0.7m relating to an internal restructure to prepare the Group for the disposal of non-marketing businesses and to focus on Xeim (Marketing). Some costs were also incurred in closing our Singapore office. Our Singapore operations are now supported locally by agents based in the country.

Other adjusting items include amortisation of acquired intangible assets of £2.8m (2017: £2.5m) which has increased in the year following the acquisition of MarketMakers in July 2017. A share-based payment charge of £0.8m was also recognised (2017: £0.5m).

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

Net finance costs were £0.2m (2017: £0.4m). The reduction in cost was a result of the Group having increased levels of cash following the disposal of the Home Interest portfolio in 2017. A significant portion of the remaining costs are a result of the commitment fee payable for the revolving credit facility.

Taxation

A tax charge of £0.1m (2017: £0.4m) has been recognised on continuing operations for the year. The adjusted² tax charge was £1.0m (2017: £0.9m) giving an adjusted² effective tax rate (compared to adjusted² profit before tax) of 20.0% (2017: 25.3%). The Company's profits were taxed in the UK at a blended rate of 19.00% (2017: 19.25%). On a reported basis, the effective tax rate of nil% (2017: 50.5%). See note 7 for a reconciliation between the statutory and reported tax charge.

Share based payments

Share based payments in 2018 increased by £0.3m to £0.8m. The total number of share options increased during 2018 compared to 2017 resulting in a higher share based payment charge for the year. The increase in share options was due to a new issue during the year and a high number of forfeited options in previous years as people left the business and forfeited their options on schemes that ran to the end of 2017.

Losses/earnings per share

The Group has delivered adjusted² diluted earnings per share for the year of 2.6p (2017: 3.2p). Diluted (Losses)/earnings per share for the year were (9.2p) (2017: 14.3p). 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 2018 (January to June 2017: 1.5p). A final dividend in respect of the period July to December 2018 of 1.5p per share (July to December 2017: 1.5p) is proposed by the Directors, giving a total dividend for the year ended 31 December 2018 of 3.0p (2017: 3.0p), in line with 2017.

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 24 May 2019 to all ordinary shareholders on the register at close of business on 10 May 2019.

Adjusted² dividend cover in the year was 1.2 times (2017: 1.2 times). The future dividend policy will be subject to the progress of the simplification strategy.

PERFORMANCE:

CFO Review

Cash flow

As set out below, the Group has remained cash positive with closing net cash of £0.1m at the end of 2018 (2017: £4.1m). The rate of cash conversion⁴ has remained good at 85% (2017: 138%). When taking into account and adjusting for a number of non-cash items that have been reported in adjusted operating profit, primarily the recognition of an expected rent rebate due to be paid to the Company in March 2020, cash conversion is 99%.

Cash has fallen year-on-year following the relative under-performance of the Group against the last year and initial targets. Combined with a normal level of working capital generation, the Group has not generated enough free cash this year to deliver a sustainable dividend cover and the future dividend policy will be subject to the progress of the simplification strategy.

	2018 £m	2017 £m
Adjusted operating profit²	5.2	6.6
Depreciation and amortisation	3.7	3.6
Movement in working capital	(1.3)	3.9
Adjusted operating cash flow³	7.6	14.1
Capital expenditure	(2.8)	(2.8)
Cash impact of adjusting items	(0.8)	(0.2)
Taxation	(1.2)	(1.6)
Interest and finance leases	(0.4)	(0.3)
Loan arrangement fees	(0.2)	-
Other	-	(0.1)
Free cash flow	2.2	9.1
Repayment of loan notes	-	-
Acquisitions	(1.8)	(14.4)
Disposal of subsidiaries	0.3	27.9
Share repurchases	(0.4)	(0.1)
Dividends paid to Company's shareholders	(4.3)	(4.3)
Increase/(decrease) in net cash/(debt)⁵	(4.0)	18.2
Opening net cash/(debt) ⁵	4.1	(14.1)
Closing net cash/(debt)⁵	0.1	4.1

Adjusted operating cash flow³ is not a measure defined by IFRS. Centaur defines adjusted operating cash flow³ 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 flow³ 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.

New accounting standards

IFRS 9 'Financial Instruments' and IFRS 15 'Revenue from contracts with customers' have been adopted for the current reporting period.

The adoption of IFRS 15 has not materially impacted the value, phasing, or recognition of revenue at a Group or segmental level.

IFRS 9 predominantly impacts the way our provision for impairment of trade receivables is calculated. The provision now represents an 'expected credit loss' which is calculated based on actual historic default rates. Under IFRS 9, 2017's expected credit loss would have been £1.6m (actual under IAS 39 was £1.5m). In 2018 the expected credit loss is £1.2m. The reduction in the provision is a reflection of longer history of consistently better cash collection and not an impact from the adoption of IFRS 9.

Effective for the first time for the financial year beginning 1 January 2019, but not yet adopted by the Group, is IFRS 16 'Leases'. An impact assessment has been performed which indicated the operating lease arrangements we currently hold regarding the properties from which we operate will, from the effective date, be treated as finance leases and an asset and liability will be recognised in respect of these.

For further details of IFRS's 9, 15 and 16 please see note 1 to the financial statements.

Acquisitions

A payment of £1.8m was made in the year relating to the MarketMakers' earnout. Further details can be found in note 14 to the financial statements.

Financing and bank covenants

On 26 November 2018, the Group agreed an amendment and extension of the existing revolving credit facility which had been signed in 2015. The initial period of the extension is three years until November 2021 with the option to extend by two further single years subject to bank approval.



The principal financial covenants under the facility are: the ratio of net debt⁵ to adjusted EBITDA² 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. We are pleased to report that, despite the key financial covenants remaining the same, margins payable on any borrowings were reduced significantly providing an on-going financial benefit to the Group.

Disposal of the Home Interest segment

A small gain of £100k was recognised in discontinued operations in the year on the disposal of the Home Interest segment in 2017, primarily due to the final agreement of working capital adjustments with Future plc in April 2018.

Balance sheet

A summary of the Group's balance sheet as at 31 December 2018 and 2017 is set out below:

	2018 £m	2017 £m
Goodwill and other intangible assets	78.1	94.2
Property, plant and equipment	1.3	1.7
Deferred income	(15.0)	(14.6)
Other current assets and liabilities	1.9	0.2
Deferred taxation	0.3	(0.7)
Net assets before net cash	66.6	80.8
Net cash	0.1	4.1
Net assets	66.7	84.9

The main movement in the Group's balance sheet relates to the £16.1m decrease in goodwill and other intangible assets. This is primarily a result of the specific goodwill impairments of £13.1m referred to earlier in my report. It is also due to £2.8m of amortisation of acquired intangibles.

Other current assets and liabilities have increased primarily due to a decrease in provisions of £1.8m driven by the settlement of deferred consideration for the acquisition of MarketMakers. Further details of this can be found in note 23.

Net cash has remained positive despite investing cash flows of £4.3m relating to system developments and earnout payments for MarketMakers.

Conclusion

Despite the disappointment of a profits warning in October, 2018 saw a satisfactory performance as we continue our journey to advise, inform and connect business professionals and help them accelerate their business performance. Although some of our digital developments took longer than intended to launch in this transitional year, our new digital platforms that were launched for Econsultancy, Influencer Intelligence and The Lawyer are already showing promising growth. The Group continues to reduce its reliance on print and advertising as it replaces those revenue sources with more reliable, repeatable revenue streams, including subscription-based digital solutions.

Having made the strategic decision to concentrate on our marketing portfolio, Xeim, and explore the disposal of non-marketing businesses, the next 12 months offer an exciting time for the business as it becomes more streamlined and focused on delivering client solutions and growing its premium, digital products.

SWAG MUKERJI
Chief Financial Officer

19 March 2019

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 33 to 36.

The Executive Committee is responsible for identifying, managing and monitoring material and emerging 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 are 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 and emerging risks facing the Group and then collectively assesses the severity of each risk (by ranking both the likelihood of its occurrence 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 2018, 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 28 to the financial statements.

RANK	RISK	DESCRIPTION OF RISK AND IMPACT	RISK MITIGATION/CONTROL PROCEDURE	MOVEMENT IN RISK
1	<p>Failure to manage change effectively exacerbates difficulties in recruiting and retaining staff and leads to loss of key senior staff. This is relevant to London, New York and Portsmouth.</p> <p>Failure to implement the simplification programme</p>	<p>Centaur's success depends in large part on its ability to recruit, motivate and retain highly experienced and qualified employees in the face of often intense competition from other companies; especially true of London and New York.</p> <p>Whilst failure to manage change effectively is a continuing risk, in 2019 it may be exacerbated by:</p> <p>a) the simplification programme;</p> <p>b) the formation of the Xeim group; and</p> <p>c) the reduction of overheads.</p> <ul style="list-style-type: none"> Investment in training, development and pay awards needs to be compelling. Implementing a working environment that allows for agile and remote delivery is necessary to keep the "millennial" workforce engaged. High staff churn (a challenge for all media and events companies) affect budget, productivity and continuity for customers. Developing the 2022 business strategy and changes required in skill set and culture are challenging and costly. 	<ul style="list-style-type: none"> As the business continues to evolve we regularly review measures aimed at improving our ability to recruit and retain employees and to track employee engagement. Monthly "check-ins" facilitate more regular discussion about personal and career development opportunities between employees and line managers. Weekly "check-ins" via the Motivii app ensure we have a weekly "mood" of the business and an understanding of any key risks or challenges. Key senior leaders have had their reward packages reviewed and, where appropriate, increased notice periods and restrictive covenants have been introduced. A talent review takes place annually to ensure flight risks and training needs are identified; these too become the focus for pay, reward and development areas (such as how the Government apprenticeship training levy is used). All London based staff continue to be paid at or above the London Living Wage. We have overhauled our recruitment process including exit interviews for all leavers to resolve areas of concern. 	<p>The Board considers this risk to have increased since 2018.</p> <p>Risk increased</p>
2	<p>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.</p>	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> 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 2018. 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. In the first half of 2018 Centaur implemented a number of security improvements to better protect and monitor its network, systems and data. 	<p>The Board considers this risk to be broadly the same as the prior year.</p> <p>Risk unchanged</p>

RISK MANAGEMENT

RANK	RISK	DESCRIPTION OF RISK AND IMPACT	RISK MITIGATION/CONTROL PROCEDURE	MOVEMENT IN RISK
3	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.	<ul style="list-style-type: none"> The General Data Protection Regulation ("GDPR"), which is the data protection law that came into force in May 2018, involves much stricter requirements for Centaur regarding its handling of personal data. <p>This includes:</p> <ul style="list-style-type: none"> Customers and employees having greater rights on how we use their data Centaur having to provide specific information to our customers on how we use their personal data Stricter rules around how we conduct our direct marketing activities Personal data being kept more securely; time and access New contracts 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 and employees A requirement to demonstrate how we comply with GDPR, which means more onerous internal record-keeping obligations A requirement to carry out data impact assessments for new types of personal data processing undertaken A requirement to keep under review the need for a Data Protection Officer 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. The maximum fine for breach of GDPR is much higher than fines under the old UK data protection legislation. 	<ul style="list-style-type: none"> Wiggin LLP provided legal advice on what changes were required in order for Centaur to comply with GDPR. The measures taken included: <ul style="list-style-type: none"> Updating the marketing permissions 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 (i.e. lists) or who handle data on our behalf. In 2019 PECR's (Privacy and Electronic Communications Regulations) implementation will increase audience and customer compliance. 	<p>The Board considers this risk to be broadly the same as the prior year.</p> <p>Risk unchanged</p>
4	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).	<ul style="list-style-type: none"> 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 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. 	<ul style="list-style-type: none"> Centaur has invested significantly in its IT systems and several key IT system upgrades took place during 2017; The ongoing development of CRM (PCI compliance) and finance systems introduced in 2015. IT system improvements in 2017 and 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 have advised us in relation to additional cover that is appropriate to insure against a serious failure of IT network security controls. Migration of Ecom to our secure platform Wordpress in 2018 has been completed. Our policies were upgraded in Q1 2018 to further ensure our staff are clear and accountable for their IT compliance. In the first half of 2018 Centaur also implemented a number of security improvements to better protect and monitor our network, systems and data. 	<p>The Board considers this risk to be broadly the same as the prior year.</p> <p>Risk unchanged</p>

RANK	RISK	DESCRIPTION OF RISK AND IMPACT	RISK MITIGATION/CONTROL PROCEDURE	MOVEMENT IN RISK
5	Trends in advertising and direct sales of our print products result in declining revenues from these sources.	<ul style="list-style-type: none"> Print advertising revenues and direct sales of our print products continued to decline during 2018. 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 remained since the 2018 reporting period due to volatility in advertising spend across our print products. The uncertainty following the EU referendum result in specific markets including financial services continued throughout 2016, 2017 and 2018 and is expected until firm plans for the UK's exit from the EU are established by the UK Government. 	<ul style="list-style-type: none"> 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 actively reducing the Company's exposure to print advertising and has significantly increased revenues from digital paid-for content. 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. 	<p>The Board considers this risk to be broadly the same as the prior year.</p> <p>Risk unchanged</p>

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 2021, 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 2021.

The Board has determined that the three-year period to December 2021 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 2021 (which allows extensions to 2023 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 conversion⁴ 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 2021.

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 12 months from the date of approval of the financial statements and for the foreseeable future can be found on page 28.

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 an 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 Group facilities 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, our business continuity plan is regularly revised and tested.

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.

Two out of our seven (29%) Board members are female and, three out of five (60%) of our Executive Committee are female and, as at 31 December 2018, our workforce overall was 51% female (398 employees) and 49% male (384 employees). We proudly support flexible working opportunities, and 14% of staff are employed on a part-time basis.

Gender pay

We carry out an annual analysis on Gender Pay and will be submitting and publishing the result for 2018 at the beginning of April 2019. The report can be found at www.centaurmedia.com.

Anti-slavery and human trafficking policy

We implemented the provisions of the UK Modern Slavery Act 2015 in 2016 and adopted an anti-slavery and human trafficking policy. Our Slavery and Human Trafficking Statement is published on our website in March each year at www.centaurmedia.com.

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 which means 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 a small serviced office in New York.

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.

Since the introduction of 'Follow-me' printing in the last quarter of 2017, comparing 2018 with 2017 we have reduced the number of paper pages printed by 36%.

We donate used computer equipment to Camara Education, which is a social enterprise dedicated to improving education in disadvantaged communities across the world. In 2018 we donated the following:

- 155 desktop PCs
- 113 iMacs
- 118 monitors

Donations made by Centaur in 2018 have benefited more than 9,000 children in schools in Ethiopia and Tanzania.

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 including all common parts;
- 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 centralised recycling system originally 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 three 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 2018 global GHG emissions data (tonnes of CO₂e):

Emissions from:	2018 Tonnes CO ₂	2017 Tonnes CO ₂
Scope 1 (gas, fuel and car mileage)	72	78
Scope 2 (electricity and steam)	428	432
Total GHG emissions	500	510
Average number of employees	758	687
Emissions per employee	0.7	0.7

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 £71,443 was donated to Macmillan Cancer Support and £25,713 was donated to The Connection at St Martin-in-the-Fields, both our chosen charity partners for 2018. These donations comprised employee contributions, a Group contribution, and third party contributions raised through our events. We used our events to raise money from third parties for both charities including requesting donations in return for entry for awards and taking collections at the events. In 2017, £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. 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

19 March 2019

BOARD OF DIRECTORS



Neil Johnson

Chairman

Neil joined Centaur as Chairman in January 2018. Neil is currently Chairman of Synthomer 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



Andria Vidler

Chief Executive Officer

Andria joined Centaur as Chief Executive in November 2013. In May 2018 she became a non-executive director for JPJ Group plc and in January 2019 she joined the MediaTrust as a board trustee. She served as a trustee for the Roundhouse from 2010-2016 and chairman of the Marketing Group of Great Britain in 2014/15. Andria has considerable experience transforming content businesses through driving customer focus, digital innovation and the growth of new sales channels. She was Chief Executive Officer of EMI Music UK and Ireland from 2009 to 2013, and prior to this held senior roles in marketing and commerce for Bauer Media, Capital Radio and the BBC.



Swag Mukerji

Chief Financial Officer

Swag joined Centaur in July 2016 and has held senior finance and general management positions with several 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 the share price from 59p to 267p in a falling market. Since then he has been 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.



Colin Jones

Non-Executive Director

Colin joined Centaur on 1 September 2018. Until mid-June 2018, Colin was Finance Director of Euromoney Institutional Investor PLC ('Euromoney'), where he worked in leadership roles for 22 years. He is also a non-executive director and trustee of City Lit., London's leading adult education college. During his time at Euromoney, Colin contributed to the group's growth to become a global, multi-brand information business that has successfully transformed itself from its traditional media origins into a company that is more customer-centric and subscription-based. He has extensive M&A expertise through Euromoney's many successful transactions. Prior to joining Euromoney, Colin was a Director at Price Waterhouse Europe, where he qualified as a Chartered Accountant (ICAEW).

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



Rebecca Miskin

Non-Executive Director

Rebecca joined Centaur in January 2011. 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 Excite@Home, NBC Universal and Hearst Corporation. Rebecca focuses on re-aligning organisations using a data driven, customer-centric and collaborative operational approach.

Member of the Audit, Nomination and Remuneration Committees



William Eccleshare

Senior Independent Director

William joined Centaur in July 2016. William is Chairman and CEO of Clear Channel International. He served as a non-executive director of Hays plc from 2004-2014, has been a board member of the Donmar Warehouse Theatre since 2013 and is an independent non-executive director of Britvic plc. 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 the Remuneration and Nomination Committees



Robert Boyle

Non-Executive Director

Robert joined Centaur in January 2010. Robert, a qualified Chartered Accountant, was a partner of PricewaterhouseCoopers LLP, where he was Chairman of the PwC European Entertainment and Media Practice for 12 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.

Chairman of the Audit Committee and member of the Remuneration Committee

EXECUTIVE COMMITTEE



Linda Smith
Chief Operating Officer

Linda was appointed Chief Operating Officer in February 2016 and manages the professional portfolios inclusive of Financial Services, Legal, HR, Engineering, Travel and Meetings alongside Centaur's centralised expert hubs of exhibitions and events, digital product development, DATA, CRM, Research, client delivery operations, IT and Building Services. 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 in 2014. Through her previous roles Linda has developed operational experience including M&A, commercial and general management across broadcasting, publishing and digital platforms.



Steve Newbold
Divisional Managing Director

Steve is Divisional Managing Director of Centaur's Xeim Division. He oversees brands including Marketing Week, Festival of Marketing, Creative Review, Econsultancy, Influencer Intelligence, Fashion & Beauty Monitor, Oystercatchers, MarketMakers and Really. Prior to this Steve was responsible for Centaur's Media and Events portfolios and Home Interest Division. Before joining Centaur in 2015 Steve held Managing Director roles at WGSN, i2i Events, Emap Communications (*now Ascential) and Emap Consumer Media (now Bauer). He has experience of running multi-media, international businesses in key sectors across both B2B and Consumer markets.



Suki Thompson
CEO and Founding Partner
of Oystercatchers

Suki joined Centaur 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 2018.

Details of significant events since the balance sheet date are contained in note 33 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 4 to 23 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 23.

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 2018 of 1.5p per share (July to December 2017: 1.5p) is proposed by the Directors, and subject to shareholder approval at the Annual General Meeting, will be paid on 24 May 2019 to ordinary shareholders on the register at the close of business on 10 May 2019. With the interim dividend of 1.5p per share, the total dividend for the year will be 3.0p per share (2017: 3.0p).

Share capital and substantial shareholdings

Details of the share capital of the Company are set out in note 24 to the financial statements. As at 31 December 2018, and 19 March 2019 (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 2018	19 March 2019
Aberforth Partners LLP†	24.86%	24.86%
Artemis Investment Management LLP	15.36%	15.24%
Quaero Capital (Argos Funds)	7.78%	7.78%
Chelverton Asset Management	7.71%	7.82%
IBIS Capital Partners LLP	6.26%	6.25%
Graham Sherren	5.73%	5.73%
Otus Capital Management	5.52%	5.52%
Fidelity International††	4.39%	4.39%
Slater Investments††	3.48%	3.48%
Herald Investment Management††	3.16%	3.16%
Aberdeen Standard Investments††	3.13%	3.11%

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

†† Figures derived from share register analysis

At 19 March 2019 and 31 December 2018, 6,964,613 (31 December 2017: 6,964,613) 10p ordinary shares are held in treasury, representing 4.60% (2017: 4.60%) of the issued share capital of the Company as at 31 December 2018. 800,000 (2017: 800,000) deferred shares of 10p each carry restricted voting rights and carry no right to receive a dividend payment.

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 2018 unless otherwise stated. The Board has decided to continue observing best practice by offering themselves for re-election annually.

	Number of ordinary shares held at 1 January 2018	Shares acquired during the year	Number of ordinary shares held at 31 December 2018†	Number of ordinary shares held at 19 March 2019
Neil Johnson (appointed 3 January 2018)	–	100,000	100,000	100,000
William Eccleshare	–	–	–	–
Robert Boyle	117,037	–	117,037	117,037
Rebecca Miskin	14,800	–	14,800	14,800
Colin Jones (appointed 1 September 2018)	–	–	–	–
Andria Vidler	159,438	25,752	185,190	186,114
Swagatam Mukerji	34,539	45,750	80,289	81,214
Ronald Sandler (resigned 3 January 2018)	45,000	–	45,000	–

† Or date of resignation if earlier

The Directors' interests in long-term incentive plans are disclosed in the Remuneration Committee Report on pages 38 to 53.

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 donations of £71,443 to Macmillan Cancer Support and £25,713 to The Connection at St Martin-in-the-Fields its nominated charities for 2018, which included third party donations collected at events (2017: donation to Alzheimer's of £83,727 including third party collections of £67,387).

No political donations were made during the year (2017: £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 25 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 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 25, 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 on the assumption that certain EBITDA targets for 2017 were met. This was concluded in the first half of 2018, details of which are set out in note 14.

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 28 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 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 29.

Auditor and disclosure of information to the Auditor

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 Auditor is 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 54.

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

HELEN SILVER
Company Secretary

19 March 2019

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 2018 the Board had five Non-Executive Directors and two Executive Directors (Chief Executive and Chief Financial Officer). Biographies for each currently serving Director are shown on pages 24 to 25. 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 is Chairman of the Board and was independent on appointment. He 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 and the Chairman was independent on appointment. 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
Neil Johnson (appointed 3 January 2018)	Chairman	–	–	Chairman
William Eccleshare	Senior Independent Director	–	Member	Member
Rebecca Miskin	Non-Executive Director	Member	Member*	Member
Andria Vidler	Chief Executive	–	–	–
Swagatam Mukerji	Chief Financial Officer	–	–	–
Robert Boyle	Non-Executive Director	Chairman	Member	–
Colin Jones (appointed 1 September 2018)	Non-Executive Director	Member	Chairman	Member

*Rebecca Miskin was Chairman of the Remuneration Committee until 1 September 2018 when Colin Jones was appointed.

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	
	Meetings attended	Meetings eligible to attend	Meetings attended	Meetings eligible to attend	Meetings attended	Meetings eligible to attend	Meetings attended	Meetings eligible to attend
Number of meetings held:	8		5		3		2	
Neil Johnson (appointed 3 January 2018)	8	8	–	–	–	–	2	2
William Eccleshare	6	8	–	–	2	3	1	2
Rebecca Miskin	7	8	5	5	3	3	2	2
Andria Vidler ¹	8	8	–	–	–	–	–	–
Swagatam Mukerji	8	8	–	–	–	–	–	–
Robert Boyle	7	8	5	5	3	3	–	–
Colin Jones (appointed 1 September 2018)	4	4	1	1	1	1	1	1

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;
- 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 26. 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 Chairs 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 regularly 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 18 to 21 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 22.

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 pages 33 to 36.

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 23.

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 requires 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 all employees. During 2018, 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 27.

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

HELEN SILVER
Company Secretary

19 March 2019

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 2018. 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 auditor, PricewaterhouseCoopers LLP ('PwC').

Committee composition

During the year, the Committee comprised Non-Executive Directors, Robert Boyle (Chairman), Rebecca Miskin, Colin Jones (who was appointed on 1 September 2018) and Ron Sandler who stood down on 3 January 2018. 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. Their biographies are shown on pages 24 and 25. The membership of the Committee is balanced and is considered to contain the appropriate combination of recent, relevant financial experience through the Chairman and Colin Jones, as well as competence relevant to the sector.

The Executive Directors, representatives of the external auditor and other Group executives regularly attend meetings at the invitation of the Committee. The Committee met five 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 auditor 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 auditor's 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 auditor and to review and approve levels of audit and non-audit remuneration;
- Develop and implement policy on the engagement of the external auditor 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 auditor's 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 auditor 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.
- Reviewed compliance with International Financial Reporting Standards ('IFRS')

The most significant financial reporting judgements considered by the Audit Committee and discussed with the external auditor 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 Board approved forecasts for the first three years of the value-in-use calculation, and applying a terminal growth rate of 2.5%.

Following a review, an impairment of £13.1m has been recognised against goodwill primarily relating to events to be closed and other businesses within the Marketing portfolio.

At 31 December 2018 the Committee reviewed management's assessment of the recoverability of the Group's goodwill and intangible assets that resulted in no further impairment being recognised in addition to those specific adjustments noted above. The Committee has paid particular attention to the judgements and assumptions used to forecast cash flows, particularly around revenue and adjusted² 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 overall impairment 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, remained consistent with 2017 at £1.6m. 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. IFRS 9 has been adopted this year for the calculation of the provision, further details of which can be found in note 1. Given strong cash collection throughout the year and the continued improvement in the Group's working capital position, the Committee is satisfied with the reduction in the required provision to £1.2m from £1.5m at the end of 2017.

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

Other areas of judgement discussed with the external auditor 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 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 MarketMakers Incorporated Limited which constituted a Business Combination under IFRS 3.

In 2018, further payments were made to the former shareholders of MarketMakers following meeting of earnout targets which resulted in adjustments to recognised goodwill. In 2017, the Group estimated likely earnout consideration payable to the former shareholders related to EBITDA performance in the year 2017. This earnout was paid in 2018 with a subsequent adjustment made to the acquired intangibles.

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 note 15 to the financial statements.

During 2018 a small profit of £0.1m was recognised on the disposal following a usual working capital adjustment pertaining to the disposal period.

Consideration of possible divestments

On 25 October 2018, the Group announced a trading update in which it stated it would be exploring the divestment of certain businesses. These businesses include The Lawyer, the events division and its financial services business. The Committee has had extensive discussions with management and PwC with regards to how these potential disposals are accounted for at 31 December. The Committee is satisfied that due to the formal disposal process only commencing at the start of 2019, that these business units do not need to be classified as held for sale at 31 December 2018. See further details in Note 33 to the financial statements where post balance sheet events are considered.

New accounting standards

IFRS 9 'Financial Instruments' and IFRS 15 'Revenue from contracts with customers' have been adopted for the current reporting period.

The adoption of IFRS 15 has not materially impacted the value, phasing, or recognition of revenue at a Group or segmental level.

IFRS 9 predominantly impacts the way our provision for impairment of trade receivables is calculated. The provision now represents an 'expected credit loss' which is calculated based on actual historic default rates. Under IFRS 9, 2017's expected credit loss would have been £1.6m (actual under IAS 39 was £1.5m). In 2018 the expected credit loss is £1.2m. The reduction in the provision is a reflection of longer history of consistently better cash collection and not an impact from the adoption of IFRS 9.

Effective for the first time for the financial year beginning 1 January 2019, but not yet adopted by the Group, is IFRS 16 'Leases'. An impact assessment has been performed which indicated the operating lease arrangements we currently hold regarding the properties from which we operate will, from the effective date, be treated as finance leases and an asset and liability will be recognised in respect of these.

For further details of IFRSs 9, 15 and 16 please see Note 1 to the financial statements.

Trading update

On 25 October, the Group re-issued profit guidance of £5-5.5m for the year. The Committee has reviewed the internal forecast process and its ability to highlight potential shortfalls in a timely manner. We are satisfied that these processes are timely and sufficiently robust to highlight such issues.

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, and this facility was renewed in 2018, with an initial extension to 2021, on terms more favourable than the original agreement. The Group also has the option to take two one-year extensions. The Committee notes that working capital was strong in the year and the Group had no draw-down on the facility at the end of December 2018. The Committee has reviewed forecasts to cover the 18 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 4 to 23. 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 their report and set out the work performed to satisfy themselves 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 28.

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.

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 32.

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 auditor is 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 auditor 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 auditor 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 auditor is 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 no services to the Group other than audit and audit-related (interim review) services.

The external auditor's report to the Directors and the Audit Committee also confirmed their independence in accordance with auditing standards and the Committee concurred. Should non-audit services be required in the forthcoming year, we are likely to use suppliers other than PricewaterhouseCoopers LLP.

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 auditor

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

ROBERT BOYLE

Chairman of the Audit Committee

19 March 2019

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 2018. This report details the Committee's ongoing responsibilities and key activities over the period. The Committee comprised myself from 3 January 2018, William Eccleshare, Rebecca Miskin and Colin Jones from 1 September 2018, 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 29% of the Board.

Activities during the year

During the second part of 2018, the primary focus of the Committee was to identify and appoint a new Non-Executive Director in preparation for the departure of Robert Boyle.

The Committee followed a rigorous process that was approved by the Board and supported by executive search consultants, Inzito. Following a short list and interview exercise, the appointment of Colin Jones was recommended to the Board by the Committee and he was confirmed as a Director, Chairman of the Remuneration Committee and a member of the Audit and Nomination Committees with effect from 1 September 2018.

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.

As I have decided to stand down as Chairman of the Board at the end of June 2019 to take up another role, Robert has agreed to remain as Chair of the Audit Committee for up to 12 months. Colin Jones, who joined the Board in September 2018 after a successful 22-year career at Euromoney Institutional Investor PLC, has excellent and relevant experience to lead the Company through its next phase and will become Chairman of the Board and Chairman of the Nomination Committee with effect from 30 June 2019. With effect from the same date Colin will resign as a member of the Audit Committee, but it is our intention that Colin will remain as Chair of the Remuneration Committee in the short term. Whilst this is not compliant with the Corporate Governance Code, the Board considers it appropriate at this stage of Centaur's development.

The Nomination Committee recognise that there is work to be done to refresh the Board and its Committees and this will be a focus for the second half of 2019.

NEIL JOHNSON
Chairman of the Nomination Committee

19 March 2019

REMUNERATION COMMITTEE REPORT



COLIN JONES
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 2018. This is my first report as Chair of Centaur's Remuneration Committee since my appointment in September 2018. I would first like to thank Rebecca Miskin for successfully chairing the Committee for a number of years, and providing support in the transition of the chair to me.

2018 has been a challenging year for Centaur. While the financial performance has improved on 2017, ambitious budgets set at the beginning of the year were not achieved for reasons set out in the Chairman's Statement and CEO Review. At the same time, significant effort has been put in to addressing Centaur's strategic challenges and developing a new strategy which the management team is now implementing. These challenges are reflected in both the actual remuneration of the Executive Directors in 2018 and the proposed new Remuneration Policy for 2019.

This report is in three parts: (i) this Annual Statement; (ii) the Remuneration Policy Report, which sets out the proposed Remuneration Policy for which shareholder approval will be sought at the 2019 AGM given that the Remuneration Policy approved in 2016 is reaching the end of its three-year life; and (iii) the Annual Report on Remuneration.

Committee membership and work of the Committee during the year

During the year, Centaur's Remuneration Committee comprised: Colin Jones (appointed to the Board and as Remuneration Committee Chair from 1 September 2018, Rebecca Miskin (Remuneration Committee Chair to 1 September 2018), Ronald Sandler (to 3 January 2018), Robert Boyle, and William Eccleshare.

The Committee met three times during 2018. 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 2018;
- Agreeing the performance against the targets for the 2017 annual bonus;
- Agreeing the performance against the targets for the 2015 LTIP awards which lapsed in 2018;
- Setting the performance targets for the 2018 annual bonus;

- Agreeing the award levels and performance tests for the 2018 LTIP awards;
- Reviewing the company's share dilution capacity for LTIP awards;
- Reviewing gender pay numbers and disclosures; and
- Reviewing the existing remuneration policy and considering potential changes to be put forward at the 2019 AGM.

Implementation of the Remuneration Policy in 2018

- Base salary levels were increased by 2% from 1 April 2018 in line with general workforce increases. There were no changes to pension or benefit provision;
- Performance against financial targets and personal objectives in the year ended 31 December 2018 resulted in the Remuneration Committee awarding bonuses for the achievement of personal objectives only as the financial performance targets were not achieved. Personal objectives made up 20% of the annual bonus potential and were 100% achieved which would have given rise to a 2018 bonus of 20% of salary for both the CEO and CFO. However, the CEO and CFO decided to formally waive their entitlement to any bonus payable for 2018 given that this would be inconsistent with the calculation of bonuses for other members of the Executive Committee and senior management team, which were based wholly on financial performance;
- LTIP awards granted to the CEO and CFO in 2016, which were due to vest in 2019, based on financial performance for the three years to 31 December 2018, will lapse as a result of failing to meet threshold EPS and TSR performance targets; and
- LTIP awards were granted to the CEO and CFO on 6 April 2018 over shares equal to 100% of salary based on EPS (50%) and TSR (50%) performance targets for the three years to 31 December 2020.

Proposed changes to the Remuneration Policy for 2019

The Remuneration Committee is proposing to roll forward the current Remuneration Policy at the 2019 AGM, updated to reflect the new UK Corporate Governance Code provisions and developments in remuneration best practice more generally.

Centaur is entering a period of significant transformation as it implements a strategy which will result in the divestment of some brands and the restructure of the core business during 2019. In addition to updating the existing Remuneration Policy, the Committee is proposing to introduce a one-off incentive plan ("2019 Incentive Plan" or "2019 IP") which is designed to incentivise and reward the execution of this strategy and maximize shareholder value during 2019. The current incentive schemes (annual bonus and LTIP) are linked to annual profit and long-term EPS and relative TSR. These incentives are not considered appropriate for 2019 because the performance metrics and timeframes do not align with Centaur's strategy over the next 12 months. The 2019 IP is only expected to apply for 2019 and the Committee expects to revert back to the normal annual bonus and LTIPs from 1 January 2020 onwards.

The 2019 IP has been designed by the Remuneration Committee to directly align with the strategy for 2019; to be acceptable to Centaur's major investors (who have been consulted on the proposals and who are supportive); to be as simple as possible in terms of communication and operation; to be cash-based with partial share deferral in line with the current policy; to incentivise the delivery of enhanced shareholder returns whilst ensuring management also deliver on business as usual performance during 2019; and to be capped from a cost and risk management perspective.

The key terms of the 2019 IP, the rules of which will be subject to a separate resolution at the 2019 AGM, are as follows:

- Up to 200% of base salary may be earned in respect of performance to 31 December 2019 in the form of a cash bonus (with partial deferral into shares) for the CEO and CFO;
- Awards will complement the normal 100% of salary bonus and the 100% of salary LTIP which would normally be granted following the announcement of the 2018 results;
- 50% of the award is based on maximising shareholder value from the divestment of non-core assets;
- 25% of the award is based on significantly reducing central overhead costs by the end of 2019;
- 25% of the award is based on achieving stretch profit and operating margin targets for the ongoing Xeim business for 2019;
- Up to 75% of 2019 IP awards will be paid out in cash following the end of the 2019 financial year;

- Any amount earned in excess of 75% of the maximum 2019 IP awards will be deferred into Centaur Media plc shares for two years from the date that the cash element is paid; and
- Market and best practice compliant leaver and change of control provisions will apply.

Further details of the terms of the IP are set out in the Notice of AGM.

Implementing the Remuneration Policy for 2019

The base salaries for the Executive Directors will increase from 1 April 2019 by 2% in line with general workforce increases, and there will be no changes to pension and benefit provision. As explained above, the 2019 IP will complement the normal 2019 annual bonus and LTIP awards (with the Committee's intention being that it will revert back to the normal annual bonus and LTIP awards in 2020).

Shareholder consultation and 2019 AGM approvals

In rolling forward the existing Remuneration Policy and proposing the key terms of the 2019 IP, the Committee has consulted with Centaur's major shareholders. I would like to thank investors for their feedback on the proposals, which the Committee considered in detail and which has helped to formulate the Remuneration Policy contained in this report. As a result of the proposed changes to the Remuneration Policy and its operation, the following resolutions relating to remuneration will be presented at the 2019 AGM:

- A binding resolution on the proposed Directors' Remuneration Policy contained within this Directors' Remuneration Report;
- An advisory resolution on the remuneration paid to the Directors in the year ended 31 December 2018 and the operation of the Remuneration Policy for 2019 as set out in the Annual Report on Remuneration; and
- A resolution to approve the Centaur Media Plc 2019 Incentive Plan rules.

I hope we continue to receive your support in respect of our Annual Report at our forthcoming AGM.

COLIN JONES

Chair of the Remuneration Committee

19 March 2019

DIRECTORS' REMUNERATION POLICY

Policy scope

The Policy applies to the Chairman, Executive Directors and Non-Executive Directors.

Policy duration

The current Remuneration Policy was passed by a binding shareholder vote at the Company's 2016 AGM and became effective from the date of that meeting. For the reasons set out in the Annual Statement, a new policy, as set out below, will be proposed as a resolution subject to a binding shareholder vote at the Company's 2019 AGM.

The new policy takes into account the provisions of the new UK Corporate Governance Code which is effective from 1 January 2019, and other good practice guidelines from institutional shareholders and shareholder bodies. Subject to approval by shareholders the new policy will become effective from the 2019 AGM date and shall be in place for the following three-year period unless a new policy is presented to shareholders before then. All payments to Directors during the policy period will be consistent with the approved policy.

Overview of Remuneration Policy

Centaur recognises the need to attract, retain and incentivise executives with the appropriate skills and talent to manage and develop the Group's businesses, 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 base salary increases and remuneration policies and practice more generally for all employees when determining the annual salary increases and remuneration policy for the Executive Directors. Employees have not been consulted in respect of the renewal of the Directors' 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 its 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 and the 2016 Remuneration Policy, as well as additional disclosures on the 2017 Bonus for the Executive Directors (in response to feedback from shareholders) are set out in the Annual Report on Remuneration.

Changes from 2016 Remuneration Policy

A summary of the key changes arising from the annual review of remuneration policy and proposed for inclusion in the new Remuneration Policy are as follows:

- The introduction of the 2019 Incentive Plan to complement the normal annual bonus and LTIP awards for 2019 only;
- A commitment for pension provision in respect of future Executive Director appointments to be aligned to the workforce where possible;
- The introduction of a two-year post-vesting holding period on all LTIP awards granted after the approval of the new Remuneration Policy at the 2019 AGM; and
- Increased shareholding guidelines for Executive Directors from 100% to 200% of base salary.

Directors' Remuneration Policy – summary table

The table below sets out the proposed Remuneration Policy for shareholder approval at the 2019 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 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	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> Reviewed annually, normally effective 1 April Paid in cash on a monthly basis Pensionable Benchmarked against companies with similar characteristics and sector comparators 	<ul style="list-style-type: none"> 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: <ul style="list-style-type: none"> 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
2019 Incentive Plan (2019 only)	<ul style="list-style-type: none"> Incentivises delivery of 2019 strategic goals Maximum award only payable for achieving demanding targets 	<ul style="list-style-type: none"> Not pensionable Deferral of any award in excess of 75% of maximum into shares for two years Dividend equivalents may be payable on deferred share awards 	200% of salary	<ul style="list-style-type: none"> Measured over 2019 Based on maximising shareholder value from divestments of non-core assets, achieving stretch profit and operating margin targets for the ongoing Xeim business and reducing central overhead costs by the end of 2019 Clawback provisions apply

DIRECTORS' REMUNERATION POLICY

ELEMENT	PURPOSE AND LINK TO STRATEGY	OPERATION	MAXIMUM	PERFORMANCE TARGETS AND RECOVERY PROVISIONS
Annual bonus (2020 onwards)	<ul style="list-style-type: none"> Incentivises annual delivery of financial and strategic goals Maximum bonus only payable for achieving demanding targets 	<ul style="list-style-type: none"> Targets reviewed annually Not pensionable Deferral of any bonus over 75% of base salary into shares for three years Dividend equivalents may be payable on deferred share awards 	100% of salary	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Aligns to main strategic objectives of delivering profit growth and shareholder return 	<ul style="list-style-type: none"> Annual grant of conditional awards or nil cost options Dividend equivalents may be payable on shares to the extent awards vest 	Awards capped at 100% of salary (200% in exceptional circumstances)	<ul style="list-style-type: none"> Normally a three-year performance period Performance is based on financial and/or share price based measures (e.g. EPS and relative TSR) The Committee may alter the weighting and targets for each grant 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 <p>Awards vest as follows:</p> <ul style="list-style-type: none"> – Threshold performance: 25% of award – Maximum performance: 100% of award <ul style="list-style-type: none"> Clawback provisions apply

ELEMENT	PURPOSE AND LINK TO STRATEGY	OPERATION	MAXIMUM	PERFORMANCE TARGETS AND RECOVERY PROVISIONS
Pension	<ul style="list-style-type: none"> Provides competitive retirement benefits Provides an opportunity for Executive Directors to contribute to their own retirement plan 	<ul style="list-style-type: none"> Defined contributions made to the Executive Director's own pension plan. Cash alternatives may also be paid 	Up to 15% of base salary, although pension provision in respect of future Executive Director appointments will be aligned to the workforce where possible	Not applicable
Other benefits	<ul style="list-style-type: none"> Aids retention and recruitment 	<ul style="list-style-type: none"> Executive Directors are provided with private medical insurance Other benefits including company car allowance and car parking 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	<ul style="list-style-type: none"> To provide alignment of interests between Executive Directors and shareholders 	<ul style="list-style-type: none"> 50% of the net of tax vested LTIP shares required to be retained until the guideline is met 	200% of salary	Not applicable

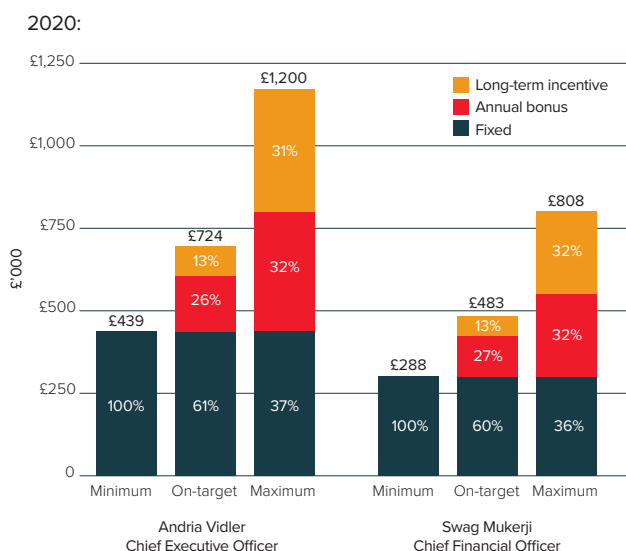
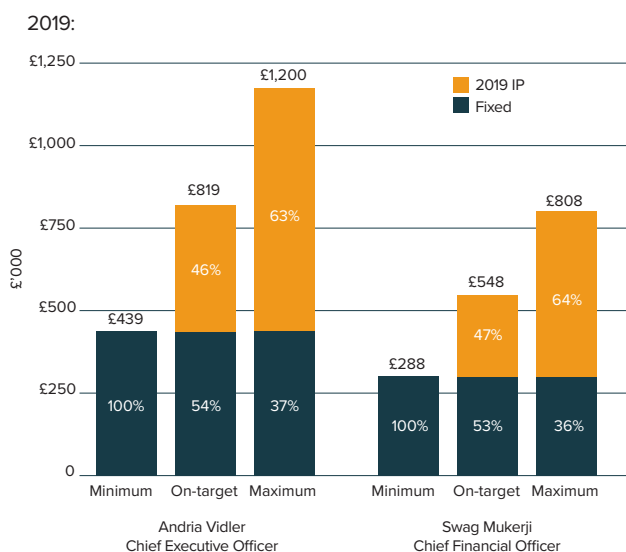
Notes

- The Annual Report on Remuneration sets out how the Company implemented the policy presented above in 2018 and will apply it in 2019.
- Not all employees have a bonus opportunity, and below Executive Director level bonus opportunities are generally lower. Participation in the 2019 IP is limited to Executive Directors and 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.
- The choice of performance metrics applicable to the 2019 IP reflect Centaur's strategy to simplify the business and maximise shareholder value during 2019 while ensuring that there is an appropriate focus on the remaining business.
- 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.
- The TSR and EPS performance conditions applicable to the LTIP were selected by the Committee on the basis that they are consistent with rewarding the delivery of long-term returns to shareholders and the Group's financial growth.
- 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. The charts below reflect the proposed implementation of the Remuneration Policy for 2019, and also from 2020 onwards:



Notes

For 2019:

1. Fixed pay consists of salary from 1 April 2019. The value of benefits and pension have been estimated.
2. Target performance is the level of performance required to deliver 50% of the maximum 2019 IP (see below).
3. Maximum performance would result in a maximum 2019 IP award of 200% of salary.
4. No share price appreciation has been assumed.

For 2020 onwards:

1. Fixed pay consists of salary from 1 April 2019. The value of benefits and pension have been estimated for 2020.
2. Target performance is the level of performance required to deliver 50% of the maximum bonus and 25% of the maximum LTIP award (see below).
3. Maximum performance would result in a maximum bonus payment of 100% of salary and full vesting of the maximum LTIP award (100% of salary).
4. 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. Pension provision will be aligned to that provided to the general workforce where possible. Incentive awards would be no more than set out in the Policy table above. 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 promotion, any variable pay element awarded in respect of the prior role would 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.

Service contracts and loss of office payments

The current Executive Directors have service contracts which have a 12-month notice period, dated 30 October 2013 for Andria Vidler and 21 September 2016 for Swag Mukerji. In respect of these service contracts, 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 incentive will normally be payable for the period of the financial year served, although it will normally 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 set 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
Chairman and Non-Executive Directors fees	Reflect time commitments and responsibilities of each role, in line with those provided by similarly sized companies	<ul style="list-style-type: none"> Cash fee normally paid on a monthly basis Reimbursement of incidental expenses where appropriate Reviewed periodically 	<p>There is no prescribed maximum annual fee or fee increase</p> <p>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</p>	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 the option for an extension for a further three-year period, and provide for a notice period of one month. All of the current Directors 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 2019	19 March 2020
Rebecca Miskin	13 January 2011	14 January 2017	14 January 2020
Colin Jones	1 September 2018	1 September 2018	1 September 2021

While Robert Boyle reached nine-year tenure on the Board in January 2019, the Board and Nomination Committee recognise the need for stability and acknowledge the contribution, continuity and experience that Robert, as a long-serving Non-Executive Director, brings to the Board and the support he provides. As such, Robert has agreed to continue as Chair of the Audit Committee for up to 12 months and is still considered by the Board to be independent.

Approach to fees on recruitment

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

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Implementation of the Remuneration Policy for the year ending 31 December 2019

A summary of how the Directors' Remuneration Policy will be applied during the year ending 31 December 2019 is set out below. The new Directors' Remuneration Policy, if approved by shareholders will apply from the 2019 AGM.

Base salary

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

	From 1 April 2019 (£)	As at 1 April 2018 (£)	%
			change
Andria Vidler	£380,744	£373,278	2%
Swagatam Mukerji	£260,100	£255,000	2%

The 2% salary increases awarded to the Executive Directors from 1 April 2019 are in line with the general workforce increase.

Pension and benefits

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

2019 Incentive Plan

Subject to shareholder approval, the Committee intends to operate the 2019 IP, which is effectively an annual bonus capped at 200% of salary with partial share deferral, for the Executive Directors for 2019. The key terms of the 2019 IP are as follows:

- Awards will complement the normal 100% of salary bonus and 100% of salary LTIP for 2019;
- 50% of the award is based on maximising shareholder value from the divestment of non-core assets;
- 25% of the award is based on achieving stretch profit targets for the ongoing Xeim business for 2019;
- 25% of the award is based on reducing central overhead costs by the end of 2019 (stretch targets);
- Up to 75% of 2019 IP awards will be paid out in cash following the end of the 2019 financial year;
- Any amount earned in excess of 75% of the maximum 2019 IP awards will be deferred into Centaur Media Plc shares for two years from the date that the cash element is paid; and
- Market and best practice compliant leaver and change of control provisions will apply.

Further details of the terms of the 2019 IP are set out in the Notice of AGM.

Annual bonus and LTIPs for 2019

The 2019 IP will complement the normal annual bonus and normal LTIP awards for 2019. Future awards under the LTIP will only be made if and when there is clear evidence that the strategy is being achieved and there is more visibility over the shape, structure and financial performance metrics for the remaining business.

Fees for the Chairman and Non-Executive Directors

The fees for the Company Chairman and the Non-Executive Directors from 1 April 2019 are as follows:

	From 1 April 2019 (£)	As at 1 April 2018 (£)	%
			change
Neil Johnson (appointed 3 January 2018)	125,000	125,000	0%
William Eccleshare	43,775	43,775	0%
Robert Boyle	43,775	43,775	0%
Rebecca Miskin	43,775	43,775	0%
Colin Jones (appointed 1 September 2018)	43,775	–	0%

Remuneration received by Directors for the year (audited)

Directors' remuneration for the years ended 31 December 2018 and 2017 was as follows:

		Salary and fees (£)	Benefits (£)	Bonus (£)	Pension (£)	LTIP (£)	Total (£)
Executive							
Andria Vidler	2018	371,448	17,360	–	40,024	–	428,832
	2017	365,959	18,135	135,000	39,432	–	558,526
Swagatam Mukerji (appointed 1 October 2016)	2018	253,750	8,416	–	19,686	–	281,852
	2017	250,000	8,240	125,000	22,627	–	405,867
Non-Executive							
Neil Johnson (appointed 3 January 2018)	2018	125,000	–	–	–	–	125,000
	2017	–	–	–	–	–	–
William Eccleshare	2018	43,775	–	–	–	–	43,775
	2017	43,775	–	–	–	–	43,775
Robert Boyle	2018	43,775	–	–	–	–	43,775
	2017	43,775	–	–	–	–	43,775
Rebecca Miskin	2018	43,775	–	–	–	–	43,775
	2017	43,775	–	–	–	–	43,775
Colin Jones (appointed 1 September 2018)	2018	14,592	–	–	–	–	14,592
	2017	–	–	–	–	–	–
Former Directors							
Ronald Sandler (resigned 3 January 2018)	2018	–	–	–	–	–	–
	2017	125,000	–	–	–	–	125,000

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Annual bonus for the year (audited)

2018 Bonus

The maximum annual bonus for the CEO and CFO for 2018 was 100% of salary. The annual bonus was based on a mix of Group financial performance targets and personal objectives. Details of performance against these financial targets and personal objectives are provided in the tables below:

	Weighting (% of max)	Reference	CEO		CFO	
			% of max	% of salary	% of max	% of salary
Group Adjusted ² Operating Profit (£m)	40%	Table 1	0%	0%	0%	0%
Group Revenue (£m)	40%	Table 2	0%	0%	0%	0%
Personal objectives	20%	Table 3a and 3b	100%	20%	100%	20%
Total	100%		20%	20%	20%	20%

Table 1: Group Adjusted² Operating Profit (40% of maximum potential)

Performance	2018 Group Adjusted Operating Profit Targets	% of this part of the bonus payable	2018 Actual Group Adjusted ² Operating Profit	Percentage of maximum bonus payable (max 100%)
Start to earn	< £7.1m	0%		
Target	£7.1m	40%	£5.2m	0%
Maximum	£9.2m	100%		

Table 2: Group Revenue (40% of maximum potential)

Performance	2018 Revenue Targets	% of this part of the bonus payable	2018 Actual Group Revenue	Percentage of maximum bonus payable (max 100%)
Start to earn	< £77.8m	0%		
Target	£77.8m	40%	£70.5m	0%
Maximum	£101.1m	100%		

Table 3a: CEO Personal Objectives

Objective	Commentary	Percentage of bonus for this part payable (max 100%)
Identify, evaluate and execute acquisition opportunities that underpin the 2020 ambition for The Lawyer/Marketing	The evolution of the strategy during the year has meant that some of these objectives changed and other new strategic objectives were introduced.	
Simplify the Group through disposing of smaller non-core assets	To the extent these objectives were measurable, and also taking into account the new objectives, the Committee has determined that 100% of the personal objectives were achieved.	
Grow customer LTV by growing revenue per client and building forward bookings	However, the CEO has undertaken to waive any entitlement to a bonus under her personal objectives for 2018 on the grounds that this would be inconsistent with the calculation of bonuses for other members of the Executive Committee and senior management team, which were based wholly on financial performance.	100%
Identify and deliver reductions in central overhead costs and improve operating margin		
Build Centaur, reputation as a content and insight led business information group capable of creating valuable, multi-dimensional end to end client solutions		

Table 3b: CFO Personal Objectives

Objective	Commentary	Percentage of bonus for this part payable (max 100%)
Lead M&A activity re acquisition evaluation and transaction execution	The evolution of the strategy during the year has meant that some of these objectives changed and other new strategic objectives were introduced. To the extent these objectives were measurable and also taking into account the new objectives, the Committee has determined that 100% of the personal objectives were achieved. However, the CFO has undertaken to waive any entitlement to a bonus under his personal objectives for 2018 on the grounds that this would be inconsistent with the calculation of bonuses for other members of the Executive Committee and senior management team, which were based wholly on financial performance.	100%
Prepare legacy businesses for disposal		
Simplify the Group through disposing of smaller non-core assets		
Develop pricing strategy for priority brands		
Identify and deliver reductions in central overhead costs and improve margin		
Build Centaur reputation as a content and insight led business information group capable of creating valuable, multi-dimensional end-to-end client solutions		

2017 Bonus

In response to shareholder feedback on the 2017 Annual Report on Remuneration we are providing additional information on the 2017 Bonus calculation.

The 2017 bonus targets and payouts in respect of the targets were as follows:

	Target profit	Bonus Mechanism	Actual profit	Payout
Profit Before Tax	£6.4m	The bonus was structured so that for performance above target, 50% of the excess profit above target created a bonus pool for the Executive Directors and Executive Committee, to be shared at the Committee's discretion	£6.6m*	CEO: £60,000 CFO: £60,000

* After charging the cost of the 2017 Executive Director and Executive Committee bonus awards

In respect of the strategic and personal targets:

Target	Applies	Committee Assessment of Performance	Payout
Reshape the portfolio for the acquisition of MarketMakers	CEO and CFO	MarketMakers fully integrated and performing well	
Complete the post-sale separation of Home Interest	CEO and CFO	Post-sale separation completed smoothly	
Improve the revenue mix and reduce the Company's exposure to print revenue volatility	CEO and CFO	Significant progress made	
Improve cash collection	CEO and CFO	Significant progress made	CEO: £75,000 CFO: £65,000
Make progress against the operational improvement plan	CEO and CFO	Significant progress made	
Drive customer focus and ensure that content was enriched in order to enable further monetisation	CEO	Significant progress made	
Improve cash management in the business, achieving industry average KPIs whilst reducing the costs of the finance overhead	CFO	Significant progress made	

Performance against the profit before tax, strategic and personal targets resulted in total bonuses of £135,000 for Andria Vidler and £125,000 for Swagatam Mukerji for 2017.

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Vesting of 2016 LTIP awards

With respect to the LTIP awards granted to Executive Directors in 2016 which will lapse in 2019, vesting is based 50% on EPS and 50% on relative TSR for the three-year performance period to 31 December 2018. Further details relating to these awards are provided in the table below:

Performance Condition	Weighting	Targets	Actual Outcome (to 31 December 2018)	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%

As none of the performance tests for the 2016 LTIP awards has been satisfied, awards granted under this LTIP to the CEO and CFO will not vest and will lapse on the vesting date in 2019 as follows:

Director	Number of shares under award	Vesting	Number of shares vesting	Date of vesting	Market price on vesting	Value £000
Andria Vidler	674,194	0%	0	30 March 2019	n/a	–
Swagatam Mukerji	573,394	0%	0	4 October 2019	n/a	–

Grant of LTIP awards in 2018

The Executive Directors received awards, structured as nil cost options, under the 2016 LTIP during 2018 in line with the policy set out in the Directors' Remuneration Policy. Details of these awards are set out below:

Director	Award date	Number of shares under award	Basis	Face value of awards	Performance condition	Performance period
Andria Vidler	6 April 2018	740,807	100% of base salary	£365,959	Vesting will be determined by absolute EPS in the final year of the performance period and relative TSR over the performance period.	1 January 2018 to 31 December 2020
Swagatam Mukerji	6 April 2018	506,072	100% of base salary	£250,000		

The performance conditions for these awards are set out below:

Performance condition	Weighting	Measurement period	Targets	% of shares which will vest if target achieved
EPS	50%	Year ended 31 December 2020	EPS of 4.15p	25%
			EPS of 7.04p or more Between 4.15p and 7.04p	100% Straight line basis between 25% and 100%
Relative TSR vs FTSE SmallCap index (excluding investment trusts) at 1 January 2018	50%	1 January 2018 to 31 December 2020	Median	25%
			Upper quartile Between median and upper quartile	100% Straight line basis between 25% and 100%

The TSR element will only vest if there has been sustained improvement in the Company's underlying¹ financial performance over the performance period.

Andria Vidler purchased 3,835 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 1,917 matching shares being awarded in the year.

Swag Mukerji purchased 3,833 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 1,917 matching shares being awarded in the year.

Board changes and payments for loss of office (audited)

There were no changes to the executive Board during 2018. In respect of the Non-Executive Directors, Neil Johnson replaced Ron Sandler as Chairman from 3 January 2018 and Colin Jones was appointed as a Non-Executive Director on 3 September 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 Officer 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, and 200% of salary from the date of the 2019 AGM. 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 2017	Granted	Lapsed	At 31 December 2018	Date of award	Performance period	Exercise period	Share price on date of grant
Andria Vidler	493,129	–	493,129	–	26/3/15	1/1/15 – 31/12/17	26/03/18 – 25/09/18	72.05p
	674,194*	–	–	674,194	30/3/16	1/1/16 – 31/12/18	30/03/19 – 29/09/19	52.7p
	802,982	–	–	802,982	24/4/17	1/1/17 – 31/12/19	24/04/20 – 23/10/20	45.8p
	–	740,807	–	740,807	6/4/18	1/1/18 – 31/12/20	06/04/21 – 05/10/21	50.2p
	1,970,305	740,807	493,129	2,217,983				
Swagatam Mukerji	573,394	–	–	573,394	4/10/16	1/1/16 – 31/12/18	04/10/19 – 03/04/20	43.6p
	548,546*	–	–	548,546	24/4/17	1/1/17 – 31/12/19	24/04/20 – 23/10/20	45.8p
	–	506,072	–	506,072	6/4/18	1/1/18 – 31/12/20	06/04/21 – 05/10/21	50.2p
	–	–	–	–				
	1,121,940	506,072	–	1,628,012				

* As detailed above, the LTIP awards granted to Andria Vidler and Swagatam Mukerji in 2016 will lapse in 2019 as a result of the threshold EPS and TSR targets not being met.

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 2017	31 December 2018			
Executive				LTIP	
Andria Vidler	159,438	185,190	Not yet	2,217,983	^2,403,173
Swagatam Mukerji	35,505	80,289	Not yet	1,628,012	^1,708,301
Non-Executive					
Neil Johnson (appointed 3 January 2018)	N/A	100,000	N/A	–	100,000
William Eccleshare	–	–	N/A	–	–
Robert Boyle	117,037	117,037	N/A	–	117,037
Rebecca Miskin	14,800	14,800	N/A	–	14,800
Colin Jones (appointed 1 September 2018)	N/A	–	N/A	–	–

^ Includes LTIPs granted in 2016 which will lapse in 2019 (see above).

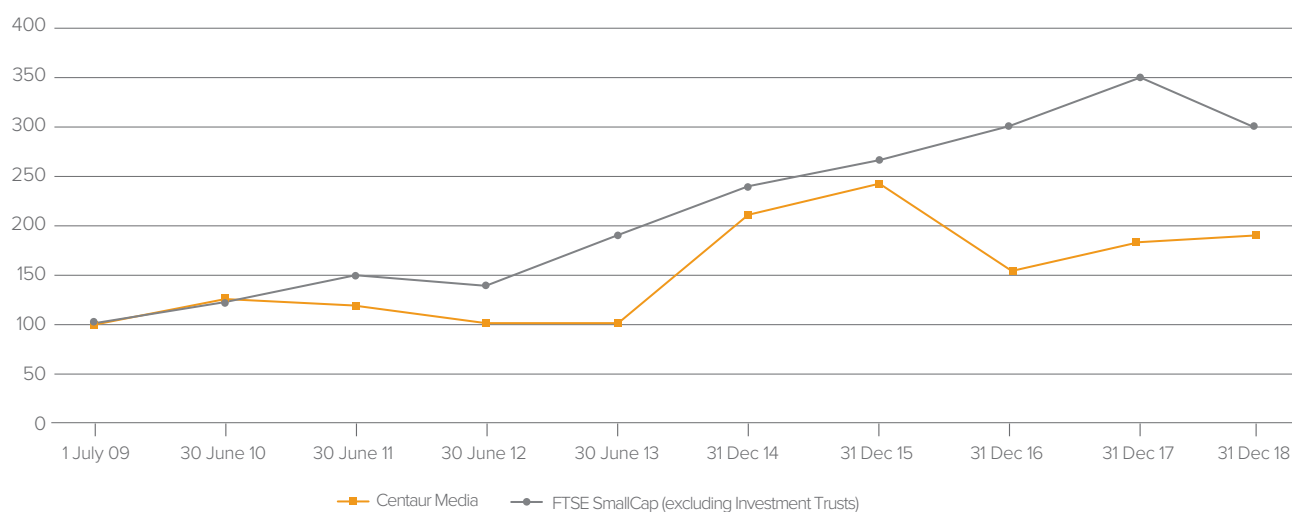
ANNUAL REPORT ON REMUNERATION

Performance graph

The graph below shows the TSR of Centaur Media Plc compared to the performance of the FTSE SmallCap index (excluding investment trusts) over the last nine and a half years. This comparator has been chosen on the basis that it is the index against which performance for the purpose of share awards made under the LTIP is assessed. Owing to the change to the financial year end in 2014, 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 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) at each financial period end.

Total Shareholder Return. Source: Datastream (Thompson Reuters)



History of remuneration for the CEO

The table below sets out the CEO single figure of total remuneration over the past nine and a half years.

Period ending	CEO	Total remuneration	Annual bonus (% of max)	Long-term incentives (% of max)
31 December 2018	Andria Vidler	£430,859	0	0
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 (18 month period)	Andria Vidler (from 14 November 2013)	£670,077	56	N/A
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 CEO's remuneration

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

Element of remuneration		% change
Salary*	CEO	2%
	Employees	20%
Benefits	CEO	(4)%
	Employees	(16)%
Annual bonus	CEO	(100)%
	Employees	(85)%

* The increase in employees' salary of 20% is purely a product of the inclusion of a full year of MarketMakers, salary costs versus only 5 months in 2017. On a like-for-like basis (assuming full year salary cost and a full year average headcount for MarketMakers in 2017) the average employee salary increase is 2%.

Relative importance of the spend on pay

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

	2018	2017	% Change
Employee remuneration costs	£35.3m	£30.9m	14%
Dividends paid and share repurchases	£4.7m	£4.4m	7%

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, Company Secretary and management tier below the Board. 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. In addition, the Committee reviews pay and conditions across the workforce and takes this into account when considering executive remuneration. Minutes of Committee meetings 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 Committee sought advice relating to executive remuneration from FIT Remuneration Consultants ('FIT'), who were appointed by the 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 for the year amounted to £26,947.

Statement of shareholder voting

The voting results for the Directors' Remuneration Policy (2016 AGM) and last year's Directors' Remuneration Report were as follows:

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 (99.9%)	91,798 (0.1%)	107,297,727	12,250
Approval of Directors' Remuneration Report in 2018	108,484,534 (90.1%)	11,873,980 (9.9%)	120,358,514	13,539

Approval

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

Signed on behalf of the Board of Directors

COLIN JONES

Chair of the Remuneration Committee

19 March 2019

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

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

Company law requires the Directors to prepare financial statements for each financial year. Under the 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 Company and of the profit or loss of the Group and Company for that period. In preparing the 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 also responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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 and enable them to ensure that the financial statements and the Directors' Remuneration Report comply with the Companies Act 2006 and, as regards the Group financial statements, Article 4 of the IAS Regulation.

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.

Directors' confirmations

The Directors consider that the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group and Company's position and performance, business model and strategy.

Each of the Directors, whose names and functions are listed in the Board of Directors on pages 24 and 25 confirm 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 IFRSs as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and loss 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 of which the Group and Company's auditors are unaware; and
- they have taken all the 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

19 March 2019

INDEPENDENT AUDITOR'S REPORT

to the members of Centaur Media PLC

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 2018 and of the Group's loss and the Group's and the Company's cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (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 and Financial Statements (the "Annual Report"), which comprise: the Consolidated and Company statements of financial position as at 31 December 2018; 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; the summary of significant accounting policies; and the notes to the financial statements.

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.

We have provided no non-audit services to the Group or the Company in the period from 1 January 2018 to 31 December 2018.

Our audit approach

Overview



- Overall Group materiality: £245,000 (2017: £310,000), based on 5% of Adjusted profit before tax (as presented on the face of the consolidated statement of comprehensive income).
 - Overall Company materiality: £222,000 (2017: £300,000), based on 1% of Total Assets and capped to 90% of Group materiality.
-
- The two significant components of the Group were based in the UK and have both been audited by the UK audit team.
-
- Impairment of goodwill and intangible assets (Group).
 - Impairment of investment in subsidiaries (Company).

INDEPENDENT AUDITOR'S REPORT

to the members of Centaur Media PLC

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.

Capability of the audit in detecting irregularities, including fraud

Based on our understanding of the Group and industry, we identified that the principal risks of non-compliance with laws and regulations related to GDPR, health and safety in relation to events and tax, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase the expenses allocated as adjusting items, posting inappropriate journal entries to increase revenue and management bias in accounting estimates. Audit procedures performed by the Group engagement teams included:

- enquiries with management and the Group's internal legal teams, including consideration of known or suspected instances of fraud and non-compliance with laws and regulations;
- understanding and evaluating the design and implementation of management's controls designed to prevent and detect irregularities, including whistleblowing arrangements;
- inspecting management reports and Board minutes in relation to any regulatory matters;
- understanding and testing accounting estimates, in particular reviewing management estimates and comparing them to either historic accuracy or events after the balance sheet date; and
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations, postings by unexpected users and key word searches.

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. Also, 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 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.

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

Impairment of goodwill and intangible assets

Refer to page 34 (Audit Committee Report), page 81 (Key accounting assumptions, estimates and judgements) and page 94 (Note 11).

Determining if an impairment charge is required for goodwill and intangible assets involves significant judgements about the ongoing structure of the business, 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. Market conditions remain challenging and performance has varied compared to expectations for certain of the Group's businesses.

In light of these factors and the judgements involved and due to goodwill impairment charges being recognised in prior years, and the charge in the current year of £13.1m, we consider this to be a key audit matter.

Management aggregates businesses into Cost Generating Units (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.

Management used a Value in Use (VIU) model, which included the factors and judgements referred to above, to compute the present value of forecast future cash flows for each 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. Due to the additional complexity arising from certain businesses being marketed for divestment post year end multiple scenarios of the VIU model were prepared to assess the impact on the performance of the businesses arising from different potential outcomes. (Group)

How our audit addressed the key audit matter

We checked and confirmed that the allocation of CGUs was consistent with internal management monitoring and included: Marketing (Xeim), Financial and Professional (consisting of The Lawyer, Human Resources, Travel & Meetings and Engineering).

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 these forecasts to 2021.

As part of our assessment we considered:

- the Directors' key assumptions including the potential timing of the sale of certain businesses if appropriate, overhead levels, including the allocation of central overheads and any potential reductions, revenue and EBITDA growth rates used in the cash flow forecasts by comparing them to Board approved budgets, historical results and economic and industry forecasts;
- the various forecast scenarios as part of the divestment plan, including sensitivities particularly surrounding potential cost savings to be achieved;
- the discount rate applied, by assessing the cost of capital for the Group and comparable organisations;
- the Long Term Growth Rate (LTGR) applied, by comparing management's rate to forecast long term GDP growth in the UK and industry growth reports;
- the calculation of CGU net assets and ensured that these were included as part of the impairment testing; and
- any indicative offers for businesses that had been received from potential purchasers.

Our work identified that the LTGR and the discount rate applied in management's models were outside our expected range. However, sensitivities showed that amending these assumptions to bring them into our expected ranges did not cause any additional impairment in any CGU.

With regard to the above procedures, all CGUs showed headroom above the carrying value of the relevant CGU net assets and that no further goodwill impairment was required.

We also evaluated the disclosure of the sensitivity analyses performed by management (as set out in Note 11). 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 models.

We agree with management's assessment of goodwill impairment and the disclosures that have been presented.

INDEPENDENT AUDITOR'S REPORT

to the members of Centaur Media PLC

Key audit matter

Impairment of investment in subsidiaries

Refer to pages 96 to 97 (Note 13).

IAS 36 Impairment of assets requires management to consider whether there are any indicators of impairment at the year end.

The Company has investments in subsidiaries with a total carrying amount of £125.8m after recognising a £13.1m impairment in the year.

An impairment has been recognised as the Value In Use (VIU) model used to compute the present value of forecast future cash flows for each business did not support the carrying value of investments.

Management used a Value in Use (VIU) model to compute the present value of forecast future cash flows for each of the Group's businesses which was then compared to the carrying value of the underlying investments.

Due to the additional complexity arising from certain businesses being marketed for divestment post year end multiple scenarios of the VIU model were prepared to assess the impact on the performance and resulting valuations of the businesses arising from different potential outcomes.

We consider this a key audit matter given the size of the balances, the divestment plans and the significant judgements and estimates involved to determine whether the carrying value of the investments is appropriate.

(Company)

How our audit addressed the key audit matter

We considered management's assessment of indicators of impairment and whether the actual impairment recognised in 2018 is appropriate.

Factors considered in our assessment were:

- the results of the VIU model used for the impairment test over goodwill, referred to above, and a review of the assumptions included within the model;
- any indicative offers that had been received from potential purchasers; and
- the market capitalisation of the Group compared to the investment carrying value.

As a result of these considerations, including the factors above, we challenged management on their assessment of impairment and their initial assessment was updated to reflect an impairment charge of £13.1m.

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 disclosures provided in the financial statements, to explain impairment amounts. This involved evaluating the Board approved cash flow forecasts for each business, and understanding the process by which these were prepared. We also obtained evidence of the Board's approval of these forecasts to 2021.

As part of our assessment we considered:

- the Directors' key assumptions including the potential timing, if appropriate, of the sale of Financial and Professional businesses, overhead levels, including the allocation of central overheads and any potential reductions, revenue and EBITDA growth rates used in the cash flow forecasts, by comparing them to Board approved budgets, historical results, and economic and industry forecasts;
- the various forecast scenarios as part of the divestment plan, including sensitivities particularly surrounding the growth included in the forecasts and potential cost savings to be achieved;
- the discount rate applied, by assessing the cost of capital for the Group and comparable organisations;
- the Long Term Growth Rate (LTGR) applied, by comparing management's rate to forecast long term GDP growth in the UK and industry growth reports; and
- any indicative offers for businesses that had been received from potential purchasers.

Our work identified that the LTGR and the discount rate applied in management's models were outside our expected ranges. However, sensitivities showed that amending these assumptions to bring it into our expected ranges did not cause any further impairment.

We agree with management's assessment resulting in impairment of £13.1m and that the disclosures in the financial statements as set out in Note 13 surrounding the impairment are appropriate.

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 London head office with the exception of the MarketMakers Incorporated Limited entity which was acquired in 2017 which is managed from its Portsmouth office. Two components have been identified: MarketMakers Incorporated entity and the remaining Group companies.

Both components require full scope audits as they are financially significant.

The Group audit team performed audit procedures over both components.

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	£245,000 (2017: £310,000).	£222,000 (2017: £300,000).
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 and capped to 90% 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 and is a measure of the Group's core business performance.	Based on 1% of Total Assets, capped to 90% of Group materiality.

For each component in the scope of our group audit, we allocated a materiality that is less than our overall group materiality. The range of materiality allocated across components was between £135,000 and £232,000.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £12,250 (Group audit) (2017: £15,000) and £12,000 (Company audit) (2017: £15,000) 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. For example, the terms on which the United Kingdom may withdraw from the European Union, which is currently due to occur on 29 March 2019, are not clear, and it is difficult to evaluate all of the potential implications on the Company's trade, customers, suppliers and the wider economy.
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.

INDEPENDENT AUDITOR'S REPORT

to the members of Centaur Media PLC

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 2018 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 (page 29 to 32) 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 Corporate Governance Statement (pages 29 to 32) 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 18 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 35 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.

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 36, 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 34 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 Statement of the Directors' Responsibilities set out on page 54, 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 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 15 years, covering the years ended 30 June 2004 to 31 December 2018. A competitive tender process for the audit was undertaken during 2016 for the year ended 31 December 2017.

Julian Jenkins (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
19 March 2019

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2018

	Note	Adjusted Results ² 2018 £m	Adjusting Items ² 2018 £m	Statutory Results 2018 £m	Adjusted Results ² 2017 £m	Adjusting Items ² 2017 £m	Statutory Results 2017 £m
Continuing operations							
Revenue (restated)	2	70.5	–	70.5	64.7	–	64.7
Other operating income		0.8	–	0.8	0.7	–	0.7
Net operating expenses	3	(66.1)	(19.2)	(85.3)	(61.3)	(4.4)	(65.7)
Operating profit / (loss)		5.2	(19.2)	(14.0)	4.1	(4.4)	(0.3)
Finance costs	6	(0.2)	–	(0.2)	(0.4)	–	(0.4)
Profit / (loss) before tax		5.0	(19.2)	(14.2)	3.7	(4.4)	(0.7)
Taxation	7	(1.0)	0.9	(0.1)	(0.9)	0.5	(0.4)
Profit / (loss) for the period from continuing operations	9	4.0	(18.3)	(14.3)	2.8	(3.9)	(1.1)
Discontinued operations							
Profit for the period from discontinued operations	8,15	–	0.1	0.1	2.1	20.9	23.0
Profit / (loss) for the year attributable to owners of the parent after tax		4.0	(18.2)	(14.2)	4.9	17.0	21.9
Total comprehensive income / (loss) attributable to owners of the parent		4.0	(18.2)	(14.2)	4.9	17.0	21.9
Earnings / (loss) per share attributable to owners of the parent							
Basic from continuing operations	9	2.8p	(12.7p)	(9.9p)	1.9p	(2.7p)	(0.8p)
Basic from discontinued operations		–	–	–	1.5p	14.5p	16.0p
Basic from profit / (loss) for the year		2.8p	(12.7p)	(9.9p)	3.4p	11.8p	15.2p

The notes on pages 69 to 113 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2018

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 2017	15.1	(6.4)	1.1	0.8	0.1	56.4	67.1
Profit for the year and total comprehensive income	–	–	–	–	–	21.9	21.9
Transactions with owners in their capacity as owners:							
Dividends (note 26)	–	–	–	–	–	(4.3)	(4.3)
Acquisition of treasury shares (note 24)	–	(0.1)	–	–	–	–	(0.1)
Acquisition of business and assets (note 14)	–	–	–	(0.1)	–	–	(0.1)
Fair value of employee services (note 25)	–	–	–	0.4	–	–	0.4
As at 31 December 2017	15.1	(6.5)	1.1	1.1	0.1	74.0	84.9
Loss for the year and total comprehensive loss	–	–	–	–	–	(14.2)	(14.2)
Transactions with owners in their capacity as owners:							
Dividends (note 26)	–	–	–	–	–	(4.3)	(4.3)
Acquisition of treasury shares (note 24)	–	(0.4)	–	–	–	–	(0.4)
Fair value of employee services (note 25)	–	–	–	0.7	–	–	0.7
As at 31 December 2018	15.1	(6.9)	1.1	1.8	0.1	55.5	66.7

The notes on pages 69 to 113 are an integral part of these consolidated financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2018

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 2017	15.1	(6.2)	1.1	0.8	0.1	88.8	99.7
Loss for the year and total comprehensive loss	–	–	–	–	–	(2.9)	(2.9)
Transactions with owners in their capacity as owners:							
Dividends (note 26)	–	–	–	–	–	(4.3)	(4.3)
Acquisition of treasury shares (note 24)	–	(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 25)	–	–	–	0.4	–	–	0.4
As at 31 December 2017	15.1	(6.3)	1.1	1.1	0.1	81.4	92.5
Loss for the year and total comprehensive loss	–	–	–	–	–	(13.7)	(13.7)
Transactions with owners in their capacity as owners:							
Dividends (note 26)	–	–	–	–	–	(4.3)	(4.3)
Fair value of employee services (note 25)	–	–	–	0.7	–	–	0.7
As at 31 December 2018	15.1	(6.3)	1.1	1.8	0.1	63.4	75.2

The notes on pages 69 to 113 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2018

Registered number 04948078

	Note	31 December 2018 £m	31 December 2017 £m
Non-current assets			
Goodwill	10	62.6	75.6
Other intangible assets	11	15.5	18.6
Property, plant and equipment	12	1.3	1.7
Deferred tax assets	16	0.8	0.7
		80.2	96.6
Current assets			
Inventories	17	1.4	1.4
Trade and other receivables	18	12.9	11.6
Cash and cash equivalents	19	0.1	4.1
Current tax asset	22	0.2	–
		14.6	17.1
Total assets		94.8	113.7
Current liabilities			
Trade and other payables	20	(12.4)	(10.9)
Deferred income	21	(15.0)	(14.6)
Provisions	23	(0.1)	(1.8)
		(27.5)	(27.3)
Net current liabilities		(12.9)	(10.2)
Non-current liabilities			
Provisions	23	(0.1)	(0.1)
Deferred tax liabilities	16	(0.5)	(1.4)
		(0.6)	(1.5)
Net assets		66.7	84.9
Capital and reserves attributable to owners of the parent			
Share capital	24	15.1	15.1
Own shares		(6.9)	(6.5)
Share premium		1.1	1.1
Other reserves		1.9	1.2
Retained earnings		55.5	74.0
Total equity		66.7	84.9

The financial statements on pages 69 to 113 were approved by the Board of Directors on 19 March 2019 and were signed on its behalf by:

Swag Mukerji
Chief Financial Officer

COMPANY STATEMENT OF FINANCIAL POSITION

as at 31 December 2018

Registered number 04948078

	Note	31 December 2018 £m	31 December 2017 £m
Non-current assets			
Investments	13	125.8	134.0
Deferred income tax assets		0.1	–
		125.9	134.0
Current assets			
Trade and other receivables	18	3.1	3.0
Cash and cash equivalents	19	–	–
		3.1	3.0
Total assets		129.0	137.0
Current liabilities			
Trade and other payables	20	(53.8)	(44.5)
		(53.8)	(44.5)
Net current liabilities		(50.7)	(41.5)
Non-current liabilities			
		–	–
Net assets		75.2	92.5
Capital and reserves attributable to owners of the parent			
Share capital	24	15.1	15.1
Own shares		(6.3)	(6.3)
Share premium		1.1	1.1
Other reserves		1.9	1.2
Retained earnings		63.4	81.4
Total assets		75.2	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 movement in retained earnings is the Company's loss for the year of £13.7m (2017: £2.9m) and dividends of £4.3m (2017: £4.3m).

The financial statements on pages 69 to 113 were approved by the Board of Directors on 19 March 2019 and were signed on its behalf by:

Swag Mukerji
Chief Financial Officer

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 December 2018

	Note	Year ended 31 December 2018 £m	Year ended 31 December 2017 £m
Cash flows from operating activities			
Cash generated from operations	27	6.8	13.8
Tax paid		(1.2)	(1.6)
Net cash generated from operating activities		5.6	12.2
Cash flows from investing activities			
Other acquisitions - settlement of deferred consideration	23	–	(1.5)
Disposal of subsidiary	15	0.3	27.9
Purchase of property, plant and equipment	12	(0.5)	(0.2)
Purchase of intangible assets	11	(2.3)	(2.6)
Acquisition of subsidiary	14	(1.8)	(12.9)
Net cash flows (used in)/generated from investing activities		(4.3)	10.7
Cash flows from financing activities			
Payment for shares bought back	24	(0.4)	(0.1)
Loan arrangement fees	24	(0.2)	–
Interest paid	6	(0.4)	(0.3)
Dividends paid to Company's shareholders	26	(4.3)	(4.3)
Proceeds from borrowings	28	4.5	5.5
Repayment of borrowings	28	(4.5)	(23.0)
Net cash flows used in financing activities		(5.3)	(22.2)
Net (decrease)/increase in cash and cash equivalents		(4.0)	0.7
Cash and cash equivalents at beginning of the year		4.1	3.4
Cash and cash equivalents at end of year	19	0.1	4.1

The notes on pages 69 to 113 are an integral part of these consolidated financial statements.

COMPANY CASH FLOW STATEMENT

for the year ended 31 December 2018

	Note	Year ended 31 December 2018 £m	Year ended 31 December 2017 £m
Cash flows from operating activities			
Cash generated from operating activities	27	4.7	22.2
Cash flows from investing activities			
Net cash flows used in investing activities		–	–
Cash flows from financing activities			
Interest paid	6	(0.4)	(0.3)
Payment for shares bought back	24	–	(0.1)
Dividends paid to Company's shareholders	26	(4.3)	(4.3)
Proceeds from borrowings	28	4.5	5.5
Repayment of borrowings	28	(4.5)	(23.0)
Net cash flows used in financing activities		(4.7)	(22.2)
Net increase in cash and cash equivalents		–	–
Cash and cash equivalents at beginning of the financial year		–	–
Cash and cash equivalents at end of year	19	–	–

The notes on pages 69 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. 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, and the Company, Centaur Media Plc. 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 twelve months from the date of approval of these financial statements and for the foreseeable future.

Net cash (see reconciliation in note 27) at 31 December 2018 amounted to £0.1m (2017: net cash £4.1m). In November 2018, the Group renewed its £25m multi-currency revolving credit facility with the Royal Bank of Scotland and Lloyds, which runs to November 2021 with the option to extend for 2 periods of 1 year each. None of this was drawn-down at 31 December 2018. Our reported cash conversion⁴ rate fell to 85% (2017: 138%). This was due to a number of non-cash items that have been reported in adjusted operating profit, primarily the recognition of an expected rent rebate due to be paid to the Company in March 2020. When adjusting for these items, cash conversion is 99%. The movement of the ratio towards 100% is as expected due to the Group having completed the collection of old outstanding debts following the well-documented cash collection issues of 2016. We have maintained tight control over costs.

The Group has net current liabilities at 31 December 2018 amounting to £12.9m (2017: £10.2m). These 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 year, and to meet the financial covenants under the revolving credit facility. The Company has net current liabilities at 31 December 2018 amounting to £50.7m (2017: £41.5m). These almost entirely arise from unsecured payables to subsidiaries which have no fixed date of repayment.

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 on page 31, the Directors consider it appropriate to adopt the going concern basis of accounting in preparing its consolidated financial statements.

Prior period restatement

Rental income for the sub-lease of properties under lease was presented within revenue in prior years. As rental income does not arise from the principal activities of the business it has been restated and presented as other operating income. The impact is a reduction in revenue and an increase in other operating income of £0.7m in 2017. There was no overall impact on the total comprehensive income for the year.

NOTES TO THE FINANCIAL STATEMENTS

1 Summary of significant accounting policies continued

(a) Basis of preparation (continued)

New and amended standards adopted by the Group

The following new standards that are mandatory for the first time for the financial year commencing 1 January 2018 have been 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.

Impact

After review of the Group's financial assets and liabilities the results indicate that only trade receivables are impacted by the new standard.

The new impairment model for trade receivables requires the recognition of impairment provisions based on expected credit losses for 12 months and lifetime expected credit losses rather than only incurred credit losses as is the case under IAS 39. We consider 12 month and life time losses to be equal. The results of the application of the new impairment model indicates that there is not a material change to the loss allowance for trade receivables. We define a default as failure of a debtor to repay an amount due as this is the time at which our estimate of future cash flows from the debtor is affected.

The new standard has also been applied to all other financial assets and liabilities, including cash and cash equivalents, however, there is no impact to the value of these assets and liabilities.

As outlined in the FY17 Annual Report and as permitted under the transition requirements, the Group has not restated comparatives for 2017 as it applied the new rules retrospectively from 1 January 2018 per the practical expedients permitted under the standard.

Disclosures

Disclosures have been made in line with IFRS 9 requirements. The accounting policy for financial instruments is set out in note 1 (s), including trade receivables (note 1 (s) (ii)). Further disclosures on financial instruments including trade receivables can be found in note 28.

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 revenue and other operating income generated in the 12 months to 31 December 2018 and the results indicate that the adoption of IFRS 15 has not had a material impact on the timing or quantum of revenue or other operating income recognition at a Group, Company, intercompany or at an operating segment level. The impact assessment also indicated 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.

Other operating income is solely in relation to rental income from sub-leases, which is recognised in the period to which it relates, therefore there is no IFRS 15 impact.

As outlined in the FY17 Annual Report, given the insignificant impact to revenues, including other operating income, comparatives have not been restated for the impact of IFRS 15

Disclosures

Disclosures have been made in line with IFRS 15 requirements. The accounting policy for revenue recognition is set out in note 1 (e). Disaggregation of revenue is presented in note 2 Segmental Reporting. Revenue has been disaggregated by revenue stream (premium content, live events, advertising, capability services, and other) and by geographic location. The only assets and liabilities held on the statement of financial position relating to contracts with customers is accrued income and deferred income respectively.

Other

No other new standards or 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 2018 affected any of the amounts recognised in the current year or any prior year and is not likely to affect future periods.

New standards and interpretations not yet adopted

The following new accounting standards and interpretations have been published that are not mandatory for 31 December 2018 reporting periods and have not been early adopted by the Group:

IFRS 16 'Leases'

IFRS 16 sets out the requirements for lessee and lessor lease accounting. The new standard replaces IAS 17, and eliminates the classification of leases as either operating leases or finance leases as required by IAS 17 and instead introduces a single accounting model for leases which requires lessees to recognise assets and liabilities for most leases.

Impact

The Group has performed an impact assessment on its existing and any expected upcoming lease arrangements. The Group plans to take advantage of the 'short term lease' and 'low value items' exemptions. The Group also plans to apply the practical expedient on transition where only contracts that were previously identified as leases applying IAS 17 are assessed for the purposes of IFRS 16, however the Group does not believe that any contracts other than those falling in scope after the practical expedient is applied would be deemed to contain a lease arrangement under IFRS 16.

The Group will elect to apply the modified retrospective transition approach where comparative periods are not restated, but the cumulative impact of applying IFRS 16 is reflected as an adjustment to the opening balance sheet at 31 December 2019. Arrangements already constituting finance leases are not impacted by the transition to IFRS 16. There are 3 existing operating lease arrangements that will become finance leases on transition and 1 upcoming lease arrangement commencing in 2019 that will constitute a finance lease under IFRS 16. The results of the impact assessment indicates that right-of-use assets of £3.6m and lease liabilities of £3.6m will be recognised in the opening balance sheet at January 2019. At commencement of the new lease arrangement in October 2019 a £3.5m right-of-use asset and £3.2m lease liability will be recognised. The value of the IFRS 16 impact to the P&L is immaterial, however the expenses will now be classified as depreciation expense on the right-of-use asset and interest expense on the finance liability. The 2019 expense expected relating to all 4 of these leases is £2.5m depreciation and £0.1m interest. There is no impact to cash flow. All leases discussed here are property leases.

Date of adoption by the Group

For the Group, transition to IFRS 16 has taken effect from 1 January 2019. The half year results for FY19 will be IFRS 16 compliant, with the first Annual Report published in accordance with IFRS 16 being that for the year ending 31 December 2019.

As outlined above, the Group does not plan to adopt a fully retrospective transition approach and so comparatives 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

Discontinued operations in the prior and current year relate to the disposal of the Home Interest segment on 1 August 2017. See note 8 for more details.

(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.

NOTES TO THE FINANCIAL STATEMENTS

1 Summary of significant accounting policies continued

(b) Presentation of non-statutory measures (continued)

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 25.
- 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. 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 4 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.

Loss before tax reconciles to adjusted operating profit as follows:

	Note	2018 £m	2017 £m
Loss before tax		(14.2)	(0.7)
Adjusting items			
Impairment of goodwill	10	13.1	–
Amortisation of acquired intangible assets	11	2.8	2.5
Share-based payments	25	0.8	0.5
Earn-out consideration	4	–	0.6
Acquisition related costs	14	–	0.6
Exceptional operating costs	4	2.5	0.2
Adjusted profit before tax		5.0	3.7
Finance costs	6	0.2	0.4
Adjusted operating profit		5.2	4.1
Cash impact of adjusting items		(2.5)	(0.9)
Tax impact of adjusting items	7	0.9	0.5

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:

		2018 £m	2017 £m
Reported cash flow from operating activities	27	6.8	13.8
Cash impact of adjusting items (as above)		2.5	0.9
Working capital impact of adjusting items		(1.7)	(0.6)
Adjusted operating cash flow		7.6	14.1
Capital expenditure		(2.8)	(2.8)
Post capital expenditure cash flow		4.8	11.3

NOTES TO THE FINANCIAL STATEMENTS

1 Summary of significant accounting policies continued

(b) Presentation of non-statutory measures (continued)

Underlying revenue growth

The Directors review underlying revenue growth in order to allow a like for like comparison of revenues between years. 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 2017	36.0	19.9	8.8	64.7
Biennial events – AMS	–	(0.3)	–	(0.3)
Acquired business – MarketMakers	7.5	–	–	7.5
Disposed business – Corporate Adviser	–	–	(0.3)	(0.3)
Underlying revenue 2017	43.5	19.6	8.5	71.6
Reported revenue 2018	42.7	19.6	8.2	70.5
Acquired business – MarketMakers	–	–	–	–
Underlying revenue 2018	42.7	19.6	8.2	70.5
Reported revenue growth	19%	(2%)	(7%)	9%
Underlying revenue growth	(2%)	–	(4%)	(2%)

Adjusted EBITDA

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

	2018 £m	2017 £m
Adjusted operating profit (as above)	5.2	4.1
Depreciation (note 12)	0.9	0.7
Amortisation of computer software (note 11)	2.8	2.9
Adjusted EBITDA	8.9	7.7

Net cash/(debt)

Net cash/(debt) is not a measure defined by IFRS. Net cash/(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 27.

(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 and balances.

(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.

(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 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.

NOTES TO THE FINANCIAL STATEMENTS

1 Summary Of Significant Accounting Policies Continued

(e) Revenue recognition

Revenue is measured at the transaction price, which is the amount of consideration to which Centaur expects to be entitled in exchange for transferring promised goods or services to the customer. Revenue arises from the sales of premium content (subscriptions and individual publications), live events, advertising space, and capability services (project work and consultancy) provided in the normal course of business, net of discounts and value added tax. Revenue is reduced for customer returns, rebates and other similar allowances.

The Group recognises revenue earned from contracts as individual performance obligations are met, on a stand-alone selling price basis. This is when value and control of the product or service has transferred, being when the product is delivered to the customer or the period in which the services are rendered as laid out below.

Premium Content

Revenue from subscriptions is deferred and recognised on a straight-line basis over the subscription period. Revenue from individual publications is recognised in the year in which the publication is provided to the customer.

Live events

Consideration received in advance for events is deferred and revenue is recognised in the year in which the event takes place.

Advertising

Sales of online advertising space are recognised over the period during which the advertisements are placed. Sales of advertising space in publications are recognised in the year in which the publication occurs.

Capability Services

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 and the value and benefit of the services rendered have been transferred to the customer.

(f) Other operating income

Rental income for the sub-lease of properties under lease is recognised on a straight-line basis over the lease term.

(g) Investments

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

Investments 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 investments 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. Any impairment is recognised in the statement of comprehensive income and not subsequently reversed.

(h) Income tax

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

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

(i) 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.

Rental income for the sub-lease of properties under lease is recognised on a straight-line basis over the lease term.

(j) 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.

(k) Inventories

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

(l) 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	– 5 to 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 year, with the effect of any changes in estimate accounted for on a prospective basis.

(m) 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.

NOTES TO THE FINANCIAL STATEMENTS

1 Summary of significant accounting policies continued

(m) Intangible assets continued

(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 intangible 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

(n) 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 year, 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.

(o) 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.

(p) 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 compensations plans.

(q) Dividends

Dividends are recognised in the year 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.

(r) 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, Professional, and Financial Services.

(s) Financial instruments

The Group has applied IFRS 9, Financial Instruments as outlined below:

(i) Financial assets

The Group classifies and measures its financial assets in line with one of the three measurement models under IFRS 9: at amortised cost, fair value through profit or loss, and fair value through other comprehensive income. Management determines the classification of its financial assets based on the requirements of IFRS 9 at initial recognition.

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 financial assets comprise trade and other receivables and cash and cash equivalents in the statement of financial position. Please see the following sections.

(ii) Trade receivables

Trade receivables are accounted for under IFRS 9 using the expected credit loss model, recognised initially at fair value and subsequently at amortised cost less any allowance for expected credit losses.

The allowance for expected credit losses for trade receivables is established by considering on a discounted basis the cash shortfalls it would incur in various defaults scenarios for prescribed future periods and multiplying the shortfalls by the probability of each scenario occurring. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The allowance is the sum of these probability weighted outcomes. The allowance and any changes to it are recognised in the statement of comprehensive income within net operating expenses. A provision matrix is used to calculate the allowance for expected credit losses on trade receivables which is based on historical default rates over the expected life of the trade receivables and is adjusted for forward looking estimates. 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.

NOTES TO THE FINANCIAL STATEMENTS

1 Summary of significant accounting policies continued

(s) Financial instruments continued

(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.

(t) 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 estimate

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. A sensitivity analysis has been performed on the value-in-calculations. 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 estimate

The allowance for expected credit losses for trade receivables is calculated in line with IFRS 9. This is established by considering on a discounted basis the cash shortfalls it would incur in various default scenarios for prescribed future periods and multiplying the shortfalls by the probability of each scenario occurring. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. Further details about trade receivables are included in note 18 and information about the credit risk and expected credit losses are shown in note 28.

iii) Adjusting items judgement

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 estimate

The valuation of contingent consideration arising from business combinations ('earn-out' consideration) requires judgement, including the assessing the probability and quantum of the expected payment. The Group uses all available information, including current and forecasted

(t) Key accounting assumptions, estimates and judgements (continued)

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 4 and 23.

v) Share based payments estimate

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(n)(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 an estimate 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(h).

vii) Valuation of intangibles

Intangibles 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 notes 11 and 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(m)(iv).

viii) Assets Held for sale

Any group of assets that are to be disposed of through sale should be classified as held for sale where the criteria are met.

As part of a plan to explore the divestment of selected businesses on 25 October 2018, to accelerate the Group's activities and structure an assessment of the held for sale criteria was carried out at the year end.

Management have concluded that the held for sale criteria was not met at year end as the sale of any assets was not highly probable, assets were not being actively marketed or available for immediate sale and the entity was not committed to a sale.

Due to the progression of the divestment plan subsequent to the year end and before signing of the Annual Report, the held for sale criteria were met and therefore this constitutes a non-adjusting post balance sheet event which has been disclosed in the post balance sheet note 33.

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. Segments derive revenues from a combination of live events, premium content, advertising and capability service 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.

2018	Marketing £m	Professional £m	Financial Services £m	Continuing operations £m	Discontinued operations £m	Group £m
Revenue	42.7	19.6	8.2	70.5	–	70.5
Other operating income	0.4	0.3	0.1	0.8	–	0.8
Adjusted operating profit (note 1 (b))	1.7	2.3	1.2	5.2	–	5.2
Amortisation of acquired intangibles (note 11)	(2.4)	(0.2)	(0.2)	(2.8)	–	(2.8)
Goodwill impairment (note 10)	(12.8)	–	(0.3)	(13.1)	–	(13.1)
Exceptional operating costs (note 4)	(0.5)	(1.3)	(0.7)	(2.5)	–	(2.5)
Share-based payments (note 25)	(0.5)	(0.2)	(0.1)	(0.8)	–	(0.8)
Profit on disposal of subsidiary (note 15)	–	–	–	–	0.1	0.1
Operating (loss)/profit	(14.5)	0.6	(0.1)	(14.0)	0.1	(13.9)
Finance costs (note 6)	–	–	–	(0.2)	–	(0.2)
(Loss) / profit before tax	–	–	–	(14.2)	0.1	(14.1)
Taxation (note 7)	–	–	–	(0.1)	–	(0.1)
(Loss) / profit for the year	–	–	–	(14.3)	0.1	(14.2)
Segment assets	57.8	28.0	7.6	93.4	–	93.4
Corporate assets	–	–	–	–	–	1.4
Consolidated total assets	–	–	–	–	–	94.8
Segment liabilities	(13.9)	(10.5)	(3.2)	(27.6)	–	(27.6)
Corporate-liabilities	–	–	–	–	–	(0.5)
Consolidated total liabilities	–	–	–	–	–	(28.1)
Other items	–	–	–	–	–	–
Capital expenditure (tangible and intangible assets)	2.3	0.6	0.1	3.0	–	3.0

2017	Marketing £m	Professional £m	Financial Services £m	Continuing operations £m	Discontinued operations £m	Group £m
Revenue	36.0	19.9	8.8	64.7	7.2	71.9
Other operating income	0.3	0.3	0.1	0.7	-	0.7
Adjusted operating profit (note 1 (b))	1.7	1.8	0.6	4.1	2.5	6.6
Amortisation of acquired intangibles (note 11)	(2.0)	(0.3)	(0.2)	(2.5)	-	(2.5)
Earn-out consideration (note 4)	(0.6)	-	-	(0.6)	-	(0.6)
Costs relating to business acquisition (note 4)	(0.6)	-	-	(0.6)	-	(0.6)
Exceptional operating costs (note 4)	(0.1)	(0.1)	-	(0.2)	-	(0.2)
Share-based payments (note 25)	(0.3)	(0.1)	(0.1)	(0.5)	-	(0.5)
Profit on disposal of subsidiary (note 15)	-	-	-	-	20.9	20.9
Operating (loss)/profit	(1.9)	1.3	0.3	(0.3)	23.4	23.1
Finance costs (note 6)				(0.4)	-	(0.4)
(Loss) / profit before tax				(0.7)	23.4	22.7
Taxation (note 7)				(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

Supplemental Information - Revenue by Geographical Location

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

	2018 £m	2017 £m
United Kingdom	57.6	51.5
Europe (excluding United Kingdom)	3.7	3.5
North America	5.6	6.0
Rest of world	3.6	3.7
	70.5	64.7

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 by type is as follows:

	2018 £m	2017 £m
Sale of goods and services		
Premium content	17.6	18.1
Live events	26.1	26.7
Advertising	12.6	13.5
Capability Services	14.1	6.1
Other	0.1	0.3
	70.5	64.7

3 Net operating expenses

Operating profit / (loss) is stated after charging:

	Note	Adjusted Results 2018 £m	Adjusting Items 2018 £m	Statutory Results 2018 £m	Adjusted Results 2017 £m	Adjusting Items 2017 £m	Statutory Results 2017 £m
Net foreign exchange losses		–	–	–	0.3	–	0.3
Employee benefits expense	5	36.9	0.4	37.3	30.9	0.2	31.1
Depreciation of property, plant and equipment	12	0.9	–	0.9	0.7	–	0.7
Amortisation of intangible assets	11	2.8	2.8	5.6	2.8	2.5	5.3
Impairment of goodwill	10	–	13.1	13.1	–	–	–
Earn-out consideration	4	–	–	–	–	0.6	0.6
Acquisition related costs		–	–	–	–	0.6	0.6
Other exceptional operating costs	4	–	2.1	2.1	–	–	–
Operating lease rentals	29	1.6	–	1.6	1.8	–	1.8
Repairs and maintenance expenditure		0.1	–	0.1	0.2	–	0.2
Impairment of trade receivables	28	0.3	–	0.3	0.5	–	0.5
Share-based payment expense	25	–	0.8	0.8	–	0.5	0.5
Other operating expenses		23.5	–	23.5	24.1	–	24.1
		66.1	19.2	85.3	61.3	4.4	65.7
Cost of sales		30.4	–	30.4	29.1	–	29.1
Distribution costs		0.5	–	0.5	0.5	–	0.5
Administrative expenses		35.2	19.2	54.4	31.7	4.4	36.1
		66.1	19.2	85.3	61.3	4.4	65.7

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

Services provided by the Company's auditors

	2018 £'000	2017 £'000
Fees payable to the Company's auditors for the audit of Company and consolidated financial statements	214	210
Fees payable to the Company's auditors and its associates for other services:		
The audit of the Company's subsidiaries pursuant to legislation	58	10
Total audit fees	272	220
Audit related assurance services	25	22
Other assurance services	–	303
Total non-audit fees	25	325
Total fees	297	545

Fees payable to the Company's auditors for the audit of Company and consolidated financial statements include non-recurring fees of £34,000 (2017: £60,000).

Fees payable to the Company's auditor for the audit of the Company's subsidiaries includes non-recurring fees of £23,000 in relation to the Econ Asia Singapore audit.

In the prior year, other assurance services included covenant compliance (£7,500), acquisition related costs (£100,000) and disposal related costs (£195,000). There are no other assurance services in the current year.

4 Adjusting items

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

	Note	2018 £m	2017 £m
Continuing operations			
Exceptional operating costs			
Staff related restructuring costs	5	0.4	0.2
Costs relating to strategic corporate restructuring initiatives		0.3	–
Divestment related costs		1.8	–
Exceptional operating costs		2.5	0.2
Impairment of goodwill	10	13.1	–
Amortisation of acquired intangible assets	11	2.8	2.5
Share-based payment expense	25	0.8	0.5
Earn-out consideration	4	–	0.6
Costs relating to business acquisition	14	–	0.6
Adjusting items to profit before tax		19.2	4.4
Tax relating to adjusting items	7	(0.9)	(0.5)
Total adjusting items after tax		18.3	3.9
Discontinued operations			
Profit on disposal of subsidiary	8/15	(0.1)	(20.9)
Tax relating to adjusting items		–	–
Total adjusting items after tax		18.2	(17.0)

NOTES TO THE FINANCIAL STATEMENTS

4 Adjusting items continued

Exceptional costs

Staff related restructuring costs

During 2018 staff related restructuring costs of £0.2m related to the closure of the E-consultancy Asia Pacific office, £0.1m related to restructuring of the Marketing portfolio and £0.1m related to the restructuring of the in-house production function.

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.

Costs relating to strategic corporate restructuring initiatives

In 2018 these relate to professional fees for the corporate simplification programme to restructure the Group ahead of the divestment programme announced in October 2018.

Divestment related costs

In 2018 these relate to various transaction related and professional fees for the divestment programme announced in October 2018, accelerating the simplification of the Group's structure to improve operational execution and to focus attention on the leading brands within its Marketing division.

Other adjusting items

Other adjusting items relate to the amortisation of acquired intangible assets (see note 11) and share-based payment costs (see note 25) as well as the items discussed below:

Goodwill impairment

An impairment of £13.1m has been recognised against goodwill primarily relating to events to be closed and other businesses within the marketing portfolio. There were no impairments in the prior year. See note 10 for further details.

Earn-out consideration

In 2017, a charge of £0.6m was recognised in relation to acquisition earn-out consideration for Oystercatchers. See note 14 of the Group's Annual Report and Financial Statements for the year ended 31 December 2017 for further details. There was no such charge in 2018.

Costs relating to the acquisition of business

In 2017 these costs related to the acquisition of MarketMakers Incorporated Limited ('MarketMakers') (see note 14). These costs included 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. No such costs were incurred in 2018.

Profit on disposal of subsidiary

During 2018, £0.1m additional profit on disposal arose in relation to the Home Interest disposal following the agreement of final completion accounts.

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).

5 Directors and employees

	2018 Group £m	2017 Group £m	2018 Company £m	2017 Company £m
Wages and salaries	32.2	26.9	1.0	1.3
Social security costs	3.7	3.1	0.2	0.1
Other pension costs	1.0	0.9	0.1	0.1
Adjusted staff costs	36.9	30.9	1.3	1.5
Exceptional staff related restructuring costs (note 4)	0.4	0.2	–	–
Earn-out consideration (note 4)	–	0.6	–	–
Equity-settled share-based payments (note 25)	0.8	0.5	0.8	0.2
	38.1	32.2	2.1	1.7

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

	Year ended 31 December 2018 Group Number	Year ended 31 December 2017 Group Number	Year ended 31 December 2018 Company Number	Year ended 31 December 2017 Company Number
Marketing	502	307	–	–
Financial Services	41	43	–	–
Professional	84	90	–	–
Central	131	149	4	4
	758	589	4	4

With the exception of MarketMakers, the Group's employees have contracts of service with Centaur Communications Limited and are paid by Chiron Communications Limited, both of which are 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.

Key management compensation

	Year ended 31 December 2018 £m	Year ended 31 December 2017 £m
Salaries and short-term employment benefits	1.8	2.5
Termination benefits	0.1	–
Post-employment benefits	0.1	0.1
Share-based payments	0.6	0.3
Earn-out consideration	–	0.2
	2.6	3.1

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

NOTES TO THE FINANCIAL STATEMENTS

5 Directors and employees continued

Aggregate Directors' remuneration

	2018 £m	2017 £m
Salaries, fees, bonuses and benefits in kind	0.9	1.2
Charge under long term incentive schemes	0.3	0.2
Post-employment benefits	0.1	0.1
	1.3	1.5

Highest paid Director's remuneration

	2018 £m	2017 £m
Salaries, fees, bonuses and benefits in kind	0.4	0.6
Charge under long term incentive schemes	0.2	0.1
	0.6	0.7

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 38 to 53.

6 Finance costs

	2018 £m	2017 £m
Interest payable on revolving credit facility	–	0.2
Commitment fees and amortisation of arrangement fee in respect of revolving credit facility	0.2	0.2
Total finance costs	0.2	0.4

All finance costs are in relation to the £25m revolving credit facility, none of which is drawn-down at 31 December 2018 (2017: £nil). As indicated by the consolidated cash flow statement, all draw-downs from this facility during the year were also repaid within the year. Finance costs in relation to this facility resulted in cash outflows by the Company and Group of £0.4m during the year (2017: £0.3m).

7 Taxation

	2018 £m	2017 £m
Analysis of charge for the year		
Current tax		
UK Corporation Tax	0.8	1.2
Overseas tax	0.3	0.1
Adjustments in respect of prior years	–	0.1
	1.1	1.4
Deferred tax (note 16)		
Current period	(0.9)	(0.6)
Adjustments in respect of prior years	(0.1)	–
	(1.0)	(0.6)
Taxation	0.1	0.8

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

	2018 £m	2017 £m
(Loss)/profit before tax	(14.2)	22.7
Tax at the UK rate of corporation tax of 19.00% (2017: 19.25%)	(2.7)	4.3
Effects of:		
Expenses not deductible for tax purposes	2.7	0.4
Profit on disposal	–	(4.1)
Deferred tax not recognised	0.1	–
Adjustments in respect of prior years	(0.1)	0.1
Different tax rates of subsidiaries in other jurisdictions	0.1	0.1
Taxation	0.1	0.8

The Finance Act 2015 included legislation to reduce the main rate of corporation tax from 20% to 19% from 1 April 2017 and to 17% from 1 April 2020. This change had been substantively enacted at the balance sheet date and, therefore, the Group's deferred tax balances are recorded at 17%.

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:

	2018 £m	2017 £m
Reported tax expense	0.1	0.8
Effects of:		
Amortisation of acquired intangible assets	0.4	0.3
Share-based payments	0.1	0.1
Exceptional expenses	0.4	0.1
Adjusted tax expense	1.0	1.3

NOTES TO THE FINANCIAL STATEMENTS

8 Discontinued operations

In the prior year, 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 were included in the consolidated statement of comprehensive income and consolidated cash flow statement, were as follows:

	Year ended 31 December 2018 £m	Year ended 31 July 2017 £m
Statement of comprehensive income		
Revenue	–	7.2
Expenses	–	(4.7)
Profit on disposal	0.1	20.9
Profit before tax	0.1	23.4
Attributable tax expense	–	(0.4)
Statutory profit after tax	0.1	23.0
Profit on disposal	(0.1)	(20.9)
Adjusted profit attributable to discontinued operations	–	2.1
	Year ended 31 December 2018 £m	Period ended 31 July 2017 £m
Cash Flows		
Operating cash flows	–	0.7
Investing cash flows	–	–
Financing cash flows	–	–
Total cash flows	–	0.7

During 2018, £0.1m additional profit on disposal arose in relation to the Home Interest disposal following the agreement of final completion accounts.

In 2017, 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 (Loss)/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. 857,991 (2017: 91,191) shares held in the employee benefit trust and 6,964,613 (2017: 6,964,613) 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 these measures are more reflective of the underlying performance of the Group. These have been calculated as follows:

	2018 (Losses) / Earnings attributable to owners of the parent £m	2018 Weighted average number of shares millions	2018 (Loss) / Earnings per share Pence	2017 (Losses) / earnings attributable to owners of the parent £m	2017 Weighted average number of shares millions	2017 (Loss) / Earnings per share Pence
Basic						
Continuing operations	(14.3)	143.9	(9.9)	(1.1)	144.4	(0.8)
Continuing and discontinued operations	(14.2)	143.9	(9.9)	21.9	144.4	15.2
Effect of dilutive securities						
Options: Continuing operations	-	-	-	-	-	-
Options: Continuing and discontinued operations	-	-	-	-	8.3	(0.9)
Diluted						
Continuing operations	(14.3)	143.9	(9.9)	(1.1)	144.4	(0.8)
Continuing and discontinued operations	(14.2)	143.9	(9.9)	21.9	152.7	14.3
Adjusted						
Continuing operations						
Basic	(14.3)	143.9	(9.9)	(1.1)	144.4	(0.8)
Amortisation of acquired intangibles (note 11)	2.8		1.9	2.4		1.7
Impairment of trade receivables	-		-	-		-
Earn-out consideration (note 4)	-		-	0.6		0.4
Other exceptional costs (note 4)	2.5		1.7	0.3		0.2
Share-based payments (note 25)	0.8		0.6	0.5		0.3
Impairment of goodwill (note 10)	13.1		9.1	-		-
Acquisition related costs (note 14)	-		-	0.6		0.4
Tax effect of above adjustments	(0.9)		(0.6)	(0.5)		(0.3)
Discontinued operations						
Basic	0.1	143.9	-	23.0	144.4	16.0
Amortisation of acquired intangibles	-		-	-		-
Impairment of trade receivables	-		-	-		-
Profit on disposal (note 15)	(0.1)		-	(20.9)		(14.5)
Tax effect of above adjustment	-		-	-		-
Adjusted basic						
Continuing operations	4.0	143.9	2.8	2.8	144.4	1.9
Continuing and discontinued operations	4.0	143.9	2.8	4.9	144.4	3.4
Effect of dilutive securities						
Options: Continuing operations	-	10.8	(0.2)	-	8.3	(0.1)
Options: Continuing and discontinued operations	-	10.8	(0.2)	-	8.3	(0.2)
Adjusted diluted						
Continuing operations	4.0	154.7	2.6	2.8	152.7	1.8
Continuing and discontinued operations	4.0	154.7	2.6	4.9	152.7	3.2

NOTES TO THE FINANCIAL STATEMENTS

9 (Loss)/earnings per share continued

	Adjusted Results ² 2018 £m	Adjusted Items ² 2018 £m	Statutory Results 2018 £m	Adjusted Results ² 2017 £m	Adjusted Items ² 2017 £m	Statutory Results 2017 £m
Earnings per share attributable to owners of the parent						
Fully diluted from continuing operations	2.6p	(12.7p)	(9.9p)	1.8p	(2.6p)	(0.8p)
Fully diluted from discontinued operations	–	–	–	1.4p	13.7p	15.1p
Fully diluted from profit / (loss) for the year	2.6p	(12.7p)	(9.9p)	3.2p	11.1p	14.3p

In 2018 there was no difference between the weighted average number of shares used for the calculation of basic and the diluted loss per share as the effect of all potentially dilutive shares outstanding was anti-dilutive.

10 Goodwill

	Group £m
Cost	
At 1 January 2017	156.3
Additions in the year (note 14)	11.0
Disposal of subsidiary (note 15)	(7.9)
At 31 December 2017	159.4
Additions in the year (note 14)	0.1
At 31 December 2018	159.5
Accumulated impairment	
At 1 January 2017	84.2
Disposal of subsidiary (note 15)	(0.4)
At 31 December 2017	83.8
Charge for the year	13.1
At 31 December 2018	96.9
Net book value	
At 31 December 2018	62.6
At 31 December 2017	75.6

Additions and disposals in the prior year relate to the acquisition of MarketMakers and disposal of the Home Interest segment respectively.

Additions in the year relate to additional consideration paid on the prior year acquisition of MarketMakers following the finalisation of contingent consideration paid during the year. See note 14 for further details.

The largest adjusting item of £12.8m relates to the impairment of goodwill which primarily relates to events to be closed and other businesses within the marketing portfolio. Following a review of expected cashflows from the Financial Services portfolio, the carrying value of its goodwill was impaired by £0.3m.

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 and in prior years has been reviewed at the operating segment level for the purposes of the annual impairment review as this is the level at which management monitors goodwill. However, in light of our simplification plan, the Professional segment has been considered at a lower level and split into its sub-portfolios (Legal and Other Professional) for the purposes of the impairment review. 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	Financial Services £m	Legal £m	Other Professional £m	Home Interest £m	Total £m
At 1 January 2017	37.9	5.1	16.0	5.6	7.5	72.1
Additions	11.0	–	–	–	–	11.0
Impairment charge	–	–	–	–	(7.5)	(7.5)
At 31 December 2017	48.9	5.1	16.0	5.6	–	75.6
Additions	0.1	–	–	–	–	0.1
Impairment charge	(12.8)	(0.3)	–	–	–	(13.1)
At 31 December 2018	36.2	4.8	16.0	5.6	–	62.6

Impairment testing of goodwill and acquired intangible assets

During the year, goodwill and acquired intangible assets were tested for impairment in accordance with IAS 36. In assessing whether a write-down of goodwill and acquired intangible assets is required, the carrying value of the segment is compared with its recoverable amount. Recoverable 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 11.3% (2017: 11.4%). 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 2.5% (2017: 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 2018, before impairment testing, goodwill of £48.9m, £21.6m and £5.1m was allocated to the Marketing, Professional, and Financial Services segments respectively. Prior to a full impairment test, the goodwill of each segment was reviewed. This led to an impairment of £12.8m to be recognised in the Marketing segment primarily relates to events to be closed and other businesses within the marketing portfolio, and an impairment of £0.3m in the Financial Services segment following a review of expected cash flows. Considering these impairments, goodwill of £36.2m, £21.6m and £4.8m was allocated to the Marketing, Professional, and Financial Services segment respectively. It is these goodwill carrying values of the segments that have been compared with their recoverable amount in these impairment tests.

Sensitivity analysis has been performed on the value-in-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 the segments.
- (ii) apply a 2.0% increase in discount rate from 11.3% to 13.3%. No impairment would occur in any of the segments.
- (iii) reduce the terminal value growth rate from 2.5% to 1.5%. No impairment would occur in any of the segments.

NOTES TO THE FINANCIAL STATEMENTS

11 Other intangible assets

	Computer software* £m	Brands and publishing rights* £m	Customer relationships* £m	Separately acquired websites and content* £m	Total £m
Cost					
At 1 January 2017	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
Additions - separately acquired	1.8	–	–	–	1.8
Additions - internally generated	0.7	–	–	–	0.7
At 31 December 2018	18.6	5.6	15.4	4.7	44.3
Accumulated amortisation					
At 1 January 2017	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
Disposals 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
Amortisation charge for the year	2.9	0.4	2.2	0.1	5.6
At 31 December 2018	12.4	2.3	9.4	4.7	28.8
Net book value at 31 December 2018					
Net book value at 31 December 2017	6.6	3.7	8.2	0.1	18.6
Net book value at 1 January 2017	6.3	3.7	6.2	0.5	16.7

* Amortisation of £2.8m (2017: £2.5m) 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 £2.8m includes £0.1m in computer software (2017: £0.1m).

The Company has no intangible assets (2017: £nil). Amortisation of intangible assets is included in net operating expenses in the statement of comprehensive income.

12 Property, plant and equipment

	Leasehold improvements £m	Fixtures and fittings £m	Computer equipment £m	Total £m
Cost				
At 1 January 2017	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
Additions - separately acquired	–	0.1	0.4	0.5
At 31 December 2018	2.2	0.7	1.7	4.6
Accumulated depreciation				
At 1 January 2017	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
Depreciation charge for the year	0.3	0.2	0.4	0.9
At 31 December 2018	1.6	0.5	1.2	3.3
Net book value at 31 December 2018	0.6	0.2	0.5	1.3
Net book value at 31 December 2017	0.9	0.3	0.5	1.7
Net book value at 1 January 2017	1.0	0.4	0.6	2.0

The Company has no property, plant and equipment at 31 December 2018 (2017: £nil).

NOTES TO THE FINANCIAL STATEMENTS

13 Investments

Company	Investments in subsidiary undertakings £m
Cost	
At 1 January 2017, 31 December 2017	146.2
Transfer from amounts receivable from subsidiaries	4.9
At 31 December 2018	151.1
Accumulated impairment	
At 1 January 2017, 31 December 2017	12.2
Impairment charge for year	13.1
At 31 December 2018	25.3
Net book value	
At 31 December 2018	125.8
At 1 January 2017, 31 December 2017	134.0

Following an internal corporate restructure in the year, £4.9m of intercompany balances due from subsidiaries of Centaur Media plc were capitalised.

The Company impaired its investment in the group during the year following an impairment test which identified the value in use no longer supported the carrying value of the investment. The remaining balance is supported by the underlying trade of the group.

There were no disposals in the current year. 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. A further gain on disposal of £0.1m was recognised in 2018 following agreement of final completion accounts. 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 Engineering Limited ²	100	Other publishing activities	United Kingdom
Centaur Financial Platforms Limited ³	100	Research data and analysis	United Kingdom
Centaur Human Resources Limited ⁴	100	Events and information services	United Kingdom
Centaur Media Travel and Meetings Limited ⁵	100	Other publishing activities	United Kingdom
Centaur Media USA Inc. ⁶	100	Digital information, training and events	United States
Centaur Newco 2018 Limited ¹⁴	100	Media representation services	United Kingdom
Chiron Communications Limited	100	Digital information, training and events	United Kingdom
E-consultancy Asia Pacific Pty Limited ⁷	100	Dormant	Singapore
E-consultancy Australia Pty Limited ⁸	100	Digital information, training and events	Australia
E-consultancy LLC ⁹	100	Digital information, training and events	United States
E-consultancy.com Limited	100	Digital information, training and events	United Kingdom
MarketMakers Incorporated Limited ^{10,11}	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
TheLawyer.com Limited ¹²	100	Publishing of consumer and business journals and periodicals	United Kingdom
Venture Business Research Limited	100	Research data and analysis	United Kingdom
Xeim Limited ¹³	100	Digital information services	United Kingdom
Your Business Magazine Limited	100	Investment company	United Kingdom

¹ Directly owned by Centaur Media Plc

² Subsidiary incorporated on 14 September 2018. No previous interest held.

³ Subsidiary changed registered name from Investment Platforms Limited on 24 October 2018.

⁴ Subsidiary changed registered name from The Forum For Expatriate Management Limited on 05 December 2018.

⁵ Subsidiary incorporated on 14 November 2018. No previous interest held.

⁶ Registered address is 2711 Centerville Road, Suite 400 Wilmington, DE19808, USA. Functional currency is USD.

⁷ Registered address is 30 Cecil Street, #19-08 Prudential Tower, Singapore 049712. Functional currency is USD.

⁸ Registered address is Level 17, 383 Kent Street, Sydney, NSW, 2000, Australia. Functional currency is AUD.

⁹ Registered address is 41 East, 11 Street, 11FI, New York, NY 10003, USA. Functional currency is USD.

¹⁰ Registered address is 1000 Lakeside North Harbour Western Road, Portsmouth, Hampshire, PO6 3EN

¹¹ Subsidiary acquired on 02 August 2017. No previous interest held.

¹² Subsidiary incorporated on 31 July 2018. No previous interest held.

¹³ Subsidiary changed registered name from The Profile Group (UK) Limited on 14 January 2019.

¹⁴ Subsidiary incorporated on 13 December 2018. 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 2018.

NOTES TO THE FINANCIAL STATEMENTS

14 Business combination

In the prior year 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. The results of MarketMakers are included in the Marketing segment. The £7.9m net identifiable assets of MarketMakers were acquired for total purchase consideration of £18.9m, resulting in £11.0m of goodwill. The consideration was wholly cash, including contingent consideration of £1.7m and deferred consideration of £0.1m.

During 2018, an amount of £1.8m was settled in relation to contingent consideration of £1.7m. The additional £0.1m paid was due to MarketMakers achieving a higher EBITDA than expected. As the settlement came within the measurement period the carrying value of goodwill related to the acquisition of MarketMakers has been increased by £0.1m. (Note 10). £0.1m of deferred consideration is still outstanding at the year end. (Note 23).

Further details of this acquisition can be found in note 14 of the Group's Annual Report and Financial Statements for the year ended 31 December 2017.

There were no business combinations in 2018.

15 Disposal of subsidiary

In the prior year 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. Net assets attributable to Shareholders of the Company were disposed for a total consideration of £32.8m. This resulted in a gain on disposal of £20.9m. £1.7m of costs were considered directly attributable to the disposal.

During 2018 an additional amount of £0.1m was received following the agreement of final completion accounts resulting in a profit on disposal from discontinued operations during the year.

Further details of this disposal can be found in note 15 of the Group's Annual Report and Financial Statements for the year ended 31 December 2017.

There were no disposals in 2018.

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 2017	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)
Adjustments in respect of prior period	0.1	–	–	0.1
Recognised in the statement of comprehensive income	0.1	0.9	(0.1)	0.9
Net asset / (liability) at 31 December 2018	0.7	(0.5)	0.1	0.3

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.

	2018 Group £m	2017 Group £m
Deferred tax assets within one year	0.8	0.7
Deferred tax liabilities within one year	(0.5)	(1.4)
Total	0.3	(0.7)

At the statement of financial position date, the Group has unused tax losses of £1.2m (2017: £1.4m) available for offset against future profits. A deferred tax asset of £0.1m (2017: £0.2m) has been recognised in respect of £0.6m (2017: £1.0m) of such tax losses. No deferred tax has been recognised in respect of the remaining £0.6m (2017: £0.4m) 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

	2018 Group £m	2017 Group £m
Work in progress	1.4	1.4

The Company had no inventory at 31 December 2018 (2017: £nil).

There are no provision amounts in respect of inventories (2017: £nil) and there were no write-downs of inventory in the year (2017: £nil).

NOTES TO THE FINANCIAL STATEMENTS

18 Trade and other receivables

	2018 Group £m	2017 Group £m	2018 Company £m	2017 Company £m
Amounts falling due within one year				
Trade receivables	10.2	10.5	–	–
Less: expected credit loss (note 28)	(1.2)	(1.5)	–	–
Trade receivables - net	9.0	9.0	–	–
Receivables from subsidiaries	–	–	2.0	2.7
Receivable from Employee Benefit Trust	–	–	0.4	–
Other receivables	1.7	0.9	0.4	0.3
Prepayments	1.7	1.4	0.1	–
Accrued income	0.5	0.3	–	–
Social security and other taxes	–	–	0.2	–
	12.9	11.6	3.1	3.0

Receivables from subsidiaries are unsecured, have no fixed due date and bear interest at an annual rate of 2.67% (2017: 2.39%).

In 2018, trade receivables are accounted for under IFRS 9 using the expected credit loss model, recognised initially at fair value and subsequently at amortised cost less any allowance for expected credit losses. For further detail refer to note 1 (s)(ii).

19 Cash and cash equivalents

	2018 Group £m	2017 Group £m
Cash at bank and in hand	0.1	4.1

The Company had no cash and cash equivalents at 31 December 2018 (2017: £nil).

20 Trade and other payables

	2018 Group £m	2017 Group £m	2018 Company £m	2017 Company £m
Trade payables	2.7	2.6	–	–
Payables to subsidiaries	–	–	53.3	43.9
Social security and other taxes	2.1	1.1	–	–
Other payables	0.8	1.4	–	–
Accruals	6.8	5.8	0.5	0.6
	12.4	10.9	53.8	44.5

Payables to subsidiaries are unsecured, have no fixed date of repayment and bear interest at an annual rate of 2.67% (2017: 2.39%).

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

21 Deferred income

	2018 Group £m	2017 Group £m
Events	8.7	8.4
Subscriptions	6.3	6.2
	15.0	14.6

22 Current tax asset

	2018 Group £m	2017 Group £m
Corporation tax receivables	0.2	–

The Company had no corporation tax receivables or payables at year end (2017: £nil).

23 Provisions

	Deferred consideration £m	Other £m	Total £m
Group			
At 1 January 2017	0.4	–	0.4
Charged to statement of comprehensive income during the year	0.5	–	0.5
Transferred from equity	0.3	–	0.3
Acquisition related (note 14)	1.8	0.1	1.9
Utilised in the year	(1.2)	–	(1.2)
At 31 December 2017	1.8	0.1	1.9
Acquisition related (note 14)	0.1	–	0.1
Utilised in the year	(1.8)	–	(1.8)
At 31 December 2018	0.1	0.1	0.2
Current	0.1	–	0.1
Non-current	–	0.1	0.1
Total	0.1	0.1	0.2

Deferred consideration

Deferred consideration at 31 December 2017 related to the acquisition of Market Makers Incorporated Limited ("MarketMakers"). An additional amount of £0.1m contingent consideration was provided for during the year due to MarketMakers achieving a higher EBITDA than expected. £1.8m was settled in cash during the year.

The remaining balance of £0.1m was held as a current provision at 31 December 2017 as it was expected to be settled during FY18. However, the consideration remained unsettled at 31 December 2018 and therefore a current provision still exists for this at the year end. The amount of £0.1m was settled in full in January 2019.

Other

The other provision relates to the dilapidation provision which was acquired on the acquisition of MarketMakers in relation to the building leased by the Company in Portsmouth.

All amounts represent the Directors' best estimate of the balance to be paid at the statement of financial position date.

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24 Equity

	Nominal value £m	Number of shares
Ordinary shares of 10p each		
Authorised share capital – Group and Company		
At 1 January 2017, 31 December 2017 and 31 December 2018	20.0	200,000,000
Issued and fully paid share capital – Group and Company		
At 1 January 2017, 31 December 2017 and 31 December 2018	15.1	151,410,226

Deferred shares reserve

The deferred shares reserve represents 800,000 (2017: 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 2018, 6,964,613 (2017: 6,964,613) 10p ordinary shares are held in treasury and 857,991 (2017: 91,191) 10p ordinary shares are held in an employee benefit trust.

During 2018, the employee benefit trust purchased 766,800 (2017: nil) ordinary shares held in the employee benefit trust in order to meet future obligations arising from share-based rewards to employees. The shares were acquired at an average price of 45.9p per share, with prices ranging from 36p to 52p. The total cost of £0.4m (2017: £0.1m) has been recognised in other reserves in the own shares reserve in equity.

In 2017 the Company purchased 94,176 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 per share, with prices ranging from 46p to 55p. The total cost of £0.1m was recognised in other reserves in the own shares reserve in equity.

25 Share-based payments

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

	2018 £m	2017 £m
Equity-settled plans		
LTIP	0.8	0.5
Total equity-settled incentive plans and share based payment expense	0.8	0.5

The Group's share-based payment schemes upon vesting 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 £0.8m includes £0.1m in relation to national insurance payable 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 2016 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 Remuneration Report.

These awards were priced using the following models and inputs:

	LTIP 2018	LTIP 2018	LTIP 2016	LTIP 2016	LTIP 2016	LTIP 2016	LTIP 2006	LTIP 2006	LTIP 2006	LTIP 2006
Grant date	06.04.18	06.04.18	24.04.17	07.04.17	04.10.16	22.09.16	30.03.16	27.10.15	10.08.15	26.03.15
Share price at grant date	50.20	50.20	45.75	40.75	44.00	41.00	49.00	78.25	80.5	69.5
Fair value	28.65	25.10	24.46	21.08	18.04	16.81	20.92	47.42	48.22	42.43
Exercise date	06.04.21	06.04.20 and 06.04.21	24.04.20	07.04.20	04.10.19	22.09.19	30.03.19	28.10.18	10.08.18	23.03.18
Exercise price (p)	£nil	£nil	£nil	£nil	£nil	£nil	£nil	£nil	£nil	£nil
Number of awards										
Balance at 1 January 2018	–	–	1,351,528	3,589,405	573,395	366,667	2,059,390	143,036	108,556	842,992
Granted during the year	1,246,879	2,145,375	–	–	–	–	–	–	–	–
Forfeited during the year	–	(40,485)	–	(630,619)	–	–	(75,901)	–	–	–
Exercised during the year	–	–	–	–	–	–	–	–	–	–
Lapsed during the year	–	–	–	–	–	–	–	(143,036)	(108,556)	(842,992)
Balance at 31 December 2018	1,246,879	2,104,890	1,351,528	2,958,786	573,395	366,667	1,983,489	–	–	–
Exercisable at 31 December 2018	–	–	–	–	–	–	–	–	–	–
Average share price at date of exercise (p)	–	–	–	–	–	–	–	–	–	–
Balance at 1 January 2017	–	–	–	–	573,395	366,667	2,514,797	143,036	108,556	1,115,439
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	–	–	–	–	–	–	–	–	–	–
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	–	–	–	–	–	–	–	–	–	–
Average share price at date of exercise (p)	–	–	–	–	–	–	–	–	–	–

The shares outstanding at 31 December 2018 had a weighted average exercise price of £nil (2017: £nil) and a weighted remaining life of 1.4 years (2017: 1.7 years).

NOTES TO THE FINANCIAL STATEMENTS

25 Share-based payments CONTINUED

	LTIP 2018	LTIP 2018	LTIP 2016	LTIP 2016	LTIP 2016	LTIP 2016	LTIP 2006	LTIP 2006	LTIP 2006	LTIP 2006
Grant date	06.04.21	06.04.20 and 06.04.21	24.04.17	07.04.17	04.10.16	22.09.16	30.03.16	27.10.15	10.08.15	26.03.15
Expected volatility (%)	43.5	43.5	45.4	45.4	43.8	43.8	31.8	28.1	36.8	39.4
Expected dividend yield (%)	–	–	–	–	–	–	–	–	–	–
Risk free interest rate (%)	0.86	0.86	0.12	0.12	0.06	0.06	0.48	0.69	1.02	0.58
Valuation of model used	Stochastic	Black-Scholes	Stochastic	Stochastic	Stochastic	Stochastic	Stochastic	Stochastic	Stochastic	Stochastic

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.

Senior Executive Long-Term Incentive Plan

These awards were priced using the following models and inputs:

	SELTIP 2013
Grant date	15.09.11
Share price at grant date	33.88
Fair value	23.76
Exercise date	17.09.14
Exercise price (p)	£nil
Number of awards	
Balance at 1 January 2018	6,862
Granted during the year	–
Forfeited during the year	–
Exercised during the year	–
Balance at 31 December 2018	6,862
Exercisable at 31 December 2018	6,862
Average share price at date of exercise (p)	–
Balance at 1 January 2017	6,862
Granted during the period	–
Forfeited during the period	–
Exercised during the period	–
Balance at 31 December 2017	6,862
Exercisable at 31 December 2017	6,862
Average share price at date of exercise (p)	–

The shares outstanding at 31 December 2018 had a weighted average exercise price of £nil (2017: £nil) and a weighted remaining life of 3.7 years (2017: 4.7 years).

NOTES TO THE FINANCIAL STATEMENTS

25 Share-based payments continued

These awards were priced using the following models and inputs:

	SELTIP 2013
Grant date	15.09.11
Expected volatility (%)	54.0
Expected dividend yield (%)	5.26
Risk free interest rate (%)	0.57
Model of valuation used	Black-Scholes

Share Incentive Plan

The Group has a Share Incentive Plan, which is a 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.

	2018 Group	2017 Group
Number of outstanding matching shares	57,298	57,532

26 Dividends

	2018 £m	2017 £m
Equity dividends		
Final dividend for 2016: 1.5p per 10p ordinary share	–	2.2
Interim dividend for 2017: 1.5p per 10p ordinary share	–	2.1
Final dividend for 2017: 1.5p per 10p ordinary share	2.2	–
Interim dividend for 2018: 1.5p per 10p ordinary share	2.1	–
	4.3	4.3

A final dividend for the year ended 31 December 2018 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 to all shareholders on the Register of Members on 24 May 2019.

27 Notes to the cash flow statement

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

	Note	2018 Group £m	2017 Group £m	2018 Company £m	2017 Company £m
Profit/(loss) for the year		(14.2)	21.9	(13.7)	(2.9)
Adjustments for:					
Tax	7	0.1	0.8	(3.2)	(0.7)
Interest expense	6	0.2	0.4	1.6	1.4
Depreciation	12	0.9	0.7	–	–
Amortisation of intangible assets	11	5.6	5.3	–	–
Impairment of goodwill	10	13.1	–	–	–
Gain on disposal of subsidiary	15	(0.1)	(20.9)	–	–
Loss on impairment of investment	13	–	–	13.1	–
Earn-out costs	4	–	0.6	–	–
Share-based payment charge	25	0.8	0.5	0.3	0.2
Unrealised foreign exchange differences		–	0.1	–	–
Other		–	0.1	–	–
Changes in working capital (excluding effects of acquisitions and disposals of subsidiaries):					
Increase in inventories		–	0.6	–	–
(Increase) / decrease in trade and other receivables		(1.3)	5.1	(2.3)	(1.0)
Increase / (decrease) in trade and other payables		1.4	(1.4)	8.9	25.2
Increase in deferred income		0.3	–	–	–
Cash generated from operating activities		6.8	13.8	4.7	22.2

Analysis of changes in net cash/(debt)

Group	Note	At 31 December 2017 £m	Net cash flow £m	At 31 December 2018 £m
Cash and cash equivalents	19	4.1	(4.0)	0.1
Net cash		4.1	(4.0)	0.1

Company	Note	At 31 December 2017 £m	Net cash flow £m	At 31 December 2018 £m
Cash and cash equivalents	19	–	–	–
Net (debt) / cash		–	–	–

NOTES TO THE FINANCIAL STATEMENTS

28 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(s). All financial assets and liabilities are measured at amortised cost.

	Note	2018 £m	2017 £m
Financial assets			
Cash and bank balances	19	0.1	4.1
Trade receivables - net	18	9.0	9.0
Other receivables	18	1.7	0.9
Total financial assets		10.8	14.0
Financial liabilities			
Trade payables	20	2.7	2.6
Accruals	20	6.8	5.8
Provisions	23	0.2	1.9
Other payables	20	0.8	1.4
Total financial liabilities		10.5	11.7

Credit risk

The Group's principal financial assets are trade and other receivables (note 18). Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The carrying amount of financial assets recorded in the financial statements, which is net of impairment losses, represents the Group's maximum exposure to credit risk in relation to financial assets. Credit risk is managed on a Group basis. The Group does not consider that it is subject to any significant concentrations of credit risk.

Trade receivables

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

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

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

Any trade receivable balance which is objectively determined to be uncollectible is written off the ledger, with a charge taken through the statement of comprehensive income. The Group also records an allowance for expected credit loss on its trade receivables balances. This approach is in line with requirements of IFRS 9 and the new impairment model for trade receivables which requires the recognition of impairment provisions based on expected credit losses, rather than only incurred ones as was the case under IAS 39. All balances past due are reviewed, with those greater than 90 days past due considered to carry a higher level of credit risk. Refer to note 1 (s) for further details on the approach to allowance for expected credit losses on trade receivables.

The allowance for expected credit losses, and changes to it, 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:

	2018 Gross £m	2018 Provision £m	2017 Gross £m	2017 Provision £m
Not due	5.3	(0.1)	5.2	–
0-30 days past due	2.3	–	2.4	–
31-60 days past due	0.8	(0.1)	1.0	–
61-90 days past due	0.4	–	0.3	–
Over 90 days past due	1.4	(1.0)	1.6	(1.5)
	10.2	(1.2)	10.5	(1.5)

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 2018, there are debtors greater than 90 days past due with a carrying value of £0.4m (2017: £0.1m) which have not been provided against. In making the assessment that these amounts are not impaired, the Directors have considered the quantum of amounts included in gross trade receivables which relate to amounts not yet included in income, including pre-event debt included in deferred income and amounts relating to VAT. The credit quality of trade receivables not yet due nor impaired has been assessed as acceptable.

The movement in the allowance for expected credit losses on trade receivables is detailed below:

	2018 Group £m	2017 Group £m
Balance at 1 January	1.5	2.7
Utilised	(0.6)	(1.2)
Disposal of subsidiaries	–	(0.5)
Additional allowance charged to the statement of comprehensive income:		
Recorded in adjusted operating profit	0.3	0.5
Balance at 31 December	1.2	1.5

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.

NOTES TO THE FINANCIAL STATEMENTS

28 Financial instruments and financial risk management continued

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group manages liquidity risk by maintaining adequate reserves and working capital credit facilities, and by continuously monitoring forecast and actual cash flows. In November 2018 the Group renewed its £25m multi-currency revolving credit facility with the Royal Bank of Scotland and Lloyds which runs to November 2021 with the option to extend for 2 periods of 1 year each. As at 31 December 2018, the Group had cash of £0.1m (2017: £4.1m) with a full undrawn loan facility of £25.0m (2017: full undrawn loan facility of £25.0m).

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 2018				
Financial liabilities				
Non-interest bearing	10.5	10.5	10.5	–
	10.5	10.5	10.5	–
At 31 December 2017				
Financial liabilities				
Non-interest bearing	11.7	11.7	11.7	–
	11.7	11.7	11.7	–

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 2018, 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.

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 £0.0m (2017: £0.0m).

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 cash and cash equivalents (note 19), and equity attributable to the owners of the parent, comprising issued share capital (note 24), 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 November 2018), 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 November 2021 with an option to extend for a further 2 periods of 1 year each, 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 re-measured 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 2018 and throughout 2018 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.

29 Operating lease commitments - minimum lease payments

At 31 December 2018, the Group had committed to the following payments in respect of operating leases on land and buildings.

	2018 £m	2017 £m
Commitments payable under non-cancellable operating leases		
Within one year	2.5	2.1
Later than one year and less than five years	4.8	3.8
	7.3	5.9

On 27 July 2018, the Group signed a new property Lease with WeWork for its London head office in Waterloo commencing on 1 October 2019 for 24 months to September 2021.

At 31 December 2018, the Group had contracted with tenants to receive payments in respect of operating leases on land and buildings.

	2018 £m	2017 £m
Commitments receivable under non-cancellable subleases		
Within one year	0.5	0.7
Later than one year and less than five years	–	0.5
	0.5	1.2

The Company does not have any operating lease commitments.

30 Pension schemes

The Group contributes to individual and collective money purchase pension schemes in respect of Directors and employees once they have completed the requisite period of service. The charge for the year in respect of these defined contribution schemes is shown in note 5. Included within other payables is an amount of £0.1m (2017: £0.1m) payable in respect of the money purchase pension schemes.

31 Capital commitments

At 31 December 2018, the Group had capital commitments totalling £0.1m in relation to fit-out costs for the new WeWork property lease (31 December 2017: £nil).

NOTES TO THE FINANCIAL STATEMENTS

32 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:

	2018 £m	2017 £m
Interest payable	1.3	1.0

There were no borrowings at the year end.

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 2018 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	13.5
Centaur Engineering Limited	011569365	0.3
Centaur Financial Platforms Limited	06439194	1.9
Centaur Human Resources Limited	06776955	0.3
Centaur Media Travel and Meetings Limited	011676745	–
Centaur Newco 2018 Limited	011725322	–
Chiron Communications Limited	01081808	69.6
Econsultancy.com Limited	04047149	0.8
Mayfield Publishing Limited	02034820	–
Pro-Talk Limited	03939119	0.2
Taxbriefs Holdings Limited	03572069	–
Taxbriefs Limited	01247331	0.5
Thelawyer.com Limited	011491880	0.9
Venture Business Research Limited	05663936	1.3
Xeim Limited	05243851	3.6
Your Business Magazine Limited	01707331	0.3

See note 13 in regards to new subsidiaries and changes of registered names.

Newly acquired business, MarketMakers Incorporated Limited will have its statutory audit for the year ended 31 December 2018 performed by PwC.

33 Post balance sheet events

On 25 October 2018, following a strategic review Centaur announced a plan to accelerate the simplification of the Group's activities and structure by exploring the divestment of a number of businesses.

At the year end management performed a review to assess if these businesses met the criteria as held for sale under IFRS 5. It was concluded that the held for sale criteria was not met as the sale was not highly probable, assets were not being actively marketed or available for immediate sale and the entity was not committed to a sale.

Subsequent to the year end and before signing of the annual report the held for sale criteria was met and has been disclosed below as a non-adjusting post balance sheet event.

The businesses under review as part of this plan are:

- Financial Services, which provides research, analysis and content information to financial intermediaries;
- The Lawyer, which operates a digital platform to provide intelligence and analysis to the global legal market;
- Travel & Meetings, which includes the Business Travel Show and The Meetings Show;
- Human Resources, including Employee Benefits Live; and
- Engineering, including Subcon, an exhibition that serves the sub-contractor industry.

At the time of signing the Annual Report, negotiations for the sale of these businesses were ongoing and are anticipated to be agreed within half one 2019.

The financial effect cannot be reliably estimated at the time of signing the Annual Report.

FIVE YEAR RECORD (UNAUDITED)

	2014	2015	2016	2017	2018
Revenue (£m)	72.2	69.9	71.9	64.7 ²	70.5
Live events and premium content revenues as % of whole	69%	67%	72%	69%	62%
Operating (loss) / profit (£m)	3.0	(4.7)	(3.9)	(0.3)	(14.0)
Adjusted operating profit (£m)	10.2	10.5	9.1	4.1	5.2
Adjusted operating profit margin	14%	15%	13%	6%	7%
(Loss)/Profit before tax (£m)	14.2	(5.6)	(4.4)	(0.7)	(14.2)
Adjusted profit before tax (£m)	9.2	9.8	8.6	3.7	5.0
Adjusted diluted EPS (pence)	5.0	5.3	4.5	1.8	2.6
Dividend per share (pence)	3.0	3.0	3.0	3.0	3.0
Net operating cash flow (£m)	12.3	4.7	14.0	12.1	5.6
Average permanent headcount (FTE)	576	564	554	589	758
Revenue per head (£'000)	126	125	131	110	93
Revenue by type	2014 £m	2015 £m	2016 £m	2017 £m	2018 £m
Live events	28.9	27.2	30.7	26.7	26.1
Premium content	20.6	19.9	20.8	18.1	17.6
Advertising	22.4	22.5	20.2	13.5	12.6
Capability services	-	-	-	6.1	14.1
Other	0.3	0.3	0.2	0.3	0.1
	72.2	69.9	71.9	64.7	70.5
Other	2014 £m	2015 £m	2016 £m	2017 £m	2018 £m
Goodwill and other intangible assets	109.9	96.4	88.8	94.2	78.1
Other assets and liabilities	(8.4)	(2.1)	(7.6)	(13.4)	(11.5)
Net assets before net debt	101.5	94.3	81.2	80.8	66.6
Net debt	(14.7)	(17.9)	(14.1)	4.1	0.1
Total equity	86.8	76.4	67.1	84.9	66.7

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

Neil Johnson (Chairman) (appointed 3 January 2018)
Andria Vidler (Chief Executive)
Swag Mukerji (Chief Financial Officer)
William Eccleshare
Robert Boyle
Rebecca Miskin
Colin Jones (appointed 1 September 2018)

Company Secretary

Helen Silver

Independent Auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
1 Embankment Place
London
WC2N 6RH

Registrars

Share Registrars Limited
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SHAREHOLDER NOTES



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