

# ANNUAL REPORT AND ACCOUNTS

FOR THE 18 MONTH PERIOD TO 31 DECEMBER 2014



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# EXPERT CONTENT AND INSIGHT

# ENGAGING EVENTS

# SMART DIGITAL TECHNOLOGY

Centaur Media is a UK-based multi-platform content group that inspires and enables people to excel at what they do, setting the standard for market insight, interaction and impact.

Centaur Media creates expert insight and content, engaging events and smart digital technology.

We provide information, intelligence, events and marketing solutions - from our digital media and iconic print brands to our award-winning events and cutting-edge data products.

We create products and services that make content valuable, combining the deepest knowledge with the best user experience in whatever format and at whatever frequency best suits our customers.

We understand our customers and their needs. We enable and inspire the very best performance in our core markets.

Collaboration is at the heart of everything we do: our content creators, data experts, event organisers and digital specialists work together to connect our customers with the best information and experiences.

Centaur Media is a content business with a relentless focus on the customer, continually redefining what content means in the 21st century and seeking new ways of communicating to our customers.

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04948078

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Grainne Brankin

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Andria Vidler (CEO)  
Mark Kerswell (CFO)  
Christopher Satterthwaite  
Robert Boyle  
Rebecca Miskin

Registrars  
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Farnham  
Surrey  
GU9 7LL



We have strong brands in attractive markets, providing strong **organic growth opportunities**

We are highly cash generative, with **good conversion of operating profits into cash flow**

We have growing events, digital and paid-for content platforms, **creating a higher quality mix of recurring revenues and earnings**

REPORTING PERIOD

This Annual Report covers the statutory reporting period which is the 18 months to 31 December 2014 ("the reporting period"). The Annual Report for the previous statutory reporting period covered the financial year ended 30 June 2013. The change in the group's financial year end from 30 June to 31 December was made to reflect the seasonality of the business and to align the group's financial year-end with the majority of its peers. Commentary throughout this Annual Report reflects the performance in the reporting period and where considered beneficial, we have included additional unaudited information for the years ended 31 December 2014 and 2013.

OPERATIONAL HIGHLIGHTS

- ▶ New Chief Executive appointed
- ▶ Restructure as a customer focused business targeting core markets completed
- ▶ Expert hubs established across commercial, digital product development, marketing and research, production and live events
- ▶ Perfect Information business divested
- ▶ Econsultancy earn-out resolved, with integration across marketing portfolio now complete
- ▶ Quality of revenue streams improving - paid-for content and live events revenues now account for 67% of revenues

FINANCIAL HIGHLIGHTS

18 months to 31 December 2014

The financial highlights for the reporting period are set out below:

|                                   |  |                                    |   |
|-----------------------------------|--|------------------------------------|---|
| ▶ Revenues of                     | ▶ Adjusted <sup>2</sup> operating profits of | ▶ Adjusted operating profit margin | ▶ Reported profit before tax                                  |
| <b>£105.6M</b>                    | <b>£11.7M</b>                                | <b>11%</b>                         | <b>£11.3M</b>   |
| (year ended 30 June 2013: £72.0m) | (year ended 30 June 2013: £10.0m)            | (year ended 30 June 2013: 14%)     | (year ended 30 June 2013: Reported loss before tax of £37.4m) |

FIVE YEAR FINANCIAL TRENDS FOR YEAR TO 31 DECEMBER (UNAUDITED)

|  |                                   |
|--|-----------------------------------|
| <b>REVENUES (£M)</b>   | <b>ADJUSTED EPS (PENCE)*</b>      |
| 2014 72.8  | 2014 5.0                          |
| 2013 74.4  | 2013 4.7                          |
| 2012 69.3  | 2012 4.4                          |
| 2011 67.4  | 2011 3.6                          |
| 2010 63.8  | 2010 2.6                          |
| <b>LIVE EVENTS AND PAID-FOR CONTENT REVENUES AS % OF WHOLE</b> | <b>NET DEBT (£M)</b>              |
| 2014 68%   | 2014 14.7                         |
| 2013 66%   | 2013 27.0                         |
| 2012 60%   | 2012 24.5                         |
| 2011 52%   | 2011 5.4                          |
| 2010 50%   | 2010 0.4                          |
| <b>ADJUSTED OPERATING PROFITS (£M)*</b>                        | <b>DIVIDEND PER SHARE (PENCE)</b> |
| 2014 10.2  | 2014 3.0                          |
| 2013 10.0  | 2013 2.425                        |
| 2012 10.4  | 2012 1.5                          |
| 2011 7.2   | 2011 1.3                          |
| 2010 4.8   | 2010 1.8                          |
| <b>ADJUSTED PROFIT BEFORE TAX (£M)*</b>                        |                                   |
| 2014 9.2   |                                   |
| 2013 8.8   |                                   |
| 2012 9.1   |                                   |
| 2011 7.2   |                                   |
| 2010 4.9   |                                   |

\* Comparatives have been restated to treat share-based payments as an adjusting item

Additional Information (unaudited)

For the year to 31 December 2014, the financial highlights are as follows:

|   |  |  |  |
|---|--|--|--|
| ▶ Revenues of                               | ▶ Adjusted operating profits of          | ▶ Adjusted fully diluted EPS increase by 6% to | ▶ Net debt at 31 December 2014 of  |
| <b>£72.8M</b>                               | <b>£10.2M</b>                            | <b>5.0P</b>                                    | <b>£14.7M</b>  |
| (year ended 31 December 2013: £74.4m)       | (year ended 31 December 2013: £10.0m)    | (year ended 31 December 2013: 4.7p)            | (31 December 2013: £27.0m)   |
| ▶ Underlying <sup>1</sup> revenue growth of | ▶ Adjusted operating margins increase to | ▶ Adjusted cash conversion at                  | ▶ Final dividend proposed for the year ended 31 December 2014 of                         |
| <b>3%</b>                                   | <b>14%</b>                               | <b>123%</b>                                    | <b>1.3P</b>  |
|   | (year ended 31 December 2013: 13%)       | (year ended 31 December 2013: 99%)             | 2014 calendar year dividend increased by 24% to 3p (year ended 31 December 2013: 2.425p) |

<sup>1</sup> Underlying growth rates are adjusted to exclude the impact of Perfect Information, a business sold in June 2014.

<sup>2</sup> Adjusted results exclude adjusting items as detailed in the Basis of Preparation section of the Statement of Accounting Policies. This includes a restatement of prior year results to reflect the treatment of share based payments as an adjusting item.

<sup>3</sup> Adjusted cash conversion is operating cash flow expressed as a percentage of adjusted operating profit. Adjusted operating profit is as calculated in the Basis of Preparation section of the Statement of Accounting Policies and operating cash flow is as calculated in the Financial Review.

CHIEF EXECUTIVE'S REVIEW

I am pleased to present my first Chief Executive's review since my appointment in November 2013. It marks the end of a period of significant change and substantial progress for Centaur Media.

Less than 18 months ago, Centaur Media was the aggregate of more than 50 small businesses working independently from one another. As a result, although the breadth and depth of expertise was considerable, attention and investment were fragmented and core revenues were declining.

I am pleased to report that the business is now restructured, focused and ready for growth. With our change programme complete we have delivered improved results, and momentum is building in both revenue and margin.

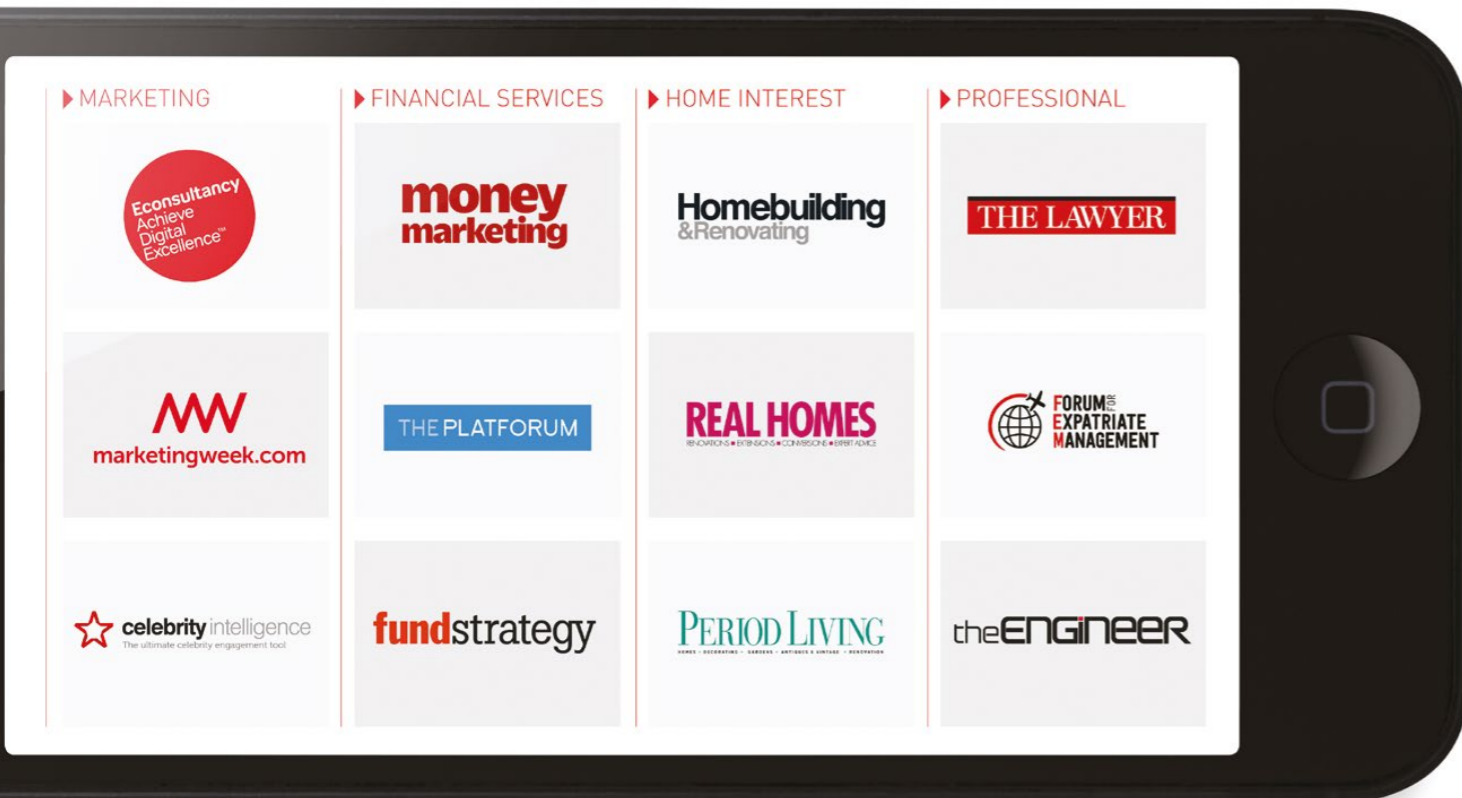
Today we are a united business of content experts, delivering multi-platform content that focuses on key markets. I am very proud of what we've achieved in a relatively short space of time, but this is just the beginning. I am excited for the future of this company and I look forward to seeing just how much we can do and how far we can go.

For 4 months of this reporting period, prior to my appointment, our Group Finance Director Mark Kerswell led the business as interim CEO. My thanks go to him for his steady hand on the tiller during this time.

As our year end has changed from 30 June to 31 December, this Annual Report covers the statutory 18 month reporting period to 31 December 2014. Commentary throughout this Annual Report reflects the performance in this reporting period and where considered beneficial, we have included additional unaudited information for the years ended 31 December 2014 and 2013.

As a result of the change in financial year end, and with our ambition to reduce the business' seasonality, the Board is rebalancing the interim and final dividend payments on a more equal basis. The Board is recommending a final dividend for the period July to December 2014 of 1.3p per share, giving a total dividend for the reporting period of 3.85p. In the year ended 31 December 2014, the transition to a re-balanced dividend results in a dividend of 3.0p, a 24% increase on the 2.425p dividend for the comparable period to 31 December 2013. Further detail is provided in the Financial Review.

With our change programme complete we have delivered **improved results** and **momentum** is building in both revenue and margin



Revenues for the 18 months to 31 December 2014 were £105.6m. Adjusted operating profits for the same period were £11.7m, an adjusted operating margin of 11%. For the purposes of comparison only, revenues for the year ended 31 December 2014 of £72.8m compare to revenues of £74.4m in the previous twelve months. Adjusted for the disposal of Perfect Information in June 2014, underlying revenues in the year ended 31 December 2014 increased by 3%. Adjusted operating profits over the same period of £10.2m compared to £10.0m in 2013, representing an adjusted operating margin of 14% (year ended 31 December 2013: 13%).

Underlying revenues in the period July to December 2014 grew by 7% and momentum across the business is encouraging as we head into 2015. The structure and mix of the business has improved considerably; net debt has been reduced to £14.7m, which in part reflects the disposal of Perfect Information in June 2014, as well as an ongoing focus on cash flow across the business.

Centaur Media is now focused on four core segments: Marketing, Financial Services, Home Interest and the four portfolios aggregated into the Professional segment.

Each portfolio is now supported by centralised expert teams, working across commercial, digital product development, marketing and research, production and live events. These disciplines are deployed centrally and strategically to add maximum value across the business.

This new market-led structure is a marked contrast to the previous format-based structure and enables Centaur Media to provide its customers with multi-platform, integrated content that utilises insight, live events and digital paid-for content as appropriate.

**NATIONAL MEDIA AWARDS WON:**

PPA Awards 2014: **Event of the Year**

PPA Awards 2014: **Digital Innovation of the Year**

PPA Digital Awards 2014: **Development Team of the Year**

PPA Digital Awards 2014: **Innovation of the Year**

PPA Connect Awards 2014: **Launch of the Year**

AEO Excellence Awards 2014: **Innovation of the Year**

Across all our portfolios, there has been substantial progress for Centaur Media's brands. Case studies on selected brands across each portfolio are included in the operating review. The headlines include a re-launch for Money Marketing, Marketing Week and Celebrity Intelligence, a new format for The Festival of Marketing, the launch of The Lawyer Research Service and the repositioning of the London Homebuilding Show. We are strengthening our brands and building clear competitor differentiation.

Alongside the focus on four core markets, the leadership team has developed four strategic priorities:

- 1 To be the most knowledgeable, connected and authoritative experts in our markets
- 2 To generate sustainable growth in profits and cash flow with high quality, recurring revenue streams and an efficient and scalable operating model
- 3 To create products and services that are both innovative and market-leading, backed by strong digital and events expertise
- 4 To be a united team of entrepreneurial, multi-skilled professionals.

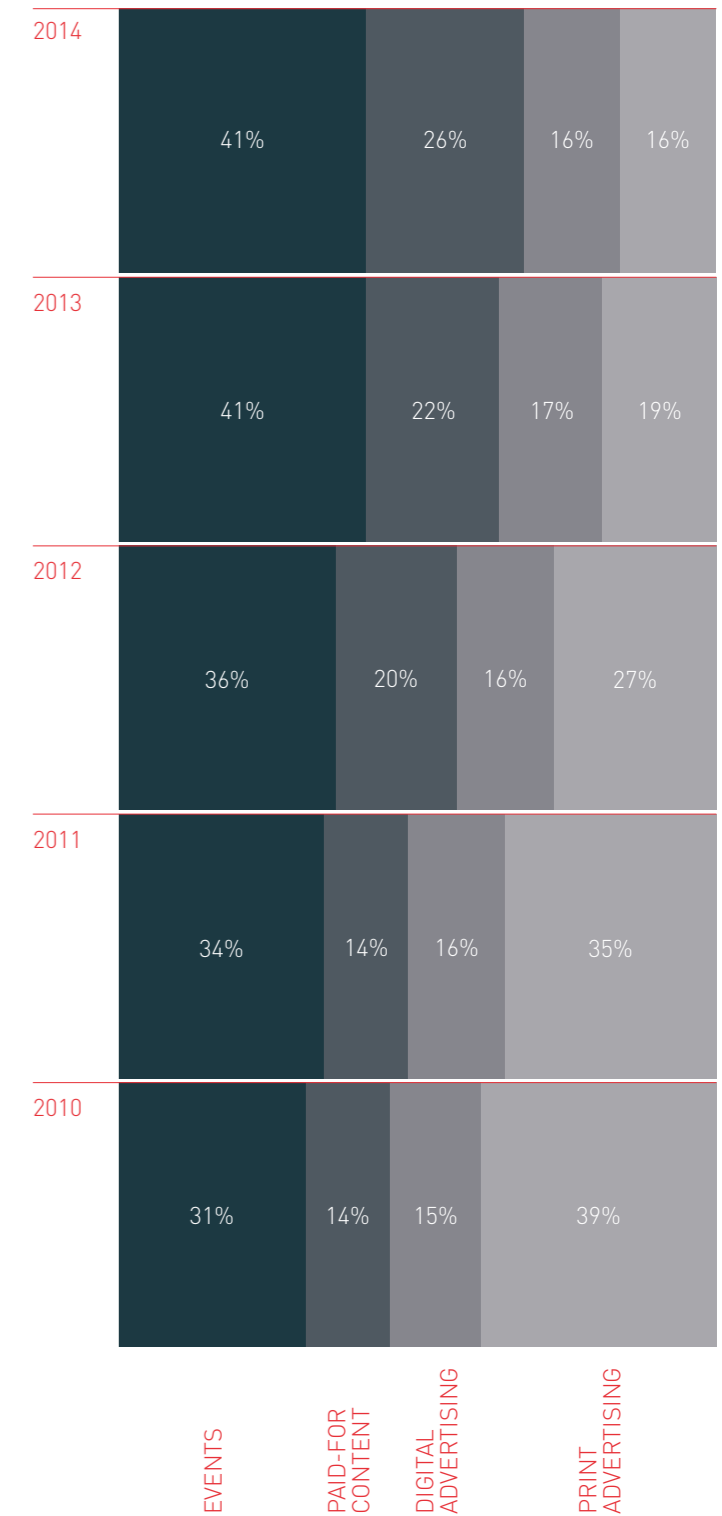
It is particularly pleasing that during a period of substantial change we have successfully launched new, innovative products and refreshed some of our existing iconic publications. I am delighted that the focus on our brands has been recognised through a number of industry awards, including several from the PPA.

These awards reflect the commitment and energy of each and every member of the Centaur Media team. The quality of this team is crucial to the future growth and success of the group and we have collectively responded well to the challenges and changes across the business over the last 18 months. We want to become an employer of choice and we are committed to attracting and retaining the best talent.

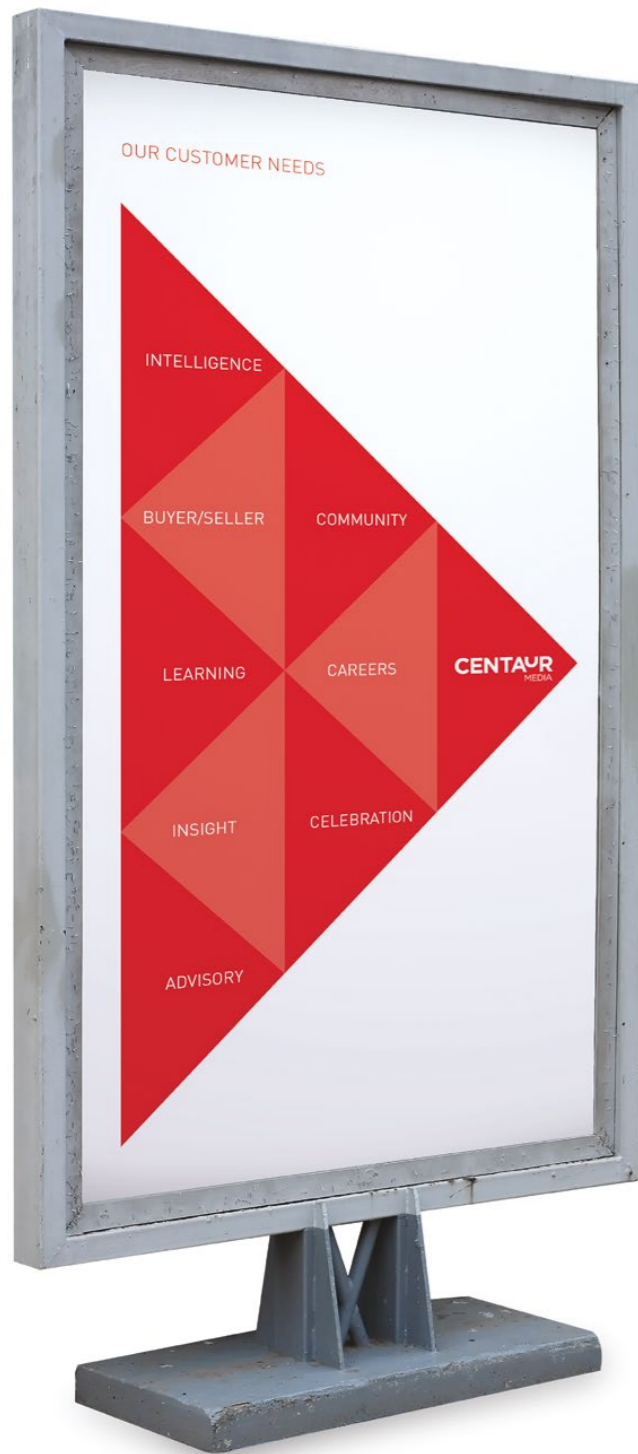
In November, we set out the key financial metrics against which we will measure the business's performance; you will find these set out in more detail in the strategic report. We are now seeing growth in underlying revenues, with improvements in paid-for-content and live events more than compensating for declines in advertising revenues, and momentum is continuing to build. The group is increasingly well positioned for future growth.

The restructure of the business, coupled with our clear vision for the group, has enabled the management team to prioritise and lead with focus. This process has led to procurement and efficiency savings in excess of £1 million, as well as more effective management of our capital expenditure investment. These efficiencies have provided us with the capacity to make the necessary investments in data and training.

REVENUE MIX TRENDS



(Excluding Perfect Information)



The investment in data will crucially provide greater insight into the commercial opportunities across the group in 2015 and beyond. These initiatives will deliver further efficiency and scale benefits as the group continues to grow.

Alongside the operational initiatives completed in 2014, the group completed two strategic transactions in June 2014. The resolution of the Econsultancy earn-out removed the final obstacle to an integrated Marketing portfolio. This portfolio is now fully focused on accelerating the pace of growth. The disposal of Perfect Information, a single format business with limited overlap with other parts of the business and limited potential for growth without significant investment, reduced leverage and provided capacity for further targeted investment elsewhere.

This Annual Report will be the last overseen by our Chairman Patrick Taylor. He has served this business tirelessly and diligently for 11 years. The business has undergone an extraordinary evolution in that time and we all thank him for his contribution and commitment. On a personal note, I am very grateful that he has given me the opportunity to lead Centaur Media.

The changes made over the 18 months to December 2014 have been far-reaching but the business has responded exceptionally well. We end the period with a stronger balance sheet, a structure that is fit for purpose and a sharp focus on innovation and progress in our core markets. Our performance in the second half of 2014 has been particularly strong, and we are very encouraged by the outlook for 2015.

The business feels reinvigorated and positive. We have achieved a lot - and we have only just begun.

**Andria Vidler**  
Chief Executive Officer  
10 March 2015

**STRATEGIC REPORT**

**STRATEGY**

Centaur Media is a content business that predominantly offers professionals products and services that accelerate their marketing and business performance. Our core objective is to deliver sustainable growth in revenues, profits and cash flow, and in turn to increase shareholder value. To achieve this we have set out four strategic

priorities. These are set out below alongside the initiatives we are taking to deliver these, the associated risks and the KPIs against which we measure progress internally. See page 38 for a detailed explanation of the group's principal risks and uncertainties.

| PRIORITY   | ACTIONS   | KEY RISKS  | METRICS   |
|--|---|--|---|
| <b>To be the most knowledgeable, connected and authoritative experts in our markets</b>  | The group has refocused across its core market segments, and has created expert teams to support the commercial activity across each market.  | ▶ Competitive threat and loss of key staff   | ▶ Industry recognition<br>▶ Client engagement<br>▶ Market share   |
| <b>To generate sustainable growth in profits and cash flows with high quality, recurring revenue streams and an efficient and scalable operating model</b> | The group is leveraging its expertise across live events and digital paid-for content to grow these recurring revenue streams. The restructure around expert teams and group functions creates the scale that can support good margin growth. | ▶ Downturn in economy or market sectors.<br>▶ Failure in digital or live events strategy   | ▶ Increasing share of live events and paid-for content revenues<br>▶ Growth in subscription invoiced contract values<br>▶ Adjusted operating margin<br>▶ Revenue per employee |
| <b>To create products and services that are both innovative and market-leading, backed by strong digital and events expertise</b>                          | The focus across our core markets and the creation of expert team in digital and live events enable the group to prioritise investment and to maintain a strong pipeline of new product development   | ▶ Competitive threat<br>▶ Downturn in market sector<br>▶ Failure to respond fast enough to market requirements or technological change | ▶ Successful launches measured against return on investment, revenues and operating margin<br>▶ Market share  |
| <b>To be a united team of entrepreneurial, multi-skilled professionals</b>   | Creation of "One Centaur Media" culture. Alignment of incentive plans and link to portfolio and group metrics.  | ▶ Loss of key staff<br>▶ Failure to recruit and retain talented new employees  | ▶ Staff retention and engagement  |

## BUSINESS MODEL

The group's activities are categorised across four market segments: Marketing, Financial Services, Professional and Home Interest. These activities are supported by expert teams across commercial, digital product development, marketing and research, production and live events.

The group generates revenues from three primary revenue sources: paid-for content, live events and advertising.

▶ Paid-for content revenues include:

**Subscriptions:** These are the fees that customers pay to receive access to the group's information, through online access to various databases, regular delivery of soft copy research or hard copy magazines. Subscription revenue is recognised over the period of the subscription.

**Copy sales:** These are generated primarily across the group's Home Interest print titles, Homebuilding & Renovating, Real Homes and Period Living, and selectively across the group's business magazines, including Creative Review and Marketing Week. This revenue stream includes the sale of market reports from the Platorum business and other one-off sales of products and services. Revenues are recognised in line with the publishing schedule for these products.

▶ Live events revenues are recognised when the event is held and are typically paid in advance of the event. These include:

**Exhibitor revenues:** These represent space sold at our live events that enable our customers to raise awareness and sell their products and services. It is an ideal way for our customers to forge new relationships through face-to-face meetings and sell or showcase their products.

**Sponsorship revenues:** Across all of our live events, we have partners that want to be associated with the event. Through their participation they can create, develop and increase brand awareness, furthering their credibility within a target audience to develop contacts and exposure for their business.

**Attendee revenues:** Our consumer focused exhibitions, The Festival of Marketing and our meetings and awards events all charge a fee to attendees. The group also generates revenues from sales of tables for companies and individuals to attend the various industry awards evenings the group organises, as well as the paid-for entries to these awards.

**Training revenues:** The group provides digital marketing training services to customers in the UK and overseas through the Econsultancy business. These services are delivered through public training courses and through the delivery of bespoke services to clients. Revenues are recognised when the training is delivered.

▶ Advertising revenues represent the fees that customers pay to place an advertisement in one or more of the group's publications, either in print, online or mobile. There are products where advertising is the main driver and others where advertising is simply a supplemental earnings stream. This includes display, classified and recruitment advertising whatever the delivery platform. The group also classifies as advertising, revenues generated from sponsored content, content marketing, native advertising and other publication-based marketing solutions, whether print or digital. Revenue is recognised on publication.

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. This is delivered in whatever format our clients want, whether that is in print, digital or as a live event. Each market portfolio has clear growth plans focused on new digital products, new revenues streams, multi-platform content and clear competitor differentials.

Supporting each of these markets, we have centralised expert teams across commercial, digital product development, marketing and research, production and live events. These teams provide the expertise and scale that allows us to support effectively and efficiently the delivery of commercial opportunities across each market. The creation of these expert teams also enables us to manage our cost base effectively and to prioritise investment across the business.

The commercial activities of the business, including the market-facing portfolios and the expert teams, are supported by group functions including finance, HR, property, legal, risk management and IT.

All costs across the business are tightly managed with a rigorous focus on margin and return on investment. We seek to maintain as flexible and scalable cost base as possible, outsourcing or consolidating shared activities where possible. All of our London activities are now consolidated within one building.

This structure creates scale opportunities that alongside underlying revenue growth enables good progression in adjusted operating margins. It also creates the opportunity to effectively bolt-on acquisitions where these can accelerate revenue and margin growth.

While our business remains primarily UK focused, we have a growing presence in North America and Asia, and we continue to explore opportunities across these markets. An experienced general manager to oversee our US businesses was appointed in February 2015 and will be based in our New York office.



**KEY PERFORMANCE INDICATORS**

In November 2014, the group set out the following core financial metrics to measure our performance going forward. These are summarised below:

The key performance indicators 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 Chief Executive's Review and in the Operating and Financial Reviews.

| KPI   | DESCRIPTION   | PERFORMANCE <sup>4</sup>   |
|---|---|--|
| <b>Underlying revenue growth</b>  | ▶ Total revenues adjusted for the impact of acquisitions and disposals.   | ▶ 2014 + 3% (2013: 0%)   |
| <b>Adjusted operating margin</b>  | ▶ Adjusted operating profits as a percentage of revenues.   | ▶ 2014 14% (2013: 13%)   |
| <b>Adjusted diluted EPS</b>   | ▶ Adjusted earnings attributable to each share, calculated on a fully diluted basis, as set out in more detail in note 7 to the financial statements. | ▶ 2014 5.0 pence (2013: 4.7 pence)   |
| <b>Adjusted cash conversion</b>   | ▶ The percentage by which cash generated from operations covers adjusted operating profit, as set out in the financial review.                        | ▶ 2014 123% (2013: 99%)  |
| <b>Development of recurring revenue streams</b>                         | ▶ The percentage of total revenues derived from live events and paid-for content.   | ▶ Live events and paid-for content revenues accounted for 68% of total 2014 revenues (2013: 66%)   |
| <b>Return on investment on acquisitions and new product development</b> | ▶ The incremental cash flows generated from an investment relative to the total cash investment to acquire or develop the asset.                      | ▶ Return on investment on new product development in 2014 exceeds internal benchmarks in respect of operating margin, scale and pay-back period. |

**OPERATING REVIEW**

This Annual Report covers the statutory reporting period which is the 18 months to 31 December 2014 ("the reporting period"). The Annual Report for the previous statutory reporting period covered the financial year ended 30 June 2013. The change in the group's financial year end from 30 June to 31 December was made to reflect the seasonality of the business and to align the group's financial year end with the majority of its peers. Commentary throughout this Annual Report reflects the performance in the reporting period and where considered beneficial, we have included additional unaudited information for the years ended 31 December 2014 and 2013.

Revenues and adjusted operating profits for the 18 months to 31 December 2014 (the reporting period), the previous statutory period for the year ended 30 June 2013, and the years ended 31 December 2014 and 2013 are set out below.

|                           | 18 months ended<br>31 December<br>2014<br>Audited<br>£m | Year ended<br>30 June<br>2013<br>Audited<br>£m | Year ended<br>31 December<br>2014<br>Unaudited<br>£m | Year ended<br>31 December<br>2013<br>Unaudited<br>£m | Reported<br>Growth<br>% | Underlying<br>Growth<br>% |
|---------------------------|---|--|--|--|-------------------------|---------------------------|
| Revenue                   | 105.6   | 72.0   | 72.8   | 74.4   | -2%                     | 3%                        |
| Adjusted operating profit | 11.7  | 10.0   | 10.2   | 10.0   | 2%                      |                           |
| Adjusted operating margin | 11.1%   | 13.9%  | 14.0%  | 13.4%  |                         |                           |

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

|                       | 18 months ended<br>31 December<br>2014<br>Audited<br>£m | Year ended<br>30 June<br>2013<br>Audited<br>£m | Year ended<br>31 December<br>2014<br>Unaudited<br>£m | Year ended<br>31 December<br>2013<br>Unaudited<br>£m | Reported<br>Growth<br>% | Underlying<br>Growth<br>% |
|-----------------------|---|--|--|--|-------------------------|---------------------------|
| Paid-for content      | 31.2  | 20.3   | 20.6   | 21.1   | -2%                     | 19%                       |
| Live events           | 39.3  | 26.2   | 28.9   | 28.0   | 4%                      | 3%                        |
| Advertising           | 33.7  | 25.0   | 22.4   | 24.6   | -9%                     | -9%                       |
| Other                 | 1.4   | 0.5  | 0.9  | 0.7  | 29%                     | 29%                       |
| <b>Total revenues</b> | <b>105.6</b>  | <b>72.0</b>                                    | <b>72.8</b>  | <b>74.4</b>  | <b>-2%</b>              | <b>3%</b>                 |

<sup>4</sup> Performance measures are comparing the unaudited results for the years ended 31 December 2014 and 2013.

### 18 months to 31 December 2014

Revenues for the reporting period were £105.6m. Adjusted operating profits for the reporting period were £11.7m, with an adjusted operating profit margin of 11.1%. In the previous statutory reporting period for the year ended 30 June 2013, reported revenues were £72.0m. Adjusted operating profits for the same period were £10.0m with an adjusted operating profit margin of 13.9%. The reduction in adjusted operating profit margin across these two statutory periods reflects the inclusion in the reporting period of the July to December trading period, which has traditionally been seasonally weaker, in both 2013 and 2014. Reported operating margins have also been impacted by the disposal of Perfect Information in June 2014 and the cost savings achieved over the latter part of the reporting period.

Live events and paid-for content revenues contributed £70.5m (67%) to revenues in the reporting period compared to £46.5m (65%) in the previous statutory reporting period for the year ended 30 June 2013. Advertising revenues accounted for 32% of revenues in the reporting period compared to 35% in the previous statutory reporting period for the year ended 30 June 2013. These trends illustrate the ongoing shift in focus of our revenues to higher quality live events and paid-for content revenue streams.

#### Additional information (unaudited)

Revenues and adjusted operating profits for the year ended 31 December 2014 were £72.8m (year ended 31 December 2013: £74.4m) and £10.2m (year ended 31 December 2013: £10.0m) respectively. While our reported results for the year ended 31 December 2014 are broadly in line with results reported in 2013, underlying trends across the business, when adjusted for the disposal of Perfect Information in June 2014, demonstrate significant improvement and growing momentum over this 12 month period.

Underlying revenues in the year ended 31 December 2014 grew by 3%, with revenues in the second half of the year growing by 7% compared to a modest decline in the first half. This return to growth reflects excellent growth across our paid-for content revenues, a return to growth across our live events revenues and declines in advertising revenues moderating.

Paid-for content revenues (£20.6m, 28% of total revenues) grew on an underlying basis by 19%, live events revenues (£28.9m, 40% of total revenues) grew by 3% and advertising revenues (£22.4m, 31% of total revenues) declined by 9%. Other revenues primarily include rental income.

### DIVISIONAL REVIEW

Across our four market segments, revenues are weighted towards the Marketing and Professional segments, with the Financial Services and Home Interest segments each accounting for approximately 15% of total group revenues.

#### MARKETING

This segment includes all of the group's brands that serve the marketing and creative professions, including Econsultancy, Marketing Week, Festival of Marketing, Celebrity Intelligence, Fashion Monitor, Design Week and Creative Review.

| Marketing                 | 18 months ended<br>31 December<br>2014<br>Audited<br>£m | Year ended<br>30 June<br>2013<br>Audited<br>£m | Year ended<br>31 December<br>2014<br>Unaudited<br>£m | Year ended<br>31 December<br>2013<br>Unaudited<br>£m | Reported<br>Growth<br>% | Underlying<br>Growth<br>% |
|---------------------------|---|--|--|--|-------------------------|---------------------------|
| Revenue                   | 37.6  | 23.8   | 26.8   | 25.0   | 7%                      | 7%                        |
| Adjusted operating profit | 4.0   | 2.6  | 3.9  | 2.4  | 63%                     |                           |
| Adjusted operating margin | 10.6%   | 10.9%  | 14.6%  | 9.6%   |                         |                           |

#### 18 months to 31 December 2014

Revenues for the reporting period were £37.6m. Adjusted operating profits for the same period were £4.0m, with an adjusted operating profit margin of 10.6%. In the previous statutory reporting period for the year ended 30 June 2013, reported revenues were £23.8m. Adjusted operating profits for the same period were £2.6m with an adjusted operating profit margin of 10.9%.

Revenues for the reporting period reflect good growth across digital paid-for content revenue streams, including Econsultancy, Celebrity Intelligence and Fashion Monitor. Revenues for the reporting period include only one edition of Marketing Week Live, which ran in June 2014.

#### Additional information (unaudited)

Revenues of £26.8m for the year ended 31 December 2014 (year ended 31 December 2013: £25.0m) increased by 7%. Paid-for content and live events revenues contributed 73% (year ended 31 December 2013: 70%) to this segment's revenues. Operating profits increased significantly, from £2.4m to £3.9m, with operating margins increasing from 9.6% to 14.6%. Operating margins reflect a higher depreciation and amortisation charge, which in turn, relative to other market segments, reflects the higher levels of investment in digital products across the marketing portfolio.

The settlement of the Econsultancy earn-out liability in June 2014 was intended to enable faster integration of Econsultancy and in turn to accelerate revenue growth across the marketing portfolio, the largest part of the group. The £0.5m of cost savings anticipated as a result of the settlement has been achieved and the outlook across this portfolio remains encouraging. Reported and underlying revenues grew by 16% in the second half of 2014 compared to flat revenues in the first half of the year. While these trends reflect the re-phasing of some events, including The Digitals awards event, the improving rate of growth reflects the benefit of consolidated commercial teams and strong growth across Celebrity Intelligence and Fashion Monitor's digital paid-for content revenues.

The re-launch of Marketing Week in October 2014 was well received by the market and was timed to coincide with the Festival of Marketing. Marketing Week has been at the heart of the UK's marketing community for 37 years providing relevant content to enable excellence in their field. This professional community has changed over time and the product needed to move in step with that. The re-launch incorporated a new identity and logo, new editorial content and a new responsive web platform enabling new desktop, tablet and mobile versions.

The Festival of Marketing was also well received, with delegates of 3,000 and revenues of £2m. This event incorporated The Digitals awards for the first time. The Festival of Marketing is an excellent example of how the group can leverage its brand strengths across the entire portfolio: Econsultancy, Design Week, Creative Review, Marketing Week, Celebrity Intelligence and Fashion Monitor were all represented at the event.

Elsewhere across this portfolio, Fashion Monitor was launched in the US and a number of new events were successfully launched, including Programmatic Marketing.

The outlook across the Marketing segment is exciting. The settlement of the Econsultancy earn-out has enabled faster integration across the portfolio, and we expect this portfolio's live events and paid-for content revenues to continue to grow strongly.

CASE STUDIES - MARKETING PORTFOLIO

Celebrity Intelligence

The award-winning Celebrity Intelligence was launched in October 2013, bringing together two existing products, Red Pages and Entertainment News, to create the definitive celebrity engagement tool. With professional and demographic details on more than 35,000 global celebrities, Celebrity Intelligence is relied upon by over 1,000 corporate subscribers in both the UK and the US to match the best celebrity to their commercial needs. The revolutionary Buzz Index produces daily rankings based on a celebrity's presence in the press and on social media. The dynamic new service is growing at around 30% per annum and was recognised at the prestigious PPA Awards in 2014, where it won Digital Innovation of the Year - Business Media.

Marketing Week

The market-leading publishing brand Marketing Week went through the biggest transformation in its 37 year history in October 2014, simultaneously re-launching in print, online and mobile, with deeper, more analytical content and a dramatic, contemporary new look. Print and digital were designed to be completely in harmony, with the weekly magazine for the first time taking digital's lead. The refresh has won critical and commercial acclaim, and in the first three months, 35,000 marketers from across the sector have signed up to the new proposition. Marketing Week is the first of Centaur Media's publishing brands to use the new WordPress digital platform, which is being rolled out across the rest of the business during 2015.

Festival of Marketing

The Festival of Marketing is the biggest gathering of senior marketing professionals in the UK. Launched in October 2013, the annual two-day event is held at Tobacco Dock in East London and brought together more than 3,000 marketers to learn, network, and celebrate the very best in their industry. Opened by the Olympic cyclist Sir Bradley Wiggins, the 2014 event featured top-level contributions from Coca-Cola, Google, IBM and Sony and also incorporated for the first time The Digitals industry awards event. The festival scooped two national media awards in 2014, winning Event of the Year - Business Media at the PPA Awards in July and Launch of the Year at the PPA Connect Awards in November.



FINANCIAL SERVICES

Serving the financial services industry, this portfolio includes Money Marketing, Fund Strategy, Mortgage Strategy, Corporate Advisor, Tax Briefs, Headline Money and Platform.

| Financial Services        | 18 months ended<br>31 December<br>2014<br>Audited<br>£m | Year ended<br>30 June<br>2013<br>Audited<br>£m | Year ended<br>31 December<br>2014<br>Unaudited<br>£m | Year ended<br>31 December<br>2013<br>Unaudited<br>£m | Reported<br>Growth<br>% | Underlying<br>Growth<br>% |
|---------------------------|---|--|--|--|-------------------------|---------------------------|
| Revenue                   | 17.6  | 13.3   | 12.0   | 13.6   | -12%                    | -12%                      |
| Adjusted operating profit | 2.6   | 2.0  | 2.0  | 2.6  | -23%                    |                           |
| Adjusted operating margin | 14.8%   | 15.0%  | 16.7%  | 19.1%  |                         |                           |

18 months to 31 December 2014

Revenues for the reporting period were £17.6m. Adjusted operating profits for the same period were £2.6m, with an adjusted operating profit margin of 14.8%. In the previous statutory reporting period for the year ended 30 June 2013, reported revenues were £13.3m. Adjusted operating profits for the same period were £2.0m with an adjusted operating profit margin of 15.0%.

Revenues for the reporting period reflect good growth across Platform offset by weaker revenues across the advertising funded titles including Money Marketing and Fund Strategy.

Additional information (unaudited)

Revenues of £12.0m for the year ended 31 December 2014 (year ended 31 December 2013: £13.6m) declined by 12%. Paid-for content and live events revenues contributed 57% (year ended 31 December 2013: 52%) to this segment's revenues. This portfolio has the highest exposure to advertising revenues, which accounted for 42% of 2014 revenues (year ended 31 December 2013: 48%). The decline in advertising revenues reported in the first nine months of 2014 stabilised in the last quarter of 2014. Operating profits fell from £2.6m to £2.0m, with operating margins at 16.7% (year ended 31 December 2013: 19.1%). The decline in operating profits reflects the operational gearing associated with the anticipated decline in revenues, mitigated by good cost control and the efficiencies related to the expert hub teams.

The performance across this segment has been materially impacted by more stringent regulatory requirements that are impacting audiences, sponsors and advertisers. To respond to these changes, the portfolio has new commercial and editorial leadership and has successfully re-launched Money Marketing. Platform and Money Marketing are now well positioned to support demand for greater insight and analysis around key topics such as investment, retirement, mortgages, protection and technology.

The earn-out payment for Platform was settled in August 2014 and this business, with a new management team in place, is now fully integrated into the Financial Services portfolio.

The outlook across the Financial Services segment is positive. With refreshed leadership the group is better able to leverage the strengths of each brand within the portfolio. Advertising revenues which have been volatile are showing signs of stability and we are confident that this segment can return to growth in due course.

CASE STUDIES - FINANCIAL SERVICES PORTFOLIO

Platform

Platform enables financial providers and fund managers to make critical decisions that will impact the highly competitive £400 billion online retail financial distribution markets. Platform content is delivered in multiple formats, all created from proprietary data by industry experts. Following the completion of the earn-out in August 2014, Platform has appointed an experienced, new management team and in February 2015 launched its first report outside of the core investment sector. The UK Retirement Funding Guide is being produced in response to the dramatic reforms to the pension market and is aimed at product providers and fund managers seeking to introduce solutions that provide flexibility, functionality and viability.

Money Marketing

In response to the continuing, far-reaching changes in the personal finance sector following the Retail Distribution Review (RDR) in December 2012, the market leading weekly magazine Money Marketing underwent a dramatic transformation in April 2014, changing from tabloid newspaper to A4 news magazine, even giving up the pink paper that had marked it out since its launch in 1985. And the effects have been equally dramatic. Money Marketing came top in independent industry readership research in June, the magazine was three times voted best B2B publication at the 2014 ABI, Santander and Headline Money awards, and crucially, the refresh helped reverse adverse print advertising trends with growth in the final quarter of 2014.



## PROFESSIONAL

The Professional segment includes four subsidiary markets: Legal, Engineering, HR and New Markets. The Legal portfolio includes the print, digital and live events activities associated with The Lawyer and VB Research. The principal assets within the Engineering portfolio are The Engineer and Subcon, an exhibition that serves the sub-contractor industry. The HR portfolio includes FEM, Employee Benefits and Employee Benefits Live, and New Markets includes two exhibitions serving the Business Travel and Meetings markets. The disposal of Perfect Information was completed in June 2014.

| Professional              | 18 months ended  | Year ended   | Year ended       | Year ended       | Reported Growth | Underlying Growth |
|---------------------------|------------------|--------------|------------------|------------------|-----------------|-------------------|
|                           | 31 December 2014 | 30 June 2013 | 31 December 2014 | 31 December 2013 |                 |                   |
|                           | Audited £m       | Audited £m   | Unaudited £m     | Unaudited £m     | %               | %                 |
| Revenue                   | 34.6             | 24.1         | 22.9             | 25.0             | -8%             | 6%                |
| Adjusted operating profit | 3.2              | 3.9          | 2.6              | 3.3              | -21%            |                   |
| Adjusted operating margin | 9.2%             | 16.2%        | 11.4%            | 13.2%            |                 |                   |

## 18 months to 31 December 2014

Revenues for the reporting period were £34.6m. Adjusted operating profits for the same period were £3.2m, with an adjusted operating profit margin of 9.2%. In the previous statutory reporting period for the year ended 30 June 2013, reported revenues were £24.1m. Adjusted operating profits for the same period were £3.9m with an adjusted operating profit margin of 16.2%.

Revenues for the reporting period reflect the impact of:

- Two editions of The Meetings Show and Employee Benefits Live.
- Only one edition of The Business Travel Show in February 2014 and of SubCon in June 2014.
- The disposal of Perfect Information in June 2014.

The reduction in operating margins in the reporting period reflects the impact of the launch of The Meetings Show in July 2013 which made a loss in its first edition as expected, and the disposal of the high margin business, Perfect Information.

## Additional information (unaudited)

Revenues of £22.9m for the year ended 31 December 2014 (year ended 31 December 2013: £25.0m) declined by 8%. Adjusted for the sale of Perfect Information, underlying revenues increased by 6%. Paid-for content and live events revenues contributed 64% to this segment's revenues (year ended 31 December 2013: 59%). Operating profits fell from £3.3m to £2.6m, with operating margins of 11.4% (year ended 31 December 2013: 13.2%).

Across each of the four subsidiary market portfolios:

- The Legal portfolio reported revenues of £7.0m in 2014, an 8% increase compared to 2013. Growth across this portfolio was driven through increases in digital paid-for content and live events revenues, offset by weaker advertising revenues.
- Revenues across the HR portfolio of £4.9m were 10% lower than in 2013, reflecting the legacy issues referred to in the interim report for the six months to June 2014. Revenues in the second half of 2014 were in line with the same period in 2013.
- The Engineering portfolio reported stable revenues and is expected to deliver modest revenue growth in 2015 as a result of the group restructuring initiatives completed in 2014.
- The New Markets portfolio included the Business Travel, Meetings and Aidex events. Perfect Information, which was sold in June 2014, contributed £2.6m to 2014 revenues compared to £6m in 2013. The Meetings Show and The Business Travel Show in aggregate contributed £4.1m to 2014 revenues, an increase of 40% compared to 2013. Aidex, a humanitarian event serving the international aid industry, delivered a modest profit contribution on 2014 revenues of £0.8m. The Aidex event, which was not a core part of the group's business, was sold in February 2015. Further details on this are set out in note 31 to the financial statements.

The outlook across this portfolio is encouraging. The legal market offers many opportunities to drive strong growth in paid-for content and events revenues. New Markets, which now focuses on Travel and Meetings, is well positioned to innovate and grow further. The reorganisation of the HR and Engineering portfolios, along with refreshed leadership, gives us confidence that these portfolios can return to growth in 2015.



## CASE STUDIES - PROFESSIONAL PORTFOLIO

### Lawyer Research Service

The Lawyer Research Service (LRS) works with corporate law firms and other legal suppliers to produce high quality, independent research reports on subjects like reputation resilience, litigation funding and smart cities. LRS was launched in late 2013 and is an example of collaboration between The Lawyer and VB Research, the award-winning specialist research business Centaur acquired in 2011. The service helps law firms identify and better understand the clients and markets they serve while at the same time positioning themselves as thought leaders and sector specialists. LRS customers include DLA Piper, Osborne Clarke, Shillings, Grant Thornton and Burford Capital. VB Research was named Private Equity Research Partner of the Year by Acquisitions International in 2013.

### Lawyer Management Conference & Awards

In keeping with The Lawyer's core focus on providing insight and intelligence into the business of law, the Lawyer Management Conference & Awards is a new multi-format event designed to focus on the increasingly complex world of legal services provision. Launched in 2013, the most recent event in October 2014 brought together hundreds of senior law firm executives from across the sector to learn about and exchange views on business strategy and the development of new pricing models and operating cost structures, and to celebrate the best in legal operational and strategic management.

### Employee Benefits Summer School

In what was another first for Centaur Media, Employee Benefits launched its Summer School in August 2014, offering registered readers the opportunity to update their core knowledge via an e-learning platform. Working with industry experts including Barclays, Friends Life, AXA and Close Brothers, Employee Benefits produced a series of short online video tutorials covering such areas as employee share plans, workplace savings and salary sacrifice. Success of the initiative has prompted the launch of the Employee Benefits Winter School in February 2015.

HOME INTEREST

The Home Interest segment includes the live events and publishing assets focusing on homebuilding and home renovation. These include Homebuilding & Renovating, Real Homes and Period Living.

Home Interest

|                           | 18 months ended<br>31 December<br>2014<br>Audited<br>£m | Year ended<br>30 June<br>2013<br>Audited<br>£m | Year ended<br>31 December<br>2014<br>Unaudited<br>£m | Year ended<br>31 December<br>2013<br>Unaudited<br>£m | Reported<br>Growth<br>% | Underlying<br>Growth<br>% |
|---------------------------|---|--|--|--|-------------------------|---------------------------|
| Revenue                   | 15.8  | 10.8   | 11.1   | 10.8   | 3%                      | 3%                        |
| Adjusted operating profit | 1.9   | 1.5  | 1.7  | 1.7  | 0%                      |                           |
| Adjusted operating margin | 12.0%   | 13.9%  | 15.3%  | 15.7%  |                         |                           |

18 months to 31 December 2014

Revenues for the reporting period were £15.8m. Adjusted operating profits for the same period were £1.9m, with an adjusted operating profit margin of 12.0%. In the previous statutory reporting period for the year ended 30 June 2013, reported revenues were £10.8m. Adjusted operating profits for the same period were £1.5m with an adjusted operating profit margin of 13.9%.

Additional information (unaudited)

Revenues of £11.1m for the year ended 31 December 2014 (year ended 31 December 2013: £10.8m) increased by 3%. Paid-for content and live events revenues contributed 71% (year ended 31 December 2013: 71%) to this segment's revenues. Adjusted operating profits of £1.7m and adjusted operating margins of 15.3% were in line with those reported in 2013.

This portfolio, which was previously segmented by brand and platform, has been integrated into unified content, commercial, marketing and digital development teams that serve the entire Home Interest portfolio. With these changes now bedded down, the outlook across this segment is also encouraging.

CASE STUDIES – HOME INTEREST PORTFOLIO

Homebuilding & Renovating

Britain's leading home improvement title Homebuilding & Renovating has undergone a radical revamp, which was unveiled at the National Homebuilding Show in the Birmingham NEC at the end of March 2014. The best-selling monthly title has adopted new, more modern branding, which is used consistently across print, digital and events, together with a fresh, clean design. The new look is carried through digitally, with Homebuilding & Renovating introducing a fully responsive mobile site for the first time. And with the clear focus on "people with projects", the online service provides lots of practical help and advice on managing complex building projects, as well as continuing to deliver inspiration in the form of interior and exterior design.

London Homebuilding Show

The repositioning of London Homebuilding Show in November 2014 as a more focused, premium event was highly successful, with revenue and yields up and venue and marketing costs down, all translating into a fourfold increase in profit. The three-day exhibition is part of a series of homebuilding events – the largest in the UK – which provide market-leading interaction for those in the world of home improvement, renovation and self-build. A total of seven regional shows are held every year from Glasgow to Shepton Mallet, with flagship events in Birmingham as well as London. The shows attract more than 80,000 visitors and 1,600 exhibitors, with hundreds of seminars and masterclasses making these events the most dynamic source of content for this fast-growing industry.



The cash flow performance in the reporting period has been strong, with 110% of operating profits converting into operating cash flow



## FINANCIAL REVIEW

### REPORTING PERIOD AND YEAR-END CHANGE

This Annual Report covers the statutory reporting period which is the 18 months to 31 December 2014 ("the reporting period"). The Annual Report for the previous statutory reporting period covered the financial year ended 30 June 2013. The change in the group's financial year end from 30 June to 31 December was made to reflect the seasonality of the business and to align the group's financial year-end with the majority of its peers. Commentary throughout this Annual Report reflects the performance in the reporting period and where considered beneficial, we have included additional unaudited information for the years ended 31 December 2014 and 2013.

### ADJUSTED AND STATUTORY RESULTS

In these results we refer to adjusted and statutory results. Adjusted results are prepared to provide a more comparable indication of the group's underlying business performance. Adjusted results exclude adjusting items as set out in the Consolidated Income Statement and below.

The group's activities are predominantly UK based and therefore currency movements have negligible impact on the group's adjusted or statutory results.

The group is now reporting against an adjusted operating profit measure rather than adjusted EBITDA, as in the opinion of the Directors this better reflects the underlying profitability across each of the market portfolios and is consistent with the majority of Centaur Media's peers.

Adjusted operating profit reconciles to profit before tax as follows:

|                                      | Note | 18 months ended<br>31 December<br>2014<br>£m | Year ended<br>30 June<br>2013*<br>£m |
|--------------------------------------|------|--|--------------------------------------|
| Adjusted operating profit            |      | 11.7   | 10.0                                 |
| Finance costs                        | 4    | (1.6)  | (1.2)                                |
| <b>Adjusted profit before tax</b>    |      | <b>10.1</b>                                  | <b>8.8</b>                           |
| Adjusting items                      |      |  |                                      |
| Exceptional costs                    | 3    | (6.7)  | (42.4)                               |
| Amortisation of acquired intangibles | 3    | (3.4)  | (2.3)                                |
| Share based payments                 |      | (0.5)  | (0.2)                                |
| Profit on disposal of subsidiary     | 25   | 14.7   | -                                    |
| Exceptional finance costs            | 3    | (2.9)  | (1.3)                                |
| <b>Profit / (loss) before tax</b>    |      | <b>11.3</b>                                  | <b>(37.4)</b>                        |

\*comparatives have been restated to treat share-based payments as an adjusting item.

### SUMMARY

Commentary on revenues and adjusted operating profits for the 18 months to 31 December 2014 ("the reporting period"), the previous statutory period for the year ended June 2013, and the years ended 31 December 2014 and 2013 are set out within the operating review.

In the context of the significant change managed across the business over the reporting period, these are good results. Revenue mix and momentum is improving, and the group has the potential to accelerate margin growth. The cash flow performance in the reporting period has been strong, with 110% of adjusted operating profits converting into operating cash flow. Net debt at 31 December 2014 was £14.7m compared to £19.5m at 30 June 2013.



The group set out new financial KPI targets in November 2014. These KPI targets were underlying revenue growth, adjusted operating profit margin, adjusted EPS and cash conversion. We are making good progress against each, and further detail is set out in this Financial Review and in the Operating Review.

### REVENUES

Revenues for the reporting period were £105.6m. In the previous statutory reporting period for the year ended 30 June 2013, reported revenues were £72.0m. Further information on the divisional revenue performance and the mix of revenues across paid-for content, live events and advertising is included in the Operating Review.

### OPERATING PROFIT

Adjusted operating profits for the reporting period were £11.7m, with an adjusted operating profit margin of 11.1%. In the previous statutory reporting period for the year ended 30 June 2013, adjusted operating profits were £10.0m with an adjusted operating profit margin of 13.9%. Further information on the divisional adjusted operating profit performance is included in the Operating Review.

Net adjusted operating expenses were £93.9m. In the previous statutory reporting period for the year ended 30 June 2013, net adjusted operating expenses were £62.0m. Employee related expenses in the reporting period were £40.5m (year ended 30 June 2013: £26.4m), with the average number of permanent employees during the reporting period at 584 (year ended 30 June 2013: 593).

Reported operating profits for the reporting period of £1.1m include a £3.4m charge for amortisation of intangible assets (year ended 30 June 2013: £2.3m), exceptional costs of £6.7m (year ended 30 June 2013: £3.2m) and share based payments of £0.5m (year ended 30 June 2013: £0.2m). In the previous statutory reporting period for the year ended 30 June 2013, the group reported an operating loss of £34.9m, which in addition to charges in respect of amortisation of intangible assets, exceptional costs and share based payments, included an impairment charge of £39.2m.

### ADJUSTING ITEMS

Adjusting items in the reporting period generated a profit before tax of £1.2m (year ended 30 June 2013: expense of £46.2m).

The disposal of Perfect Information in June 2014 generated a profit of £14.7m (year ended 30 June 2013: £nil).

Restructuring costs in the reporting period of £1.2m (year ended 30 June 2013: £3.1m) include redundancy costs of £0.9m (year ended 30 June 2013: £2.8m).

Other adjusting items include the charge for unwinding the remaining discount on the Econsultancy.com Limited deferred contingent consideration provision of £2.9m (year ended 30 June 2013: £1.3m), IFRS 3 earn-out charges of £5.0m (year ended 30 June 2013: £4.3m), an adjustment to the deferred contingent consideration balance of £nil (year ended 30 June 2013: credit of £5.4m), impairment of goodwill of £nil (year ended 30 June 2013: £39.2m), amortisation of acquired intangibles (not included in exceptional costs) of £3.4m (year ended 30 June 2013: £2.3m) and share based payments of £0.5m (year ended 30 June 2013: £0.2m). Other charges of £0.5m (year ended 30 June 2013: £1.2m) related to property consolidation, acquisition related costs and other exceptional items.

Further analysis on these costs is included in the Basis of Preparation section of the Statement of Accounting Policies.

### NET FINANCE COSTS

Adjusted net finance costs for the reporting period were £1.6m (year ended 30 June 2013: £1.2m). Net finance costs for the reporting period were £4.5m (year ended 30 June 2013: £2.5m). This includes the charge for unwinding the remaining discount on the Econsultancy.com Limited deferred contingent consideration provision of £2.9m (year ended 30 June 2013: £1.3m), which was accelerated as part of its early settlement in June 2014.

### SHARE BASED PAYMENTS

Share-based payment costs in the reporting period were £0.5m (year ended 30 June 2013: £0.2m). Share based payments have been included as an adjusting item in 2014 with the comparatives being restated. This presentation is consistent with a number of our quoted small cap peers, and better reflects how the performance of the business is monitored by the Board.

### TAXATION

A tax charge of £0.8m (year ended 30 June 2013: £1.0m) has been recognised for the reporting period. The adjusted tax charge was £2.1m (year ended 30 June 2013: £2.2m) giving an effective tax rate (compared to adjusted profit before tax) of 21% (year ended 30 June 2013: 25%). The fall in tax rate is due to the recent Finance Act which has meant that the company's profits are taxed in the UK at a blended rate of 22% (year ended 30 June 2013: 23.75%). Furthermore, as the Finance Act 2013 also included legislation to reduce the main rate of corporation tax from 21% to 20% from April 1 2015, and had been substantively enacted at the balance sheet date, the group's deferred tax balances arising in the UK are recorded at 20%.

### EARNINGS PER SHARE

The group has reported adjusted fully diluted earnings per share for the reporting period of 5.5p (year ended 30 June 2013: 4.6p). Fully diluted earnings per share for the reporting period were 7.2p (year ended 30 June 2013: loss per share of 27.3p). Full details of the earnings per share calculations can be found in note 7 to the Financial Statements. The treatment of share based payments as an adjusting item increases fully diluted earnings per share for the reporting period by 0.1p (year ended 30 June 2013: 0.1p).

### DIVIDEND

An interim dividend of 0.85p per share was paid in respect of the period July to December 2013 (July to December 2012: 0.825p). A second interim dividend of 1.7p per share was paid in respect of the period January to June 2014 (January to June 2013: 1.575p). A final dividend in respect of the period July to December 2014 of 1.3p per share (July to December 2013: 0.85p) is proposed by the Directors, giving a total dividend for the reporting period of 3.85p. In the previous statutory period for the year ended June 2013 the dividend was 2.4p. The final dividend in respect of the reporting period is subject to shareholder approval at the annual general meeting and will be paid on 29 May 2015 to all ordinary shareholders on the register at close of business on 8 May 2015.

The group has historically generated the majority of its earnings in the period from January to June. With the seasonality of earnings expected to reduce in the medium term, the Board is re-balancing the dividend payments for the periods January to June and July to December on an approximately equal basis. The second interim dividend declared for the six-month period to 30 June 2014 of 1.7p (2013: 1.575p) reflected the established larger weighting. The final dividend for the period July to December 2014 reflects the new weighting and is therefore higher than the previous smaller weighting for this period. The transition to more balanced dividend payments is therefore beneficial to shareholders.

Alongside the re-balancing of dividend payments, the group has adopted a progressive dividend strategy. Dividend cover in the reporting period was 1.4 times and it is intended to move above 2 times in the medium term.

## CASH FLOW

A summary of the group's cash flow in the reporting period, in the year ended 30 June 2013 and in the years ended 31 December 2014 and 2013 is set out below. The group generated free cash flow in the reporting period of £6.7m (year ended 30 June 2013: £2.2m). This improvement reflects the impact of growing subscriptions and events revenues together with an ongoing focus on working capital and capital expenditure. Movements in working capital have also benefited from a rent free period on the group's London office space. Adjusted cash conversion, measuring the ratio of operating cash flow to adjusted operating profits, was 110% in the reporting period (year ended 30 June 2013: 96%).

|                                  | 18 months ended<br>31 December<br>2014<br>Audited<br>£m | Year ended<br>30 June<br>2013*<br>Audited<br>£m | Year ended<br>31 December<br>2014<br>Unaudited<br>£m | Year ended<br>31 December<br>2013<br>Unaudited<br>£m |
|----------------------------------|---|---|--|--|
| <b>Adjusted cash flow</b>        |   |   |  |  |
| Adjusted operating profit        | 11.7  | 10.0  | 10.2   | 10.0   |
| Depreciation and amortisation    | 4.5   | 2.9   | 3.2  | 3.0  |
| Movement in working capital      | 3.2   | 1.1   | 2.6  | 2.4  |
| Capital expenditure              | (6.5)   | (4.4)   | (3.5)  | (5.5)  |
| <b>Operating cash flow</b>       | 12.9  | 9.6   | 12.5   | 9.9  |
| Cash impact of exceptional items | (1.9)   | (4.7)   | (0.9)  | (2.9)  |
| Taxation                         | (2.5)   | (1.3)   | (1.2)  | (2.0)  |
| Interest and finance leases      | (1.8)   | (1.4)   | (1.2)  | (1.3)  |
| <b>Free cash flow</b>            | 6.7   | 2.2   | 9.2  | 3.7  |
| Acquisitions                     | (19.6)  | (11.6)  | (16.8)   | (3.0)  |
| Disposals                        | 23.5  | -   | 23.5   | -  |
| Dividends                        | (5.8)   | (3.3)   | (3.6)  | (3.4)  |
| Share exercises                  | -   | 0.4   | -  | 0.2  |
| <b>Net cash flow</b>             | 4.8   | (12.3)  | 12.3   | (2.5)  |
| Opening net debt                 | (19.5)  | (7.2)   | (27.0)   | (24.5)   |
| <b>Closing net debt</b>          | (14.7)  | (19.5)  | (14.7)   | (27.0)   |

\*comparatives have been restated to treat share-based payments as an adjusting item

Capital expenditure in the reporting period was £6.5m. The cash impact of exceptional items included payments related to redundancy costs and vacant property provisions.

Acquisitions net of disposals generated a cash inflow of £3.9m in the reporting period (year ended 30 June 2013: cash outflow of £11.6m). This reflects the £23.2m net proceeds in respect of the disposal of Perfect Information offset by the £12.5m earn-out settlement for Econsultancy, and earn-out payments in respect of FEM and IPL.

Dividend payments in the reporting period were £5.8m.

## NET DEBT

Net debt at 31 December 2014 was £14.7m, £4.8m lower than the £19.5m reported as at 30 June 2013.

## FINANCING AND BANK COVENANTS

In 2012, the group agreed a four year £40.0m revolving credit facility, provided by RBS and Barclays. Following the disposal of Perfect Information in June 2014, the facility size was reduced to £25.0m. This facility runs to 31 March 2016. The principal financial covenants under the facility are: maximum net debt to EBITDA of 2.25 times, reducing to 2.0 times with effect from June 2015, and interest cover of at least 5 times. All covenants under the facility at 31 December 2014 and throughout the reporting period have been met. The group intends to refinance these facilities prior to the release of its interim results for the six month period to 30 June 2015.

## BALANCE SHEET

A summary of the group's balance sheet as at 31 December 2014, 31 December 2013 and 30 June 2013 is set out below.

|  | 31 December<br>2014<br>Audited<br>£m | 31 December<br>2013<br>Unaudited<br>£m | 30 June<br>2013<br>Audited<br>£m |
|--|--------------------------------------|--|----------------------------------|
| Goodwill and other intangible assets   | 109.9                                | 122.7                                  | 122.7                            |
| Property, plant and equipment          | 2.5                                  | 2.3                                    | 2.0                              |
| Deferred consideration on acquisitions | (1.1)                                | (11.7)                                 | (12.8)                           |
| Deferred income                        | (15.3)                               | (17.5)                                 | (14.3)                           |
| Other current assets and liabilities   | 6.4                                  | 9.7                                    | 5.0                              |
| Deferred taxation                      | (0.9)                                | (1.4)                                  | (1.5)                            |
| <b>Net assets before net debt</b>      | 101.5                                | 104.1                                  | 101.1                            |
| Net debt                               | (14.7)                               | (27.0)                                 | (19.5)                           |
| <b>Net assets</b>                      | 86.8                                 | 77.1                                   | 81.6                             |

The reduction in goodwill and other intangible assets between 30 June 2013 and 31 December 2014 of £12.8m comprises £8.9m and £2.0m of goodwill and intangibles respectively, disposed of on the sale of Perfect Information plus the normal amortisation charge for other intangible assets. There was no impairment of goodwill in the reporting period (year ended 30 June 2013: £39.2m). The other significant movement in the reporting period is an £11.7m reduction in the deferred consideration payable following the settlements of Econsultancy.com Limited (£12.5m in June 2014), Platforium (£4.2m in August 2014) and FEM (£2.9m in September 2013). Further details are included in note 19 to the financial statements.

The reduction in deferred income of £2.2m between 31 December 2014 and 31 December 2013 principally reflects the disposal of Perfect Information. Underlying deferred revenues, adjusted for this disposal were broadly flat and reflect the re-phasing of a number of events that ran in January to June in 2014 into the second half of the financial year in 2015. This is consistent with the expected reduction in seasonality of revenues and earnings in the medium term.

**ADDITIONAL INFORMATION (UNAUDITED)**

Recognising the change in the year end from 30 June to 31 December, we have considered it beneficial to include additional information in respect of the years ended 31 December 2014 and 2013. Further commentary is set out below.

**Revenue and adjusted operating profit**

Revenues and adjusted operating profits for the year ended 31 December 2014 were £72.8m (year ended 31 December 2013: £74.4m) and £10.2m (year ended 31 December 2013: £10.0m) respectively. While our reported results for the year ended 31 December 2014 are broadly in line with results reported in 2013, underlying trends across the business, when adjusted for the disposal of Perfect Information in June 2014, demonstrate significant improvement and growing momentum over this 12-month period.

**Adjusting items**

Adjusting items before tax in the year ended 31 December 2014 totalled a credit of £5.0m (year ended 31 December 2013: expense of £44.5m). In the year ended 31 December 2014, a non-core business, Perfect Information, was disposed of generating a profit of £14.7m and in the year ended 31 December 2013 there was an impairment of goodwill charge of £39.2m.

**Net finance costs**

Adjusted finance costs for the year ended 31 December 2014 were £1.0m (year ended 31 December 2013: £1.2m). The reduction in finance costs reflects the reduction in net debt following the disposal of Perfect Information and the settlement of the Econsultancy earn-out. Net finance costs for the year ended 31 December 2014 of £3.5m (year ended 31 December 2013: £2.3m) include a charge of £2.5m (year ended 31 December 2013: £1.2m) for unwinding the remaining discount on the Econsultancy.com Limited deferred contingent consideration provision which was accelerated as part of its early settlement in June 2014.

**Share based payments**

Share-based payments in the year ended 31 December 2014 increased to £0.4m (year ended 31 December 2013: £0.1m)

**Tax**

A tax charge of £1.0m has been recognised in the year ended 31 December 2014 (year ended 31 December 2013: £1.2m). The adjusted tax charge was £1.9m (year ended 31 December 2013: £1.9m) giving an effective tax rate (compared to adjusted profit before tax) of 21% (year ended 31 December 2013: 22%)

**Adjusted earnings per share**

Fully diluted adjusted earnings per share in the year ended 31 December 2014 were 5.0p (year ended 31 December 2013: 4.7p), an increase of 6%. The treatment of share based payments as an adjusting item increases fully diluted earnings per share in 2014 by 0.1p (year ended 31 December 2013: nil)

**Cash flow**

The group generated free cash flow in the year ended 31 December 2014 of £9.2m (year ended 31 December 2013: £3.7m). This improvement reflects the impact of growing subscriptions and events revenues together with an ongoing focus on working capital and controlled capital expenditure. Adjusted cash conversion, measuring the ratio of operating cash flow to adjusted operating profits, was 121% (year ended 31 December 2013: 99%)

**Dividend**

A second interim dividend of 1.7p per share was paid in respect of the period January to June 2014 (January to June 2013: 1.575p). A final dividend in respect of the period July to December 2014 of 1.3p per share (July to December 2013: 0.85p) is proposed by the Directors, giving a total dividend for the year ended 31 December 2014 of 3.0p (2013: 2.425p), an increase of 24%.

The second interim dividend declared for the six-month period to 30 June 2014 of 1.7p (2013: 1.575p) reflected the established larger weighting. The final dividend for the period July to December 2014 reflects the new weighting and is therefore higher than the previous smaller weighting for this period. The transition to more balanced dividend payments is therefore beneficial to shareholders. Dividend cover in the year to 31 December 2014 was 1.7 times (year ended 31 December 2013: 1.9 times)

**CONCLUSION**

The quality of the group's revenues and profits continues to improve, with live events and paid-for content revenues accounting for 67% of total revenues in the reporting period. These revenues are visible, recurring and generate strong upfront cash-flows.

The reduction in net debt to the £14.7m reported at 31 December 2014 reflects the ongoing discipline around capital expenditure and the management of working capital. It also reflects the impact of the sale of Perfect Information and the settlement of the Econsultancy earn-out in June 2014.

The operational changes across the business give us a platform which is efficient and scalable. With underlying revenues growing, I am encouraged by the opportunity to progressively increase adjusted operating margins.

**Mark Kerswell**

Group Finance Director  
10 March 2015

## PRINCIPAL RISKS & UNCERTAINTIES

The principal risks and uncertainties facing the group and the mitigating actions taken in relation to those risks include the following:

**Trends in print advertising and direct sales of print products mean that revenues from these sources continue to shrink and are not replaced like-for-like with online or digital products. The non-print media sector has high levels of competition from a wider group and low barriers to entry. This leads to different pressures on audience and customer retention as well as pricing.**

The strategy of identifying the type of content our audiences want and how they want to consume the content means that we are not simply putting print products online to try to replace diminishing print revenues for traditional brands. We launched more than 20 new products in 2014 and re-launched some of our traditional publications with the specific aim of meeting current and future demand from audience and advertisers. Our recently appointed Commercial Director has experience in new areas of the market, consistent with our policy to hire people with these experiences and skills.

**High levels of attrition amongst staff and loss of key staff lead to recruitment and training costs, loss of productivity, potential loss of clients and potential inability to deliver projects.**

All employees of the group have regular performance reviews at which personal and career development opportunities are discussed. All employees have access to training, share schemes and other benefits as well as incentive schemes. The group has conducted a staff engagement and satisfaction survey in 2014 and will repeat the survey in 2015 to ensure progress in this area is made and measured. Addressing levels of attrition is a KPI for managers' performance targets in 2015. During 2014, we have undertaken a full job evaluation exercise and benchmarked remuneration against the external media market place to inform managers on setting appropriate remuneration across the group to ensure we remain competitive within the market.

It is a focus of Portfolio Directors to ensure that client relationships are maintained as a team rather than by an individual, where possible. In addition, most senior employees enter into certain restrictive covenants upon starting employment with the group.

**Delays or inefficiencies in implementation of our IT infrastructure and system upgrades leads to issues with management of client relationships, exposes us to risk of systems failure and impedes our ability to use data to which we should have access to drive sales and assess performance.**

The group is engaged in several significant IT system upgrades due to be completed during 2015. The efficient and timely implementation of a new CRM and finance system, as well as cleansing and upgrading our databases, are key to delivery of the group's results. We have engaged a new IT Director and are investing in new roles in these areas. We have robust contracts with the consultants who are supporting implementation and are using internal teams to resource implementation where possible to reduce the risk of relying on third parties.

**Fraudulent or accidental breach of our security, insufficient security or ineffective operation of IT and data management systems leads to loss of confidential information, breach of data protection requirements, damage to our reputation or direct financial impact.**

The central group IT support function monitors and assists IT systems, including data management. 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. External access to data is protected and staff are instructed to minimise access to data and the sending of data lists, which are password protected or encrypted where appropriate. The group has a disaster recovery plan which includes its IT systems and there is regular back-up of data, which is stored off-site. A review of internal processes for accessing bank accounts remotely was undertaken during 2014.

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

Events are the responsibility of a specific team within the group who have experience and training in health and safety risks and responses. The group's own employees are always in attendance at our events. Wherever possible we ensure that contracts provide for liability to remain with venue operators who are best placed to manage the risks and we maintain insurance to cover our public liability.

**The group's products could be vulnerable to replication by competitors in the UK or other markets.**

The group has invested in creating an expert hub, entirely focused on digital product development. The business is led by experienced digital product experts and adequately resourced in terms of product expertise and personnel. The product pipeline is planned up to 12 months ahead, and progress against this schedule is reviewed fortnightly to take into account changes in customer requirements and business priorities.

**Changes to regulations and legal requirements restrict or burden the group's activities.**

Legal and regulatory matters are dealt with by our legally qualified Company Secretary appointed in 2014 or outsourced to our panel of respected legal firms. Our Company Secretary, supported by our lawyers and internal experts in employment and health and safety matters, is tasked with updating and advising the Board on changes to law and regulation that may affect the group's interests

**CORPORATE RESPONSIBILITY**

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 and the way we procure goods and services from third parties.

**ENVIRONMENT**

Operating in the media sector, our impact on the environment is less significant than that of companies operating in many other sectors. As our products are increasingly delivered digitally the use of consumable items such as paper and plastic is reducing over time. The move of all our London-based employees to a single location in Wells Street has meant that the group has been able to take advantage of consolidating building-related environmental impacts and benefitting from group sharing of items such as photocopiers. Centaur Media actively seeks to minimise adverse environmental impacts and to promote good environmental practices wherever possible. We do not have a company car policy or provide parking at our London office, but parking for bicycles is provided. Some of our other initiatives have included:

- adopting a policy of turning off equipment at the end of the day rather than leaving it on standby;
- use of energy-efficient light bulbs where appropriate;
- installation of motion sensors in offices to control lighting;
- analysing and adjusting the timing of boilers and chillers for the office air conditioning to increase energy efficiency;
- 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 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;
- increasingly validating the environmental credentials of suppliers (ISO14001);
- use of eco-friendly taxis and courier vehicles that are less than 3 years old;
- use of cyclist couriers where possible;
- provision of bicycle storage and cycle to work scheme; and
- encouraging staff to use public transport by provision of season ticket loans.

**CHARITABLE DONATIONS**

The group supports local communities and charitable organisations through direct fundraising, donation and pro-bono work. During the reporting period, our staff raised £13,000 for 2014's chosen charity, Great Ormond Street Hospital, and the group donated a further £10,000 through a matching commitment. £5,452 was also donated to MacMillan nurses in the reporting period. We have used our events to raise money from third parties including requesting donations in return for entry for awards and taking collections at the event. A total of £63,500 of charitable donations were made in this way during the year ended 31 December 2014 for charities including the Children's Trust, Cystic Fibrosis Trust, UK SEPSIS Trust, Refuge and Great Ormond Street Hospital. Every year, the group offers each employee a paid day off to spend volunteering for the non-for-profit cause or charity of their choice. We offer internship and work experience opportunities for people from a variety of backgrounds. The group is in the FTSE4Good Index, an independent body which measures the performance of all FTSE companies against a number of stringent social and environmental criteria.

**HEALTH AND SAFETY**

We are committed to the safety of our staff. 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 facilities manager is responsible for maintaining a safe environment for employees and an Accident Book is available to all staff in Reception. 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.

**EMISSIONS**

During 2014, we started the process of measuring our carbon footprint by monitoring our Energy Usage and we are pleased to confirm that we are compliant with the new EU Energy Efficiency Directive 'Energy Saving Opportunity Scheme' (ESOS).

The greenhouse gas ('GHG') emissions from our operations in the reporting period are set out below:

**18 months ended 31 December 2014 global GHG emissions data (tonnes of CO2e)**

| Emissions from:                     | Tonnes CO2    |
|-------------------------------------|---------------|
| Scope 1 (Gas, Fuel and Car Mileage) | 184.40        |
| Scope 2 (Electricity and Steam)     | 703.17        |
| <b>Total GHG emissions:</b>         | <b>887.57</b> |
| Average number of employees         | 584           |
| Emissions per employee              | 1.52          |

**DIVERSITY**

Centaur Media 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. Further information is included within the Directors' Report.

Two out of our six Board members are female (33%) and our workforce overall is 58% female and 42% male.

## CHAIRMAN'S OVERVIEW

Dear Shareholder,

This is my final review as Chairman of Centaur Media. I joined the Board in 2004 and in the last eleven years I have witnessed remarkable progress: the group floated on the stock market and has evolved from a portfolio of publishing brands to the multi-format content and media company that it is today, still with multiple market-leading brands.

In the tradition of an incumbent passing on some wise words to his successor, here are mine: in this industry, never stop changing. The media industry has transformed in ways that even the most foresighted of us could not have imagined a decade ago. I am delighted that in the last 18 months Centaur Media has been transforming. Under the leadership of Andria Vidler, the business has been re-energised and re-focused, and we are already seeing the results. From the orientation of the business around market portfolios to the creation of dedicated delivery teams we are beginning to deliver on our potential in this new media world. We are closer than we have ever been to our customers and to our audience.

My thanks go to Andria, her leadership team and everybody at Centaur Media who have worked so hard to re-launch Centaur Media's business. We have seen the results in the team, and we are starting to see the results in the numbers too.

### Reporting Period

This Annual Report covers the statutory reporting period which is the 18 months to 31 December 2014 ("the reporting period"). The Annual Report for the previous statutory reporting period covered the financial year ended 30 June 2013. The change in the group's financial year end from 30 June to 31 December was made to reflect the seasonality of the business and to align the group's financial year-end with the majority of its peers. Commentary throughout this Annual Report reflects the performance in the reporting period and where considered beneficial, we have included additional unaudited information for the years ended 31 December 2014 and 2013.

### Governance

In this governance section of the Annual Report we detail Centaur Media's commitment to operating ethically and in line with the very best corporate governance practices and explain how we achieve this as well as giving details of the group's approach to remuneration. Accountability, integrity and visibility are key operating tenets for any modern business and at Centaur Media we have established practices to ensure that the group is run in such a way. The Board is responsible for overseeing the strategic development of the group, setting its vision and values, identifying and assessing risks, ensuring the health and safety of our people and working to alleviate any negative environmental or social impact arising from our operations. In addition, the Board reviews the performance of Executive Directors in realising our vision and values, whilst delivering results that represent the best possible outcome for shareholders.

### Changes to the Board

Throughout the reporting period, the Board has comprised six members; at the beginning of the period this included a single Executive Director, Mark Kerswell, who acted as interim Chief Executive as well as Group Finance Director prior to Andria's appointment in November 2013. I personally thank Mark for taking on these responsibilities while we recruited a permanent Chief Executive.

In November 2013 Colin Morrison stepped down from the Board as Non-Executive Director and Andria Vidler joined as Chief Executive. At the same time, Chris Satterthwaite took over the role of Chairman of the Nomination Committee from me, and Rebecca Miskin became Chairman of the Remuneration Committee.

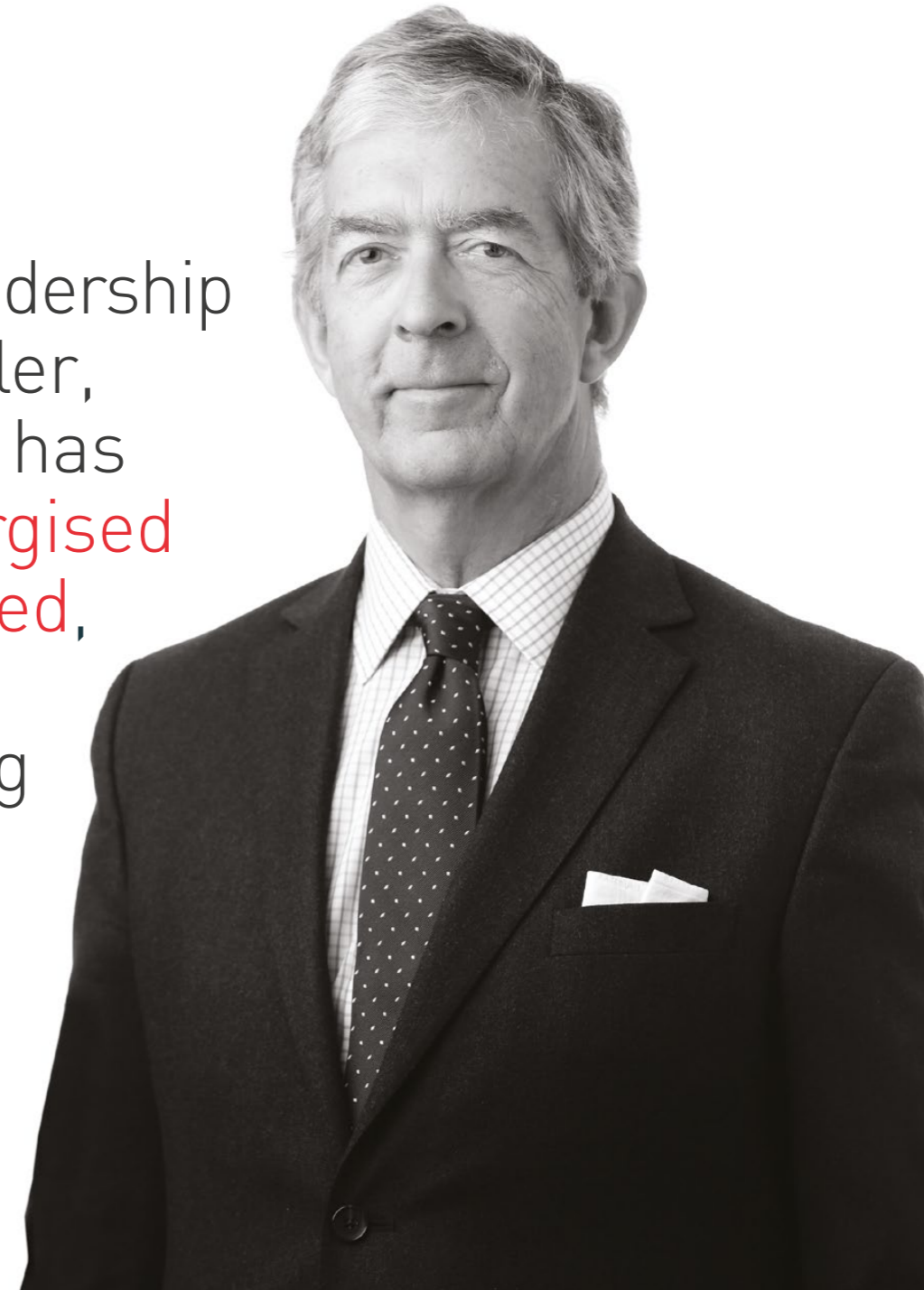
These changes to the Board reflect the group's commitment to putting in place the right balance of skills and experience to support Centaur Media's future. With the quality of people that we have on the Board and across the senior management team, all working together to deliver against a robust strategy, I am certain progress from here will be substantial.

I am proud to leave this business in better shape than I have known it for many years. I am greatly encouraged by the quality of the management team Andria has established, by their unity of purpose and by the excitement they show for the opportunity ahead of them. With Andria's leadership, I am confident that Centaur Media is in good hands; that the group's customers will always be front of mind; and that a platform for real growth in the business has now been created.

### Patrick Taylor

Chairman  
10 March 2015

Under the leadership of Andria Vidler, the business has been re-energised and re-focused, and we are already seeing the results



**BOARD OF DIRECTORS**

**1 Patrick Taylor**  
Chairman

Patrick was formerly Chief Executive of GWR Group Plc, the UK's largest commercial radio group as ranked by licences and audiences. Before joining GWR, Patrick was Group Finance Director of Capital Radio Plc. A qualified Chartered Accountant, Patrick began his career at Coopers & Lybrand and became a partner with the practice in 1980, specialising in corporate finance. Patrick became Chairman of Centaur Media Plc in December 2009.

**2 Christopher Satterthwaite**  
Senior Non-Executive Director

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

**3 Robert Boyle**  
Non-Executive Director

Robert, a qualified Chartered Accountant, was a partner of PricewaterhouseCoopers LLP, where he was Chairman of the PwC European Entertainment and Media Practice for twelve years, retiring in 2006. He is a Non-Executive Director, and Chairman of the Audit Committee, of Maxis Berhad (in Malaysia), Witan Investment Trust Plc and Prosperity Voskhod Fund Limited (an AIM listed company).

**4 Rebecca Miskin**  
Non-Executive Director

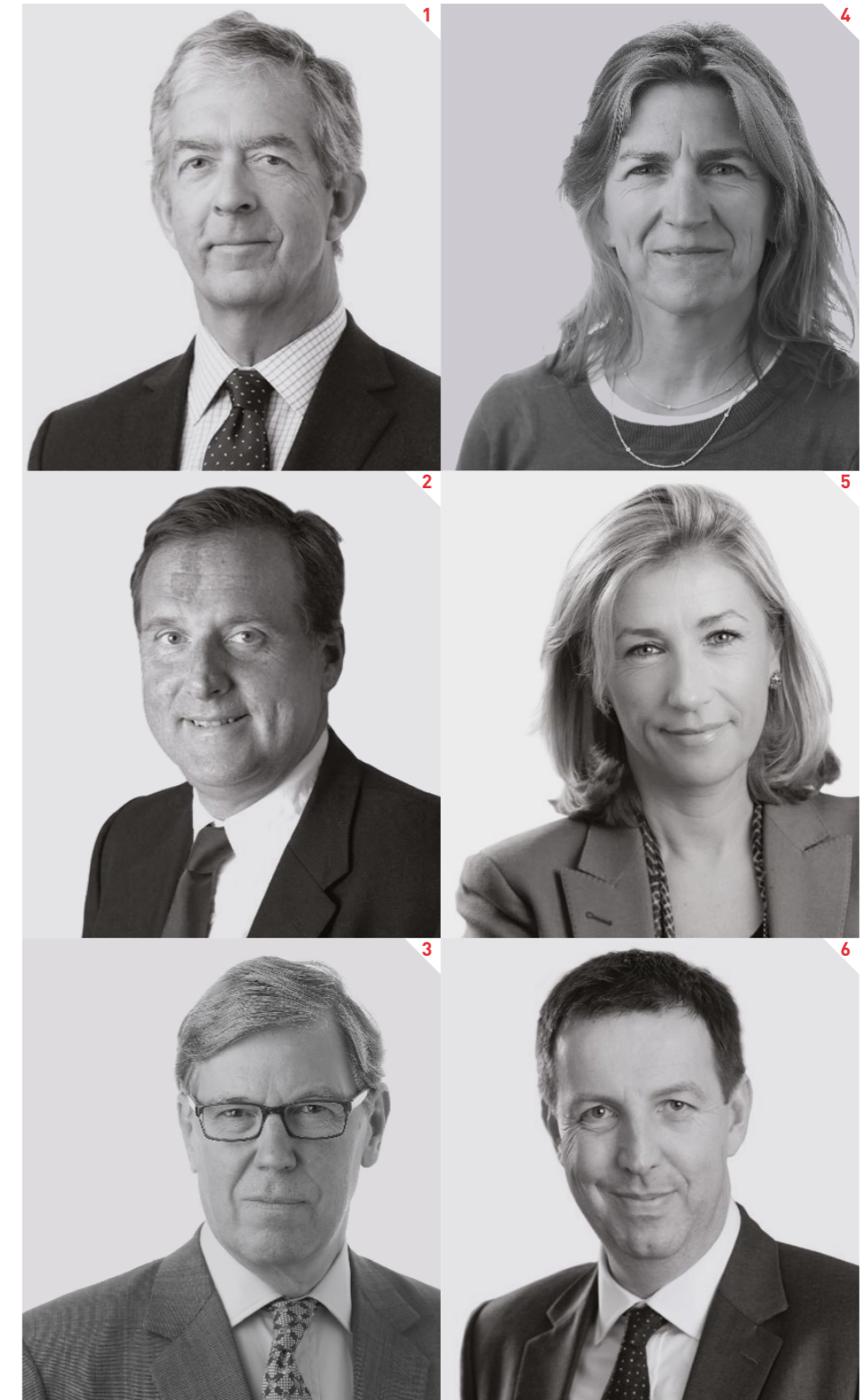
A digital media and product development expert, Rebecca most recently worked at Hearst Magazines UK to develop digital strategies across all brands in UK. Rebecca joined Hearst Magazines UK from NBC Universal in the US where, as General Manager for iVillage Networks, she was responsible for editorial oversight, product development strategy and maximising partnerships for the company's core digital sites. Rebecca began her career in media at Reed Elsevier as Director of Europe, then became the first international publisher of IPC Media, set up IPC Media's Content & Licensing division and was responsible for all digital revenues.

**5 Andria Vidler**  
Chief Executive Officer

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

**6 Mark Kerswell**  
Group Finance Director

Mark joined Centaur Media in 2011 as Group Finance Director. Mark has held international financial and operational roles in a range of business information, publishing, conferences and exhibitions groups. From 2005 he worked initially as Deputy Finance Director and subsequently as Chief Operating Officer at Informa Plc, with responsibilities including corporate finance, investor relations, strategy and business integration. From 1996 to 2005 he worked at IIR, an international conferences and exhibitions business, and was appointed Group Finance Director in 2000. Between May and October 2013 Mark served as Centaur Media's interim Chief Executive. Mark is a qualified Chartered Accountant.



**OPERATING BOARD**

In addition to the Chief Executive and Group Finance Director, the Operating Board comprises two Divisional Managing Directors, the Group Commercial Director, Group HR Director and General Counsel and Company Secretary. The biographies of the Operating Board are set out below:

**1 Andrew Evans**  
Divisional Managing Director

Andrew has 28 years exhibition and event experience working in trade and consumer fields. During this time, he has been responsible for the development of some of the UK's largest trade fairs as well as numerous event launches into new markets. Andrew has worked across both UK and international platforms, having developed his career through Montgomery Exhibitions, Brintex, Reed Exhibitions, Fresh RM and Brand Events. Andrew joined Centaur Media in September 2011 from Brand Events where as Chief Operating Officer he helped to build a global business in eight countries with leading brands such as Taste Festivals and Top Gear Live. He was appointed Divisional Managing Director of Centaur Live in February 2014.

**2 Simon Middelboe**  
Divisional Managing Director

Simon has worked in B2B for more than 30 years, and has extensive operational management experience of all areas of the media, and across multiple market sectors. From 2005, he was on the board of Emap Communications (now Top Right Group) and was part of the senior management team that led the sale of the business to Apax-GMG in 2007, subsequently becoming Chief Executive of the company's B2B publishing operation. Simon joined Centaur Media in August 2011 to build the group's digital paid-for content activities. He was appointed Divisional Managing Director in February 2014.

**3 Steve McLaughlin**  
Group Commercial Director

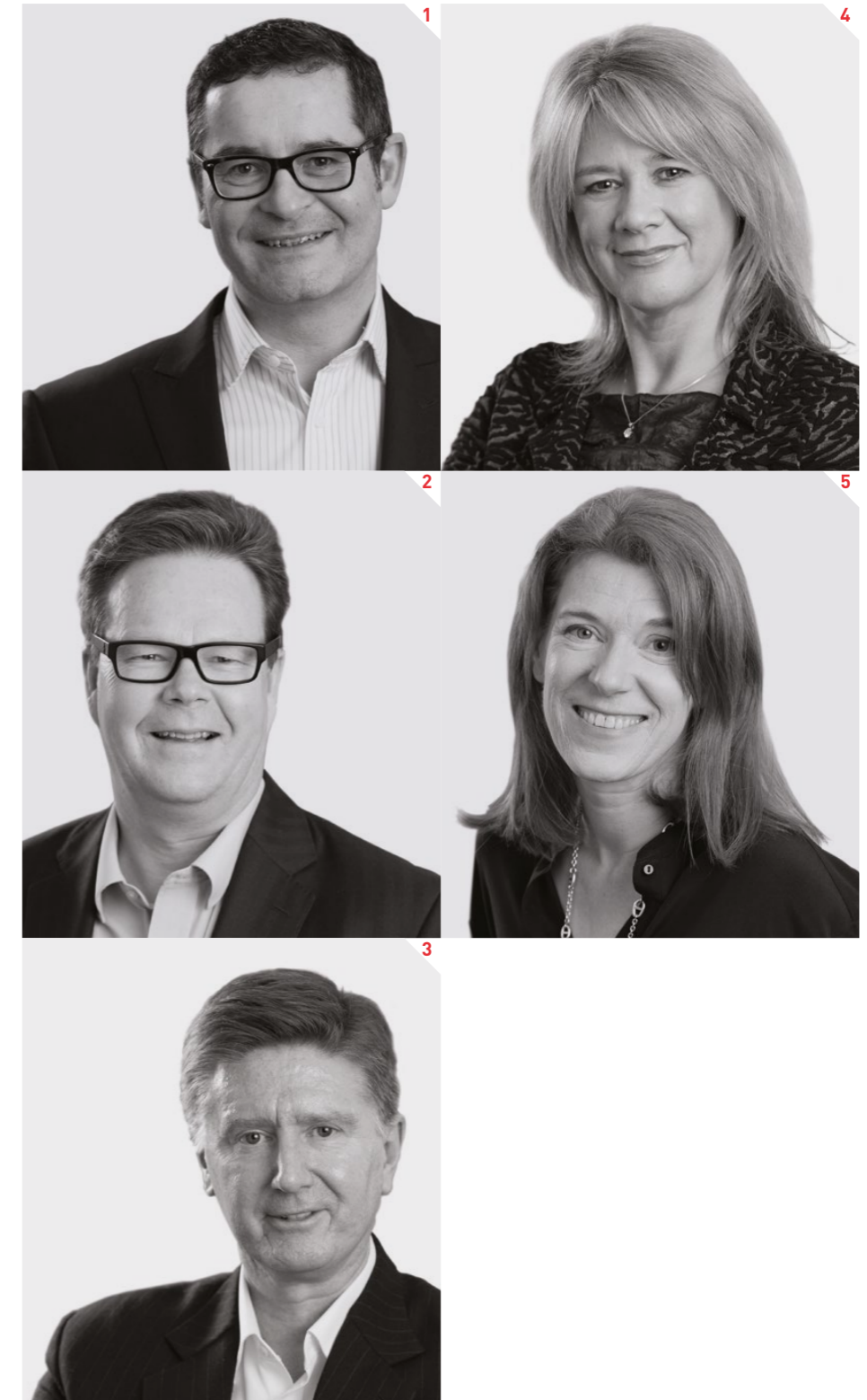
Steve was appointed as Group Commercial Director in January 2015. Most recently Steve has been Chief Executive of ICS Learning, a market leading education technology business where he turned around the company's fortunes from loss to profit within 2 years. Prior to that Steve was Chief Commercial Officer for the Telegraph Media Group building a strong data capability whilst also being the architect of their new digital strategy and delivering new revenue streams to the group.

**4 Kathleen Jones**  
Group HR Director

Kathleen was appointed as the group's HR Director in November 2012. Her early career in branch banking with TSB led to Kathleen specialising in training and development and in turn management development and HR business partnering with Lloyds TSB. Kathleen broadened her HR and commercial experience through a number of senior positions including Head of HR for the Multinational division within Marsh, a global insurance broker. She undertook consultancy work in DEFRA before returning to financial services in 2010, becoming the HR business partner for the Retail Consumer Distribution division of RBS and NatWest.

**5 Grainne Brankin**  
General Counsel and Company Secretary

Grainne has been with Centaur Media since July 2014 and is General Counsel as well as Company Secretary. Prior to joining Centaur Media, Grainne was General Counsel at CBS Outdoor International where she was part of the management team delivering a successful sale of the division by CBS Corp. to Platinum Equity. Grainne had previously worked for 8 years at Yahoo!'s EMEA HQ in London and then Switzerland. Grainne qualified at Clifford Chance in London and worked at law firm Bird & Bird before joining Yahoo!. She has undertaken a broad range of corporate and commercial work in Europe and the USA within media, telecoms and technology industries.





## DIRECTORS' REPORT

The Directors of Centaur Media Plc (the "company" and "the group"), a company incorporated and domiciled in the United Kingdom, present their report on the affairs of the group together with the audited consolidated financial statements for the 18 months to 31 December 2014 ("the reporting period").

Details of significant events since the balance sheet date are contained in note 31 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 Chief Executive's Review is set out on pages 8 to 12. The Strategic Report on pages 13 to 41 sets out a summary of the group's strategic objectives, business model, key performance measures, operating and financial reviews, principal risks and uncertainties 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 40.

### RESEARCH AND DEVELOPMENT ACTIVITIES

The group invests in systems and website development activities. Further details are set out in the Statement of Accounting Policies and note 9 to the financial statements.

### DIVIDENDS

A final dividend in respect of the period July to December 2014 of 1.3 p per share (July to December 2013: 0.85p) is proposed by the Directors, and subject to shareholder approval at the Annual General Meeting, will be paid on 29 May 2015 to ordinary shareholders on the register at the close of business on 8 May 2015. With the two interim dividends of 0.85p and 1.7p per share this will make a total dividend for the reporting period of 3.85 p per share (12 months to 30 June 2013: 2.4p).

### SHARE CAPITAL AND SUBSTANTIAL SHAREHOLDINGS

Details of the share capital are set out in note 21 to the financial statements. As at 31 December 2014, notifications of interests at or above 3% in the issued voting share capital of the Company had been received from the following:

|   | 31 December<br>2014 | 30 June<br>2013 |
|---|---------------------|-----------------|
| Aberforth Partners LLP <sup>†</sup>     | 23.99%              | 20.90%          |
| Artemis Investment Management           | 13.88%              | 12.89%          |
| Old Mutual Global investors             | 7.80%               | -               |
| Ibis Capital Partners                   | 6.39%               | 3.67%           |
| Graham Sherren (inc spouse)             | 5.76%               | 7.22%           |
| Jupiter Asset Management                | 5.47%               | 9.68%           |
| Standard Life Investments               | 5.32%               | -               |
| River & Mercantile Asset Management LLP | 4.30%               | 8.28%           |
| Chelverton Asset Management             | 3.93%               | 0.38%           |
| Legal & General Group PLC               | 2.64%               | 7.11%           |

<sup>†</sup> This includes Wellcome Trust Limited which is managed by Aberforth Partners LLP

During the period between 31 December 2014 and 10 March 2015 the company did not receive any notifications under Chapter 5 of the Disclosure and Transparency Rules.

At 10 March 2015 6,535,973 (30 June 2013: 7,318,291) 10p ordinary shares are held in treasury, representing 4.35% (30 June 2013: 4.87%) of the issued share capital of the company as at 31 December 2014. 800,000 deferred shares of 10p each carry restricted voting rights and carry no right to receive a dividend payment. The movement in treasury shares during the period is due to the exercise of share options.

### DIRECTORS AND DIRECTORS' INTERESTS

The Directors of the company during the period and to the date of this report are detailed on the page below. All directors served from 1 July 2013 unless otherwise stated. The Board have decided to continue observing best practice by offering themselves for re-election annually but Patrick Taylor will not stand for re-election at the next annual general meeting due to his retirement from the Board.

|  | Number of<br>ordinary<br>shares<br>held at<br>1 July<br>2013 | Shares<br>acquired<br>during<br>the year | Shares<br>disposed of<br>during<br>the year | Number of<br>ordinary<br>shares<br>held at<br>31 December<br>2014* |
|--|--|--|---|--|
| Patrick Taylor                             | 750,000  | 50,000                                   | -   | 800,000  |
| Chris Satterthwaite                        | 95,942   | -  | -   | 95,942   |
| Colin Morrison (resigned 13 November 2013) | 455,000  | -  | -   | 455,000  |
| Robert Boyle                               | 80,000   | -  | -   | 80,000   |
| Rebecca Miskin                             | -  | -  | -   | -  |
| Mark Kerswell                              | 120,000  | 213,108                                  | -   | 333,108  |
| Andria Vidler (appointed 4 November 2013)  | -  | 91,849                                   | -   | 91,849   |

\*Or date of resignation if earlier

The Directors' interests in share options, long-term incentive plans and the share save plan are disclosed in the Directors' Report on Remuneration on pages 64 and 83.

### QUALIFYING THIRD PARTY INDEMNITY PROVISIONS

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

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

### PAYMENT OF CREDITORS

It is the group's policy to agree credit arrangements with suppliers as part of the general terms of supply. Payment is then made in accordance with these terms provided the goods and services have been delivered in accordance with the agreed terms and conditions. The number and diversity of supply relationships means the group pursues no formal code or policy beyond this. Trade creditors of the group at 31 December 2014 were equivalent to 6 (30 June 2013: 17) days' purchases. The company had no trade payables at 31 December 2014 or 30 June 2013.

### CHARITABLE AND POLITICAL DONATIONS

During the reporting period the group donated to its nominated charities as follows.

- Cancer Research - £nil (12 months to 30 June 2013: £3,571)
- MacMillan Nurses - £5,452 (12 months to 30 June 2013: £5,000)
- Great Ormond Street Hospital - £10,000 (12 months to 30 June 2013: £nil)

No political donations were made (12 months to 30 June 2013: 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 Operating Board. In addition, the share incentive plan as described in note 22 encourages employees' participation in the group's performance.

All employees are regularly briefed on the group's performance and new initiatives through our regular all-staff newsletter from the Chief Executive, monthly town hall meetings and management cascade communication.

### SIGNIFICANT AGREEMENTS

The group's bank facility agreement, referred to in note 26 to the financial statements, is a significant agreement that is terminable on a change of control of the company. In addition awards under certain of the long-term incentive plans, details of which are set out in note 22, will vest or may be exchanged for awards of a purchaser's shares, upon a change of control of the company.

### CONFLICTS OF INTEREST

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

### FINANCIAL INSTRUMENTS

A statement in relation to the use of financial instruments by the group is shown in note 26 to the financial statements.

### 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 Accounts, where applicable, under LR 9.8.4, is set out in this Directors' report, with the exception of details of transactions with controlling shareholders which are set out on page 131 (note 21 to the accounts).

### 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.

Net debt at 31 December 2014 amounted to £14.7m (30 June 2013: £19.5m). In 2012, the group agreed a four-year £40.0m revolving credit facility, provided by RBS and Barclays. Following the disposal of Perfect Information in June 2014, the facility size was reduced to £25.0m and the term of the facility was extended to 31 March 2016. The continuing strength of the group's cash generation is reflected in the 110% conversion of adjusted operating profits into operating cash flow during the reporting period.

The group has net current liabilities, which arise normally from its high levels of deferred income. An assessment of cash flows for at least the next 12 months has indicated an expected level of cash generation which would be sufficient to allow the group to fully satisfy its working capital requirements, to cover all principal areas of expenditure including maintenance capital expenditure and taxation during this period and to meet interest payments, as they fall due, and the financial covenants under the revolving credit facility.

## DIRECTORS' STATEMENT OF CORPORATE GOVERNANCE

The Board is committed to high standards of corporate governance and supports the UK Corporate Governance Code (September 2012). The Board sets out below its report on how the group has applied the principles of, and complied with, the UK Corporate Governance Code during the reporting period.

### COMPLIANCE STATEMENT

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

### THE BOARD

During the first part of the reporting period (from July 2013 to 13 November 2013 when Colin Morrison did not offer himself for re-election at the AGM) the Board comprised one Executive Director (Group Finance Director and interim Chief Executive) and five Non-Executive Directors. As at 31 December 2014 the Board had four Non-Executive Directors and two Executive Directors (Chief Executive and Group Finance Director). Biographies for each currently serving director are shown on page 44. 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. The Chairman of the Board is Patrick Taylor, an independent Non-Executive Director, who leads the Board and ensures that both Executive and Non-Executive Directors make available sufficient time to carry out their duties in an appropriate manner, that all directors receive sufficient financial and operational information and that there is proper debate at Board meetings. The Board is responsible for the leadership of the company and the group, and in discharging that responsibility it makes decisions objectively and in the best interests of the group. The Board sets the vision, values and standards for the group. The balance of the Board, together with the advice sought from the Operating Board 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 Group Finance Director and Operating Board, 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 Non-Executive Director is Chris Satterthwaite who is also the Chairman of the Nominations Committee and a member of the Audit Committee. The Company Secretary is Grainne Brankin, who is also General Counsel. The Company Secretary assists the Chairman in ensuring there is efficient communication between all directors, the committees and senior management, as well as professional development for directors. Independent advisors including lawyers, remuneration specialists and external auditors are available to advise the Non-Executive Directors at the company's expense. All the Non-Executive Directors consider themselves to be independent. Committee meetings are held independently of Board meetings and invitations to attend are extended by the Committee Chairman to other directors, the group's advisors and management as appropriate. The terms of reference of the Audit Committee, the Nomination Committee and the Remuneration Committee, including their roles and the authority delegated to them by the Board, are available on request from the Company Secretary and will be available at the AGM.

### BOARD MEETINGS

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

|   | Board Role                  | Audit Committee      | Remuneration Committee | Nomination Committee |
|---|-----------------------------|----------------------|------------------------|----------------------|
| Patrick Taylor                                  | Chairman                    | Member from Nov 2013 | -                      | Member               |
| Chris Satterthwaite                             | Senior Independent Director | Member to Nov 2013   | Member                 | Chairman             |
| Robert Boyle                                    | Non-Executive Director      | Chairman             | Member                 | Member from Nov 2013 |
| Rebecca Miskin                                  | Non-Executive Director      | Member from Nov 2013 | Chairman from Nov 2013 | Member               |
| Colin Morrison (resigned Nov 2013)              | Non-Executive Director      | Member               | Chairman               | Member               |
| Andria Vidler <sup>6</sup> (appointed Nov 2013) | Chief Executive             | -                    | -                      | -                    |
| Mark Kerswell                                   | Group Finance Director      | -                    | -                      | -                    |

<sup>6</sup> Andria Vidler's married surname is Gibb and she appears as Andria Gibb on records kept by Companies House.

The number of scheduled full Board meetings and Committee meetings during the reporting period 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: | 18                |  | 6                 |   | 8                      |  | 5                    |                             |
| Patrick Taylor           | 18                | 18                                       | 5                 | 5<br><small>(appointed Nov 2013)</small>      | -                      | -  | 5                    | 5                           |
| Chris Satterthwaite      | 17                | 18                                       | 1                 | 1<br><small>(left committee Nov 2013)</small> | 7                      | 8  | 4                    | 5                           |
| Robert Boyle             | 14                | 18                                       | 6                 | 6   | 4                      | 4<br><small>(appointed Nov 2013)</small> | -                    | -                           |
| Rebecca Miskin           | 16                | 18                                       | 5                 | 5<br><small>(appointed Nov 2013)</small>      | 8                      | 8  | 5                    | 5                           |
| Colin Morrison           | 6                 | 10<br><small>(resigned Nov 2013)</small> | 0                 | 1   | 4                      | 4  | 4                    | 4                           |
| Andria Vidler            | 9                 | 9<br><small>(appointed Nov 2013)</small> | -                 | -   | -                      | -  | -                    | -                           |
| Mark Kerswell            | 17                | 18                                       | -                 | -   | -                      | -  | -                    | -                           |

The number of full Board Meetings in the table includes meetings held by telephone on short notice for a specific purpose. If a director is unable to attend a meeting they are provided with the same level of information as the other directors in advance of the meeting and given the opportunity to express their 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 reporting period:

- Review of financial performance against budget and prior year;
- Review of group strategy and objectives for the Executive Directors;
- Review and approval of budgets;
- Review of group key performance indicators;
- Review of acquisition targets and strategic disposals;
- Approval of financial reports and communication to shareholders and investors; and
- Approval of the group’s internal control policy, including an assessment of the risk 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 offered training presentations in relation to directors’ duties to the Board during 2014 and 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 Operating Board. Throughout the reporting period, the Operating Board was the primary body implementing operational management across the group. The role of the Operating Board 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;
- Business transformation and change management.

The biographies of the members of the Operating Board are set out on page 44. Supporting the Operating Board 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 at the time of results announcements. The Senior Independent Non-Executive Director is also available should any shareholder wish to draw any matters to his attention. The Directors are available for comment throughout the year and at all General Meetings of the company. Centaur Media values the views of its shareholders and recognises their interest in the company’s strategy and performance, Board membership and quality of management. The group therefore has an active programme to meet and make presentations to its current and potential shareholders to discuss its objectives. The AGM is used to communicate with investors and they are encouraged to attend the AGM and to participate in proceedings formally or sharing their views with Board members informally after the meeting. The Chairmen of the Audit, Remuneration and Nomination Committees are available to answer questions. Separate resolutions are proposed on each issue so that they can be given proper consideration and there is

a resolution to approve the annual report and accounts. 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 at [www.centaur.co.uk](http://www.centaur.co.uk).

#### 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 Operating Board and is reviewed by the Audit Committee every six months with appropriate mitigation actions also being reported to and overseen by the Committee.

The principal risks facing the group, with associated mitigating controls are detailed on page 38 within the Strategic Report.

#### 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 and whistleblowing, 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 41.

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.

#### 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 41.

#### FRAUD

Whilst the group cannot guarantee to prevent fraud, the internal control framework is in place to reduce the likelihood of fraud arising. The group also ensures that all employees are aware of the whistleblowing policy should any individual become aware of any incidence of fraud.

#### DIRECTORS' CONFLICTS

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

#### BRIBERY ACT 2010

In response to the Bribery Act 2010, the Board performed a risk assessment across the group and formalised its policy to prevent bribery. The Board has in place processes to prevent corruption or unethical behaviour. The policy explains what is considered a bribe or facilitation payment, which are prohibited, and provides guidance over the levels of gifts, entertainment and hospitality that are considered reasonable. This documentation has been circulated to all staff. Training has been mandatory for those groups of employees identified and is available as required to new joiners. The group's policy was communicated to all appropriate third parties. It is re-communicated to staff on an annual basis. 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, a whistleblowing policy is annually re-communicated to all staff. This 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 period.

#### CAPITAL STRUCTURE

Information on the share capital structure is included in the Directors' Report on page 48.

Approved by the Board of Directors and signed on behalf of the Board.

#### Grainne Brankin

Company Secretary  
10 March 2015

## AUDIT COMMITTEE REPORT

Dear Shareholder,

I am pleased to present the report of the Audit Committee for the 18 months to 31 December 2014 ("the reporting period"). This report details the Audit Committee's on-going responsibilities and key activities over the period. The role of the Committee is to review and report 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. The Audit Committee receives regular reports from management on performance and risk management as well as input from the auditor. The Executive Directors, representatives of the auditors and other group executives including legal counsel regularly attend meetings at the invitation of the Committee. At least once during the year, the Committee meets separately with the external auditors and with management and as Chairman I am in regular direct contact with the external auditors and with the Group Finance Director.

During the reporting period, the Audit Committee's composition changed due to Colin Morrison stepping down from Centaur Media Plc's Board at the last AGM in November 2013. At that time Chris Satterthwaite also left the committee and Rebecca Miskin and Patrick Taylor joined. For the remainder of the reporting period, the Committee comprised Robert Boyle (Chairman), Patrick Taylor and Rebecca Miskin.

### 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 significant financial reporting judgements contained in them;
- Review and monitor the external auditors' independence and objectivity and the effectiveness of the audit process, taking into consideration relevant UK professional and regulatory requirements;
- Review and assess the annual report in order to determine that it can advise the Board that, taken as a whole, the annual report is fair, balanced and understandable and provides shareholders with the information they need to assess the company's performance, business model and strategy as required by provision C.1.1 of the Code;
- Make recommendations to the Board in relation to the appointment of the external auditors and to approve the remuneration and terms of engagement of the external auditors;
- 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 finance 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.

## FINANCIAL STATEMENTS

During the reporting period 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 Group Finance Director to discuss the results and performance of the business;
- Received reports from management on the internal controls covering the financial reporting process;
- Reviewed and agreed the external auditors' audit strategy in advance of their audit for the reporting period;
- Discussed the report received from the external auditors regarding their audit in respect of the reporting period, which included comments on significant financial reporting judgements and their findings on internal controls; and
- Reviewed and discussed with management and the Group Finance Director each formal announcement made by the group.

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

### Carrying value of goodwill and intangible assets

The Audit Committee has reviewed management's assessment of the recoverability of the group's goodwill and intangible assets and whether there is a need for any resulting impairment. The recoverable amount of goodwill has been determined through value in use calculations of each cash-generating unit ('CGU') based on formally approved forecasts for the first three years of the value-in-use calculation and applying a terminal growth rate of 2.25%.

Being mindful of the impairment recognised in the year to 30 June 2013 the Audit Committee paid particular attention to the judgements and assumptions used in forecast cash flows, particularly around revenue, EBITDA margin and growth rates. The Audit Committee focused its challenge across the financial and professional segments where headroom is lowest. Having also considered the CGU's historical budgeting performance and the sensitivities performed, the Audit Committee was satisfied that the value in use calculation reflects management's best estimate and that no impairment was required. 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 8 to the financial statements.

### Adjusting items

The Audit Committee has challenged management over recent financial reporting periods with regard to the presentation of exceptional items and is pleased to see these are expected to reduce with the completion of the restructuring project during the reporting period and settlement of all bar one of the earn-out arrangements.

The Committee assesses the appropriateness of items disclosed as adjusting and the impact these have on the quality of the group's underlying earnings. The Committee has specifically reviewed the treatment of share-based payments as a new adjusting item in the reporting period (with prior year restatement), and is satisfied that this treatment is consistent with the approach adopted by other quoted small cap peers, and is adequately disclosed.

Further details on adjusting items are included in the Statement of Accounting Policies in the financial statements.

The Audit Committee has also considered the presentation of the profit on disposal of Perfect Information, which whilst not judgemental in nature, is material and one-off in its presentation in the financial statements.

#### GOING CONCERN

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. As a result of the disposal of Perfect Information in the reporting period, the group's liquidity has been enhanced and gearing reduced. Headroom on all covenants has increased. The existing finance facilities have been extended to 31 March 2016 to allow the Board to fulfil its responsibilities with regards to going concern and renewal will be negotiated in spring 2015. On this basis the Committee is satisfied that the adoption of the going concern basis 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. The Audit 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). Throughout the reporting period, the group has reviewed the process for compilation of its risk register. The Audit Committee has overseen this review and the resulting changes to internal control systems.

#### RISK OF FRAUD

The Audit Committee considered the risk of fraud in the business, and through its review of the effectiveness of internal controls and reporting from management concluded that adequate controls were in place.

#### WHISTLEBLOWING

The Audit 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 57.

#### KEY ISSUES

Other significant issues monitored and approved by the Committee following appropriate presentations during the reporting period were:

- Selection of new finance system software for the group and adoption of a plan to implement this during 2015;
- Review of data protection policies and compliance;
- Review of business continuity plans and the results of related testing;
- Implementation of a revised authority framework;
- Review of internal procedures for managing security of banking administration;
- Review of the draft circular documents with respect to the Perfect Information disposal; and
- Monitoring the roll out of anti-bribery training.

#### INTERNAL AUDIT

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

#### EXTERNAL AUDIT

The external auditors, PricewaterhouseCoopers LLP, were appointed in 2004 and no formal retender process has been conducted since this time.

The Audit Committee monitors the external audit process to ensure high standards of quality and effectiveness. This was assessed throughout the reporting period using a number of measures, including:

- Reviewing the quality and scope of planning of the audit and the level of fees; and;
- Obtaining feedback from management and directors on the quality of the audit team, their business understanding and audit approach.

The Audit Committee considered the independence and objectivity of the external auditors through a careful review of their terms of engagement, scope of work and level of fees. This included reviewing the nature and extent of non-audit services supplied by the external auditors to the group, seeking to balance objectivity and value for money.

The external auditors are excluded from providing services where there could be a threat to their independence. Prior approval from the Audit Committee has been required where non-audit fees exceed twice the annual audit fee. This policy will be brought into line with new regulations in 2015.

During the reporting period, PricewaterhouseCoopers LLP provided non-audit services to the group in respect of taxation compliance and advisory, corporate finance and other assurance services. The Audit Committee is satisfied that adequate safeguards were established to mitigate independence threats and there has been no impairment of their objectivity and independence. It is anticipated that the level of non-audit fees will fall in 2015. Please refer to note 2 of the financial statements for fees paid to PricewaterhouseCoopers LLP during the reporting period. The external auditor's report to the directors and the Audit Committee confirmed their independence in accordance with auditing standards.

#### SELF ASSESSMENT

During the period the Audit Committee performed a formal, questionnaire based self-assessment 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 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

The Committee recommended to the Board that a resolution be proposed at the Annual General Meeting for the re-appointment as auditors of PricewaterhouseCoopers LLP.

#### Robert Boyle

Chairman of the Audit Committee

10 March 2015

## NOMINATION COMMITTEE REPORT

Dear Shareholder,

I am pleased to present the report of the Nomination Committee for the 18 months to 31 December 2014 ("the reporting period"). This report details the Committee's on-going responsibilities and key activities over the period.

During the reporting period, the Nomination Committee's composition changed due to Colin Morrison stepping down from Centaur Media Plc's Board at the last AGM in November 2013, at which time Chris Satterthwaite became Chairman of the Committee and for the rest of the reporting period the Committee comprised Chris Satterthwaite, Patrick Taylor and Rebecca Miskin, ensuring that there is a majority of independent Non-Executive Directors on the Committee.

### NOMINATION COMMITTEE RESPONSIBILITIES

The Committee's key responsibilities include:

- Reviewing the Board's structure, size and composition;
- Reviewing the composition of board committees;
- Defining the role and competencies required for appointments to the Board;
- Identifying, nominating and reviewing candidates for appointment to the Board;
- Putting in place plans for succession for the Chairman and other members of the Board, the Group Chief Executive and the Group Finance Director; 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 by 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 Director's Report and since the appointment of Andria Vidler in November 2013 there have been two female Board members, comprising 33% of the Board.

### ACTIVITIES DURING THE PERIOD

Following Colin Morrison's departure the Committee considered that the group's Board was adequately constituted by its existing three Non-Executive Directors and Chairman and the main focus of the Committee was to appoint a new Chief Executive who would join the Board as an Executive Director (in addition to the Group Finance Director). It was not therefore recommended to the Board that an additional Non-Executive Director be appointed during the reporting period. Following the appointment of Andria Vidler as Chief Executive in November 2013, the main activity of the Committee was to plan for the succession of the Chairman whose intention to retire from the Board was announced in July 2014. The Committee agreed a detailed process that was approved by the Board and in accordance with that process conducted a rigorous search assisted by Ridgeway Partners as executive search consultants. Following a comprehensive short list and interview exercise a replacement Chairman has been recommended to the Board and is expected to be confirmed as a Non-Executive Director and Chairman immediately following the AGM on 13 May 2015 when Patrick Taylor will not offer himself for re-election.

#### **Christopher Satterthwaite**

Chairman of the Nomination Committee  
10 March 2015



## DIRECTORS' REMUNERATION REPORT

### ANNUAL STATEMENT

Dear Shareholder,

As Chairman of the Remuneration Committee, I am pleased to present the Remuneration Report for the 18 months to 31 December 2014 ("the reporting period") for which we will be seeking approval at the Annual General Meeting on 13 May 2015. In line with the new reporting regulations that came into effect on 1 October 2013, our Remuneration Report is in three parts; this Annual Statement, a Policy Report and an Annual Report on Remuneration.

### CONTEXT FOR EXECUTIVE REMUNERATION AT CENTAUR MEDIA

The reporting period was an active one for Centaur Media's Remuneration Committee. At the start of the period the Group Finance Director, Mark Kerswell, was acting as interim Chief Executive while the Board sought to find a successor to a long-serving Chief Executive. The process of engaging a new Chief Executive and some of the subsequent changes she has started to introduce in the company's broader remuneration strategies have meant that we have been able to increasingly implement our commitment to simplification, performance-related remuneration and long-term share-based incentives. During the reporting period, there have been two annual pay reviews for the company's employees (other than the Operating Board, Group Finance Director and Chief Executive) and going forward pay reviews will take place in the first quarter of each financial year, to take effect from 1 April.

It is Centaur Media's policy that executive and employee reward are appropriately linked to the delivery of our strategy and in 2014 there are real signs that our strategy is delivering. In the reporting period, we have seen some turnover in management and other positions, in part reflecting new senior management and the high levels of change. Retention of our key people is a focus of the Remuneration Committee for the forthcoming period, reflecting a priority of the Operating Board and for the company generally.

### EXECUTIVE REMUNERATION

As a review of Centaur Media's executive remuneration was last undertaken in February 2013 by the Committee, no changes are being proposed. Andria Vidler was appointed to the role of Chief Executive in November 2013 and her remuneration was set to reflect the market, her experience and the principles set following the 2013 review. At the same time, Mark Kerswell resumed his permanent role as Group Finance Director and his remuneration reverted to the normal level following payment of an additional monthly allowance in recognition of his increased responsibilities as interim Chief Executive between May and November 2013. Having remained unchanged since her appointment, Andria Vidler's base salary will be increased from 1 April 2015. Mark Kerswell who last received a salary increase in October 2013 (3.5%) will also receive an increase from 1 April 2015. The budgeted average salary increase at the time of the annual pay reviews in October 2013 and October 2014 for all other management and staff across the Group was 2.5% for each year.

The Executive Directors and Operating Board did not have a remuneration review during the 2014 calendar year as it was decided to await the end of the extended financial year before review. From 2015, executive remuneration review will reflect the new practice introduced across the Company of reviewing in Q1 of each calendar year, to fit with the new financial year end of 31 December.

### SHARE SCHEMES

The Annual Report on Remuneration provides details of Long Term Incentive Plan (LTIP) awards granted in November 2013 which are due to vest in March 2017 as well as Mark Kerswell's Senior Executive Long Term Incentive Plan (SELTIP) award which vested in September 2013 and 2014. Only Part A of the awards, which were granted in 2011, vested in each of 2013 and 2014 (representing 50% of award) as Part B vesting was based on relative TSR targets that were not met. There are no further SELTIP awards outstanding.

In September 2013, the LTIP, adopted in 2006, was amended to introduce claw back provisions and in the Committee's view, the plan now more closely reflects current market practice. In addition, and after consultation with major investors, the EPS performance targets for 2013 LTIP awards were adjusted in accordance with the plan rules to reflect the divestiture of the Perfect Information business in June 2014. We take the views of our shareholders very seriously and seek to maintain a dialogue on remuneration matters.

Centaur Media's LTIP is due to reach the end of its 10 year life in 2016 and at this time we expect to consider and seek approval for a replacement share scheme. Given this timing, and the changes made to LTIP in September 2013, the decision has been made to grant awards to executives only under our existing LTIP (adopted in 2006) for 2015.

### REMUNERATION FOR 2015

We believe the remuneration policy remains fit for purpose and therefore no changes will be made for 2015.

#### **Rebecca Miskin**

Chairman of the Remuneration Committee  
10 March 2015

**DIRECTORS' REMUNERATION POLICY**

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

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

**CONSIDERATIONS OF EMPLOYMENT CONDITIONS ELSEWHERE IN THE GROUP**

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

**CONSIDERATION OF SHAREHOLDER VIEWS**

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

**REMUNERATION POLICY – SUMMARY TABLE**

The table below sets out the remuneration policy that will, subject to shareholder approval, become formally effective from the date of the 2015 AGM.

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

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

| ELEMENT      | PURPOSE AND LINK TO STRATEGY   | OPERATION   | MAXIMUM  | PERFORMANCE TARGETS & RECOVERY PROVISIONS  |
|--------------|--|---|--|--|
| BASE SALARY  | <ul style="list-style-type: none"> <li>▶ Reflects the value of the individual and their role</li> <li>▶ Reflects skills and experience over time</li> <li>▶ Provides an appropriate level of basic fixed income avoiding excessive risk arising from over reliance on variable income</li> </ul> | <ul style="list-style-type: none"> <li>▶ Reviewed annually, normally effective 1 April</li> <li>▶ Paid in cash on a monthly basis, pensionable</li> <li>▶ Takes periodic account against companies with similar characteristics and sector comparators</li> </ul> | <ul style="list-style-type: none"> <li>▶ 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</li> <li>▶ 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"> <li>- An increase in the individual's scope and responsibilities</li> <li>- Alignment to the external market</li> <li>- 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</li> </ul> </li> </ul> | Not applicable   |
| ANNUAL BONUS | <ul style="list-style-type: none"> <li>▶ Incentivises annual delivery of financial and strategic goals</li> <li>▶ Maximum bonus only payable for achieving demanding targets</li> </ul>  | <ul style="list-style-type: none"> <li>▶ Targets reviewed annually</li> <li>▶ Not pensionable</li> <li>▶ Deferral of any bonus over 75% of base salary into shares for 3 years</li> <li>▶ Dividend equivalents may be payable on deferred share awards</li> </ul> | ▶ 100% of salary   | <ul style="list-style-type: none"> <li>▶ Normally measured over a one year performance period</li> <li>▶ Primarily based on Group's annual financial performance (majority, if not all)</li> <li>▶ Personal and/or strategic objectives (minority)</li> <li>▶ Measures for the following years will be set out in the Annual report on remuneration of the relevant year</li> <li>▶ Clawback provision operates</li> </ul> |

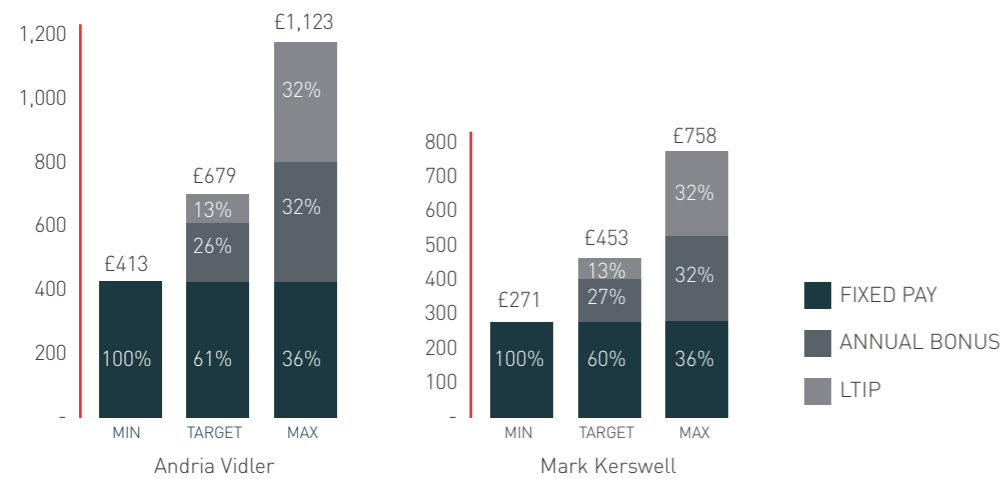
| PURPOSE AND LINK TO STRATEGY   | OPERATION   | MAXIMUM   | PERFORMANCE TARGETS & RECOVERY PROVISIONS  |
|--|---|---|--|
| <ul style="list-style-type: none"> <li>Aligns to main strategic objectives of delivering profit growth and shareholder return</li> </ul>   | <ul style="list-style-type: none"> <li>Annual grant of conditional awards or nil cost options granted</li> <li>Dividend equivalents may be payable on share to the extent awards vest</li> </ul>                                      | <ul style="list-style-type: none"> <li>Awards capped at 100% of salary</li> </ul>   | <ul style="list-style-type: none"> <li>Normally a three year performance period</li> <li>Performance is based on financial and/ or share-priced (e.g. relative Total Shareholder Return) based measures</li> <li>The Committee may alter the weighting and targets annually if it determines that it is appropriate to do so</li> <li>Targets for the following years will be set out in the Annual Report on Remuneration</li> <li>Awards vest as follows:                             <ul style="list-style-type: none"> <li>– Threshold performance: 25% of award</li> <li>– Maximum performance: 100% of award</li> </ul> </li> <li>Clawback provisions apply</li> </ul> |
| <ul style="list-style-type: none"> <li>Provides competitive retirement benefits</li> <li>Provides an opportunity for Executive Directors to contribution to their own retirement plan</li> </ul> | <ul style="list-style-type: none"> <li>Defined contributions made to Executive Directors' own pension plans. Cash supplements may also be paid</li> </ul>   | <ul style="list-style-type: none"> <li>Up to 15% of base salary</li> </ul>  | <ul style="list-style-type: none"> <li>Not applicable</li> </ul>   |
| <ul style="list-style-type: none"> <li>Aids retention and recruitment</li> </ul>   | <ul style="list-style-type: none"> <li>Executive Directors receive company car allowance and the provision of private medical insurance</li> <li>Other benefits may be provided if considered appropriate by the Committee</li> </ul> | <ul style="list-style-type: none"> <li>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</li> </ul> | <ul style="list-style-type: none"> <li>Not applicable</li> </ul>   |
| <ul style="list-style-type: none"> <li>To provide alignment of interests between Executive Directors and shareholders</li> </ul>   | <ul style="list-style-type: none"> <li>50% of the next of tax vested LTIP shares required to be retained until the guideline is met</li> </ul>  | <ul style="list-style-type: none"> <li>100% of salary</li> </ul>  | <ul style="list-style-type: none"> <li>Not applicable</li> </ul>   |

NOTES

- The Annual Report on Remuneration sets out how the company intends to implement the policy presented above.
- Below Executive Director level, a lower or no annual bonus opportunity may apply and participation in the LTIP is limited to Executive Directors and certain selected senior managers. Other employees are eligible to participate in the company's all employee share plans. In general these differences arise from the development of remuneration arrangements that are market competitive for the various categories of individuals, together with the fact that remuneration of the Executive Directors and Senior Executives typically has a greater emphasis on performance related pay.
- 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 reward the delivery of long-term returns to shareholders and the group's financial growth are consistent with the company's objective of delivering long-term value to shareholders.
- Executive Directors may participate in any all employee share plan, in line with HMRC limits, to the extent offered.

REWARD SCENARIOS

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



NOTES

1. Fixed pay consists of salary from 1 April 2015. The value of benefits and pension has been estimated for 2015.
2. Target performance is the level of performance required to deliver 50% of the maximum bonus and 25% of the maximum LTIP value (see below).
3. Maximum performance would result in a maximum bonus payment of 100% of salary and full vesting of the 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 be (but need not necessarily) set below the normal market rate, with phased increases as the executive gains experience. The maximum annual bonus would be no more than 100% of salary and grants under the LTIP would be limited to a maximum of 100% of salary. In addition, on recruitment the company may compensate for amounts foregone from a previous employer (using Listing Rule 9.4.2 if necessary) taking into account the quantum foregone and, as far as reasonably practicable, the extent to which performance conditions apply, the form of award and the time left to vesting.

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

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

EXECUTIVE DIRECTOR SERVICE CONTACTS AND LOSS OF OFFICE PAYMENTS

The current Executive Directors have service contracts which provide twelve month notice periods.

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

In respect of Mark Kerswell’s service contract (dated 11 October 2011), at the Board’s discretion, a payment in lieu of any unexpired notice may be paid, comprising an amount for base salary, pension, bonus and any accrued holiday entitlement. Where the company terminates the contract in any other manner, any damages shall be calculated in accordance with common law principles including those relating to mitigation of loss. Notwithstanding the above, the company is entitled to terminate employment without compensation, damages or payment in lieu of notice in specified circumstances (e.g. serious misconduct).

In respect of incentives, an annual bonus will normally be payable with respect to the period of the financial year served although it will be pro-rated for time 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 normal vesting date, 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 and / or to not apply time pro-rating.

In addition to the above, outplacement support may be provided and / or legal fees and 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, to the extent he sits on the Committee). The fees for the Non-Executive Directors are reviewed by the Board, excluding the Non-Executive Directors. The table summarises the key aspects of the remuneration policy for the Chairman and Non-Executive Directors:

| ELEMENT                 | PURPOSE AND LINK TO STRATEGY  | OPERATION   | MAXIMUM  | PERFORMANCE TARGETS & RECOVERY PROVISIONS |
|-------------------------|---|---|--|---|
| Non-Executive Directors | <ul style="list-style-type: none"> <li>Provides fees reflecting time commitments and responsibilities of each role, in line with those provided by similarly sized companies</li> </ul> | <ul style="list-style-type: none"> <li>Cash fee normally paid on a monthly basis</li> <li>Reimbursement of incidental expenses where appropriate</li> <li>Fees are reviewed periodically</li> </ul> | <ul style="list-style-type: none"> <li>There is no prescribed maximum annual fee or fee increase.</li> <li>The Committee/ Board is 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 and/ or take account relevant market movements.</li> </ul> | Not applicable                            |

LETTERS OF APPOINTMENT

The Chairman and Non-Executive Directors have letters of appointment with the company, which are for an initial three-year period with an extension for a further three-year period, and provide for a notice period of one month. All existing 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 |
|---------------------|-------------------------------|---|---|
| Patrick Taylor      | 27.02.2004                    | 10.12.2010                                      | N/A                                       |
| Chris Satterthwaite | 01.07.2007                    | 01.07.2007                                      | 01.07.2016                                |
| Robert Boyle        | 08.01.2010                    | 08.01.2010                                      | 08.01.2016                                |
| Rebecca Miskin      | 13.01.2011                    | 13.01.2011                                      | 13.01.2017                                |

APPROACH TO RECRUITMENT

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

## ANNUAL REPORT ON REMUNERATION

## IMPLEMENTATION OF THE REMUNERATION POLICY FOR THE YEAR ENDING 31 DECEMBER 2015

A summary of how the Directors' Remuneration Policy will be applied during the year ending 31 December 2015 is set out below:

## BASE SALARY

The Executive Directors salaries were reviewed in February 2015, and the proposed increases in basic salaries will be effective from 1 April 2015, consistent with the annual pay cycle adopted across the group as a whole. The current salaries are as follows:

|               | From 1 April 2015 | As at 1 April 2014 | From 1 July 2013 <sup>7</sup> |
|---------------|-------------------|--------------------|-------------------------------|
| Andria Vidler | £355,300          | £340,000           | £340,000                      |
| Mark Kerswell | £243,500          | £240,000           | £231,000                      |

<sup>7</sup> or joining date if later

Mark Kerswell's salary was increased from £231,000 to £240,000 with effect from 1 October 2013 and from 1 April 2015 will be increased to £243,500 (1.46%). Andria Vidler was appointed Chief Executive in November 2013 on a salary of £340,000. From 1 April 2015 Andria Vidler's salary will be increased to £355,300 (4.5%).

## PENSION AND BENEFITS

The Committee intends that the implementation of its policy in relation to pension and benefits will be in line with the disclosed policy on page 68 of this report.

## ANNUAL BONUS

The Committee will operate an annual bonus plan for Executive Directors during 2015 in line with that operated in the 18 months to 31 December 2014 ("the reporting period"). The maximum bonus will remain at 100% of salary, with performance measured against revenue and PBTA targets. Any annual bonus greater than 75% of basic salary will be awarded in Centaur Media plc shares and deferred for three years.

## LONG-TERM INCENTIVES

LTIP awards granted to Executive Directors in 2015 will be over 100% of salary and will be subject to EPS and TSR conditions as follows:

- 50% of the 2015 LTIP award will be based on absolute earnings per share targets. 25% of this part of the award will vest for a threshold EPS of 6.5p increasing pro-rata to 100% vesting for a maximum EPS of 10.5p for the year ending 31 December 2017; and
- 50% of the 2015 LTIP award will be based on relative total shareholder return ("TSR") measured against the constituents of the FTSE SmallCap (excluding investment trusts). 25% of this part of the award will vest for median TSR increasing pro-rata to 100% vesting for upper quartile TSR over the three years ending 31 December 2017. In addition to the TSR performance condition, the Committee will need to be satisfied that the Company's TSR performance reflects the underlying financial performance of the Company for this part of an award to vest.

## FEES FOR THE CHAIRMAN AND NON-EXECUTIVE DIRECTORS

The Company Chairman's fee and those of the Non-Executive Directors are determined as described on page 72. There are no changes proposed to the fees for Non-Executive Directors for 2015. The proposed annual fee for the new Chairman from 13 May 2015 has been set at £125,000.

## REMUNERATION RECEIVED BY DIRECTORS FOR THE REPORTING PERIOD (AUDITED)

Directors' remuneration for the 18 month reporting period (and for the 12 months ended 30 June 2013) was as follows:

|                             |      | Salary and fees | Taxable benefits | Bonus   | Long-term incentives <sup>1</sup> | Pension <sup>2</sup> | Total   |
|-----------------------------|------|-----------------|------------------|---------|-----------------------------------|----------------------|---------|
| <b>Executive</b>            |      |                 |                  |         |                                   |                      |         |
| Andria Vidler               | 2014 | 394,487         | 14,802           | 221,340 | -                                 | 39,448               | 670,077 |
|                             | 2013 | -               | -                | -       | -                                 | -                    | -       |
| Mark Kerswell <sup>3</sup>  | 2014 | 372,750         | 3,886            | 178,920 | 103,591                           | 39,552               | 698,778 |
|                             | 2013 | 231,000         | 2,329            | -       | 28,900                            | 20,604               | 282,833 |
| <b>Non-Executive</b>        |      |                 |                  |         |                                   |                      |         |
| Patrick Taylor              | 2014 | 125,417         | -                | -       | -                                 | -                    | 125,417 |
|                             | 2013 | 80,000          | -                | -       | -                                 | -                    | 80,000  |
| Chris Satterthwaite         | 2014 | 62,708          | -                | -       | -                                 | -                    | 62,708  |
|                             | 2013 | 40,000          | -                | -       | -                                 | -                    | 40,000  |
| Robert Boyle                | 2014 | 60,625          | -                | -       | -                                 | -                    | 60,625  |
|                             | 2013 | 35,000          | -                | -       | -                                 | -                    | 35,000  |
| Rebecca Miskin              | 2014 | 62,708          | -                | -       | -                                 | -                    | 62,708  |
|                             | 2013 | 40,000          | -                | -       | -                                 | -                    | 40,000  |
| Colin Morrison <sup>4</sup> | 2014 | 16,667          | -                | -       | -                                 | -                    | 16,667  |
|                             | 2013 | 40,000          | -                | -       | -                                 | -                    | 40,000  |
| <b>Former Directors</b>     |      |                 |                  |         |                                   |                      |         |
| G Wilmot <sup>4</sup>       | 2014 | -               | -                | -       | -                                 | -                    | -       |
|                             | 2013 | 259,169         | 22,497           | -       | 102,414                           | 45,354               | 429,434 |

<sup>1</sup> The 2013 long-term incentive value for Mark Kerswell is based on 43,918 SELTIP awards vested on 17 September 2013 based on a performance period ending 30 June 2013. As 50% of these awards lapsed as a result of the TSR performance target being failed (see below), 21,959 awards have been included based on a share price at vesting of 46.25p. These 21,959 awards were exercised 50% on 20 September 2013 and 50% on 15 September 2014. Geoff Wilmot was not granted any SELTIP awards in the reporting period.

<sup>2</sup> Mark Kerswell received a balancing payment of £6,954 in pension contributions in November 2014 which was due to a correction of past payments.

<sup>3</sup> In addition to his base salary and as disclosed in 2013, Mark Kerswell received a temporary supplement of £3,000 a month in recognition of his additional responsibilities as Interim Chief Executive from 15 May to 30 November 2013. This was a non-pensionable allowance.

<sup>4</sup> As disclosed in the previous Directors' Remuneration Report, Geoff Wilmot stepped down from the Board on 15 May 2013 and his employment as Chief Executive terminated on 30 June 2013. Colin Morrison stepped down from the Board on 13 November 2013. Further details are provided below.

## ANNUAL BONUS FOR THE REPORTING PERIOD (AUDITED)

The maximum annual bonus opportunity in the reporting period for Executive Directors was 100% of salary, pro-rated to 150% to take account of the longer reporting period.

The actual bonus paid to Andria Vidler in respect of the reporting period was £221,340. This represented 55.8% of the potential opportunity over the period from 4 November 2013 to 31 December 2014. Andria Vidler's bonus was calculated based on actual performance in the 12 months to 31 December 2014, measured against budgeted annual revenue and PBTA targets, and then calculated on a pro rata basis over the fourteen-month period from her appointment to 31 December 2014.

The actual bonus paid to Mark Kerswell in respect of the reporting period was £178,920. This represented 48% of the maximum opportunity over the period from 1 July 2013 to 31 December 2014. £133,920 of this bonus was calculated based on actual performance in the 12 months to 31 December 2014, measured against budgeted annual revenue and PBTA targets. The remaining £45,000 was based on financial performance relative to budgeted financial targets in the six month period from 1 July 2013 to 31 December 2013.

## SCHEME INTERESTS AWARDED DURING THE REPORTING PERIOD (AUDITED)

On 8 November 2013 the Chief Executive and Group Finance Director received awards under the LTIP. These awards were in line with the policy table set out in the Policy Report and details of these awards are set out below.

| Executive     | Number of awards | Basis               | Face value of awards | Performance condition   | Performance period              |
|---------------|------------------|---------------------|----------------------|---|---------------------------------|
| Andria Vidler | 618,182          | 100% of base salary | £340,000             | Vesting will be determined by EPS and TSR over the performance period | 1 July 2013 to 31 December 2016 |
| Mark Kerswell | 436,364          | 100% of base salary | £240,000             |   |                                 |

The LTIP awards were structured as nil-cost options and the quantum of shares awarded was calculated using a share price of 55p. The performance condition for these awards is set out below:

| Performance condition   | % of award subject to condition | Targets                           | % of award which will vest         |
|---|---------------------------------|-----------------------------------|------------------------------------|
| Absolute earnings per share (EPS)   | 50%                             | Absolute EPS of 5p                | 25%                                |
|   |                                 | Absolute EPS of 8p                | 100%                               |
|   |                                 | Between 5p and 8p                 | Straight line between 25% and 100% |
| Total shareholder return (TSR) against the constituents of the FTSE SmallCap at 1 July 2013 | 50%                             | Median                            | 25%                                |
|   |                                 | Upper quartile                    | 100%                               |
|   |                                 | Between median and upper quartile | Straight line between 25% and 100% |

EPS will be measured over the financial year ending 31 December 2016 and was adjusted in the reporting period to reflect the sale of the Perfect Information business, in accordance with the rules of the LTIP. TSR element will only vest if there has been sustained improvement in the Company's underlying financial performance over the performance period.

Details of Mark Kerswell's awards in September 2013 under the SELTIP are detailed in the remuneration table on page 78.

Further, Andria Vidler purchased 1,233 shares during the period under the Share Incentive Plan. The company matched these shares on a 1 for 2 basis, resulting in 616 matching shares being awarded in the period.

## BOARD CHANGES AND PAYMENTS FOR LOSS OF OFFICE (AUDITED)

No Executive Director left office in the reporting period and accordingly no compensation for loss of office was paid. As disclosed in the 2013 Remuneration Report, Geoff Wilmot's contract terminated on 30 June 2013 (Mr Wilmot having stepped down from the Board on 24 May 2013) and he received £384,630 in payments due under contract notice provisions and compensation for loss of office. Colin Morrison retired from the Board as a non-executive director on 13 November 2013.

## PAYMENTS TO PAST DIRECTORS (AUDITED)

As disclosed in the 2013 Remuneration Report, Geoff Wilmot stepped down from the Board on 24 May 2013 and his 301,218 SELTIP awards vested on cessation as per the plan rules. These awards were exercised on 29 October 2013 and the pre-tax value of the awards at the date of exercise was £165,670. The 587,333 awards held under the 2004 Option Plan lapsed on 31 December 2013. No other payments were made to Geoff Wilmot in the reporting period.

**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 100% of salary shareholding in the company. Where an executive does not meet this guideline then they are required to retain at least 50% of the net of tax, vested shares under the company's LTIP until the guideline is met.

The tables below set out details Executive Directors outstanding share awards (which will vest in future years subject to performance and / or continued service). Under each scheme the exercise price is nil.

| Executive     | Scheme         | At 30 June 2013 | Granted during period | Exercised during the period          | Lapsed during period | At 31 December 2014 | Date of award | Performance period                  | Exercise period     | Share price on date of grant £ | Share price on date of exercise    |
|---------------|----------------|-----------------|-----------------------|--------------------------------------|----------------------|---------------------|---------------|-------------------------------------|---------------------|--------------------------------|------------------------------------|
| Andria Vidler | LTIP           | -               | 618,182               | -                                    | -                    | 618,182             | 08/11/13      | 01/07/13 - 31/12/16                 | 13/03/17 - 12/09/17 | £0.55                          | -                                  |
|               |                | -               | 618,182               | -                                    | -                    | 618,182             |               |                                     |                     |                                |                                    |
| Mark Kerswell | Retention Plan | 170,000         | -                     | 1/7/13: (85,000)<br>4/8/14: (85,000) | -                    | -                   | 30/12/11      | -                                   | 30/06/13 - 31/12/14 | £0.33                          | 1/7/13: £0.34<br>4/8/14: £0.6075   |
|               | SELTIP         | 86,789          | -                     | (86,789)                             | -                    | -                   | 22/10/12      | 50% of awards - 01/07/10 - 30/06/13 | 15/09/13 - 15/09/22 | £0.484                         | 20/9/13: £0.485<br>15/9/14: £0.575 |
|               | SELTIP         | -               | 43,918                | (21,959)                             | (21,959)             | -                   | 17/09/13      | 50% of awards - 01/07/10 - 30/06/13 | 15/09/13 - 15/09/23 | £0.46                          | 15/9/14: £0.575                    |
|               | LTIP           | -               | 436,364               | -                                    | -                    | 436,364             | 08/11/13      | 01/07/13 - 31/12/16                 | 13/03/17 - 12/09/17 | £0.55                          | -                                  |
|               |                | 256,789         | 480,282               | (278,748)                            | (21,959)             | 436,364             |               |                                     |                     |                                |                                    |

The table below sets out the number of shares held or potentially held by directors (including their connected persons where relevant) as at 31 December 2014.

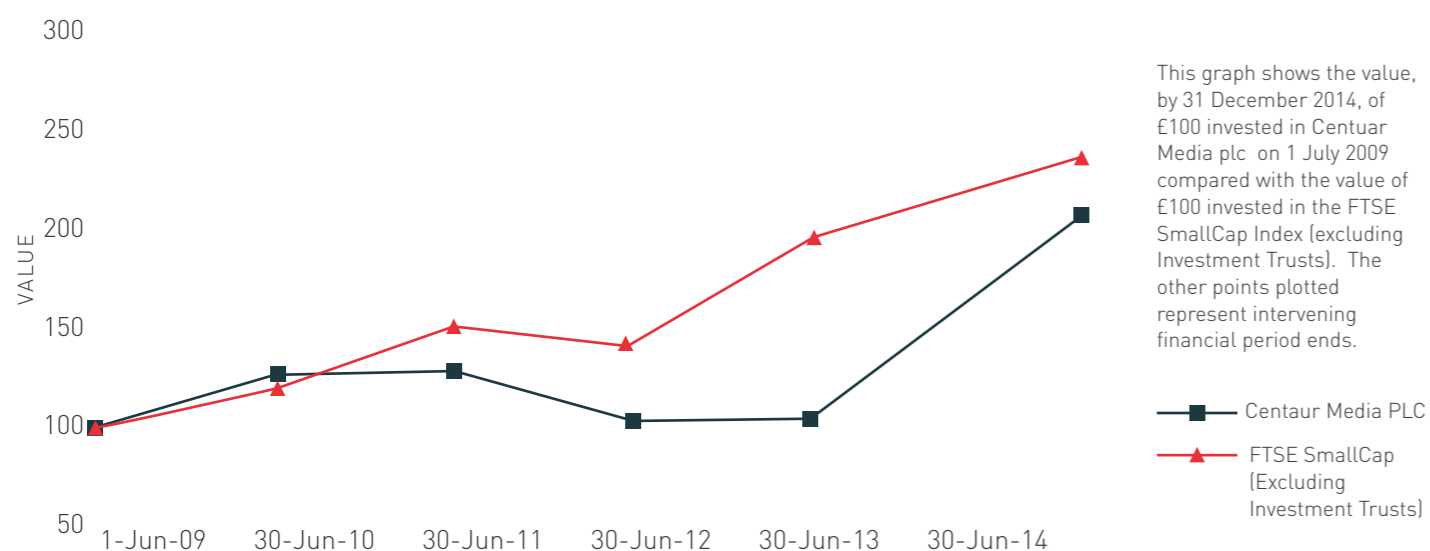
| Director             | Interests in ordinary shares |                  | 100% of salary shareholding guideline achieved | Interests in shares |         | Total   |
|----------------------|------------------------------|------------------|--|---------------------|---------|---------|
|                      | 1 July 2013                  | 31 December 2014 |  | SELTIP              | LTIP    |         |
| <b>Executive</b>     |                              |                  |  |                     |         |         |
| Andria Vidler        | -                            | 91,849           | No   | -                   | 618,182 | 710,031 |
| Mark Kerswell        | 120,000                      | 333,108          | No   | -                   | 436,364 | 769,472 |
| <b>Non-Executive</b> |                              |                  |  |                     |         |         |
| Patrick Taylor       | 750,000                      | 800,000          | -  | -                   | -       | 800,000 |
| Chris Satterthwaite  | 95,942                       | 95,942           | -  | -                   | -       | 95,942  |
| Robert Boyle         | 80,000                       | 80,000           | -  | -                   | -       | 80,000  |
| Rebecca Miskin       | -                            | -                | -  | -                   | -       | -       |



PERFORMANCE GRAPH

The graph below shows the total shareholder return (TSR) of Centaur Media plc compared to the performance of the FTSE Small Cap (excluding investment trusts) over the last five and a half years (taking into account the Company's year-end change). This comparator has been chosen on the basis that it is the group against which the LTIP performance is assessed.

Total Shareholder Return. Source: Thomson Reuters Datastream



CHANGE IN CHIEF EXECUTIVE REMUNERATION

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

| Period Ending    | Chief Executive              | Total remuneration    | Annual bonus (% of max) | Long-term incentives (% of max) |
|------------------|------------------------------|-----------------------|-------------------------|---------------------------------|
| 31 December 2014 | Andria Vidler (from 4/11/13) | £670,077              | 55.8%                   | N/A                             |
| 30 June 2013     | Geoff Wilmot                 | £514,920 <sup>1</sup> | 0%                      | 0%                              |
| 30 June 2012     | Geoff Wilmot                 | £363,321              | 7.3%                    | 0%                              |
| 30 June 2011     | Geoff Wilmot                 | £568,673              | 58% <sup>2</sup>        | 0%                              |
| 30 June 2010     | Geoff Wilmot                 | £450,180              | 45%                     | 0%                              |

<sup>1</sup> Excludes £384,704 termination & contractual notice payment as detailed in 30 June 2013 Report and Accounts

<sup>2</sup> Comprises annual bonus (maximum potential 100% of salary, pay-out 65% of salary) and qualitative bonus (maximum 50% of salary, pay-out 22% of salary)

PERCENTAGE INCREASE IN THE REMUNERATION OF THE CHIEF EXECUTIVE

The table below shows the movement in salary, benefits and annual bonus for the Chief Executive between the current and previous financial year compared to all employees of the Company. Given the reporting period is 18 months and previous statutory reporting period was for the year ended 30 June 2013, the numbers below are based on consistent 12-month periods to 31 December 2014 and 2013.

| Element of remuneration |                 | % Change |
|-------------------------|-----------------|----------|
| Salary                  | Chief Executive | N/A      |
|                         | Employees       | 4.5      |
| Taxable benefits        | Chief Executive | N/A      |
|                         | Employees       | 0        |
| Annual bonus            | Chief Executive | N/A      |
|                         | Employees       | 35       |

### RELATIVE IMPORTANCE ON THE SPEND ON PAY

The following table sets out the percentage change in distributions to shareholders and employee remuneration costs. Given the reporting period is 18 months and previous statutory reporting period was for the year ended 30 June 2013, the employee remuneration costs and dividend paid presented below are based on consistent 12-month periods to 31 December 2014 and 2013.

|                                  | 2014   | 2013   | % Change |
|----------------------------------|--------|--------|----------|
| Employee remuneration costs (£m) | £26.2m | £26.2m | 0%       |
| Dividends paid (£m)              | £3.6m  | £3.4m  | 6%       |

### EXTERNAL DIRECTORSHIPS

The Executive Directors did not have any external directorships in the reporting period.

### THE REMUNERATION COMMITTEE

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

During the reporting period, the Committee consisted of the following Non-Executive Directors: Rebecca Miskin (Chair from 13 November 2013), Colin Morrison (previous Chairman), Robert Boyle (from 13 November 2013) and Chris Satterthwaite. The Remuneration Committee meets at least twice each year and met 8 times during the reporting period. Minutes of the Committee are circulated to the Board once they have been approved by the Committee.

### EXTERNAL ADVISORS

The Remuneration Committee has access to independent advice where it considers it appropriate. The Committee seeks advice relating to executive remuneration from New Bridge Street (NBS), part of Aon plc.

The Committee is satisfied that the advice received by NBS in relation to executive remuneration matters during the reporting period under review was objective and independent. NBS is a member of the Remuneration Consultants Group and abides by the Remuneration Consultants Group Code of Conduct, which requires its advice to be objective and impartial. The fees paid to NBS for providing advice in relation to executive remuneration over the 18 months under review was £44,375.

### STATEMENT OF SHAREHOLDER VOTING

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

|                       | For         | Against    | Votes Cast  | Votes withheld |
|-----------------------|-------------|------------|-------------|----------------|
| Total number of votes | 101,742,264 | 15,335,042 | 117,077,306 | 37,068         |
| % of votes cast       | 87%         | 13%        | 100%        |                |

### APPROVAL

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

Signed on behalf of the Board of Directors

#### Rebecca Miskin

Chair of the Remuneration Committee  
10 March 2015

## STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

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

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

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the financial statements and the Directors' Remuneration Report comply with the Companies Act 2006 and, as regards the group financial statements, Article 4 of the IAS Regulation. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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 a company's performance, business model and strategy.

Each of the Directors, whose names and functions are listed in the Board of Directors summary on page 44, confirms that, to the best of their knowledge:

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

## DISCLOSURE OF INFORMATION TO THE AUDITORS

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

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

By order of the Board

**Grainne Brankin**  
Company Secretary  
10 March 2015

## Report on the financial statements

### OUR 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 2014 and of the group's profit and the group's and the company's cash flows for the period then ended;
- ▶ the group financial statements have been properly prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union;
- ▶ the company financial statements have been properly prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- ▶ the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and, as regards the group financial statements, Article 4 of the IAS Regulation.

### WHAT WE HAVE AUDITED

Centaur Media Plc's financial statements comprise:

- ▶ the Consolidated and Company Balance Sheets as at 31 December 2014;
- ▶ the Consolidated Statement of Comprehensive Income for the 18 month period ended 31 December 2014;
- ▶ the Consolidated and Company Statements of Changes in Equity for the period then ended;
- ▶ the Consolidated and Company Cash Flow Statements for the period then ended;
- ▶ the accounting policies; and
- ▶ the notes to the financial statements, which include other explanatory information.

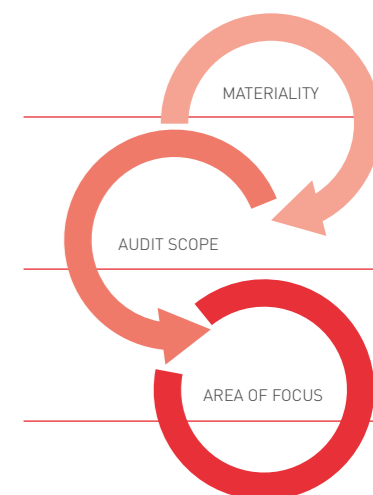
Certain required disclosures have been presented elsewhere in the Annual Report, rather than in the notes to the financial statements. These are cross-referenced from the financial statements and are identified as audited.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and IFRSs as adopted by the European Union and, as regards the company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

### OUR AUDIT APPROACH

#### Overview

- ▶ Overall group materiality: £0.5 million (2013: £0.4 million) which represents 5% of profit before adjusting items and tax.
- ▶ The group has a centralised function in the UK which is responsible for the accounting and financial reporting of the whole group and our audit was carried out there, covering all group entities and the consolidation.
- ▶ Goodwill and intangible assets impairment assessment;
- ▶ Accounting for profit on disposal of Perfect Information Limited; and
- ▶ Classification and measurement of adjusting items.



#### The scope of our audit and our areas of focus

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)").

We designed our audit by determining materiality and assessing the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

The risks of material misstatement that had the greatest effect on our audit, including the allocation of our resources and effort, are identified as "areas of focus" in the table below. We have also set out how we tailored our audit to address these specific areas in order to provide an opinion on the financial statements as a whole, and any comments we make on the results of our procedures should be read in this context. This is not a complete list of all risks identified by our audit.

## AREA OF FOCUS

**Goodwill and intangible assets impairment assessment**

Refer to page 59 (Audit Committee Report), page 109 (Key accounting assumptions, estimates and judgements) and page 120 (Note 8).

Whilst no impairment charge was booked for the period ended 31 December 2014, we focused on this area in light of the impairment charge recorded against Goodwill in the Marketing, Professional and Financial Services segments in 2013. Any further unfavourable performance or downward revision of forecasts against the model used to determine value in use in 2013 could have resulted in further impairment in these segments (and the Home Interest segment) for the period ended 31 December 2014.

The determination of whether or not an impairment charge for goodwill or intangible assets was necessary involved significant judgements about the future results and cash flows of the business, including future revenues and EBITDA margins and growth as well as the Weighted Average Cost of Capital ('WACC') discount factor used.

**How our audit addressed the area of focus**

Management aggregates cash generating units ('CGU's') into segments which represents the level at which the performance of the businesses is monitored and which are used for the impairment assessment. We verified that the allocation of CGU's to segments was consistent with internal management reporting and the prior year.

We evaluated the directors' future cash flow forecasts for each segment, and the process by which they were drawn up, including comparing them to the latest Board approved budgets, and testing the underlying calculations. We found the forecasts and the approved budgets to be consistent.

We challenged:

- the directors' key assumptions including revenue and EBITDA growth rates used in the cash flow forecasts by comparing them to historical results, and economic and industry forecasts; and
- the WACC discount rate by assessing the cost of capital for the group and comparable organisations.

We found the key assumptions to be reasonable and the discount rate to be within our expected range.

We evaluated the results and disclosure of the sensitivity analyses performed by management (as set out in Note 8) which showed headroom (excess of determined recoverable value over the carrying value of goodwill and intangible assets) in all scenarios. One analysis included taking into account the history of differences between budgets and actual results and applying this to forecasts used in the current period's model.

The Professional and Financial Services segment showed the lowest headroom. We performed our own sensitivity analysis over these segment and focused on the key drivers of the cash flow forecast (i.e. revenue and EBITDA) to ascertain the extent of change in those assumptions that either individually or collectively would be required for the goodwill to be impaired. We considered the likelihood of such a movement in those key assumptions arising in the context of recent performance and the history of budgeting/forecasting accuracy and discussed these with management. We determined that such scenarios were unlikely to arise.

## AREA OF FOCUS

**Accounting for profit on disposal of Perfect Information Limited**

Refer to page 59 (Audit Committee Report), page 109 (Key accounting assumptions, estimates and judgements) and page 137 (Note 25).

In May 2014 the group disposed of the Perfect Information group resulting in a gain on the disposal of the subsidiary of £14.7m, which was recorded in the income statement. We focused on this area due to the materiality of the amounts involved and to check that the gain on disposal was accurately calculated. This included testing that the costs captured within the computation of the gain on the disposal were all directly attributable costs.

**How our audit addressed the area of focus**

We checked that the value of the consideration for the sale included in the computations was consistent with the terms of the Sale & Purchase Agreement ('SPA') and the amount of cash subsequently received.

We also tested directly attributable transaction costs to supporting invoices and agreements with advisors to verify these were directly attributable to the disposal.

In respect of the net assets disposed of we confirmed that these and other subsequent adjustments were consistent with the SPA and other supporting documents. We also tested the apportionment of goodwill to the business that was disposed of.

From the evidence obtained, we concluded the computation of profit on disposal was accurately determined.

## AREA OF FOCUS

**Classification and measurement of adjusting items**

Refer to page 59 (Audit Committee Report), page 109 (Key accounting assumptions, estimates and judgements) and page 115 (Note 3).

Adjusting items are presented on the face of the Consolidated Statement of Comprehensive Income and include non-recurring exceptional items and a number of other items which recur. Together, these items are not regarded by management as relevant to the assessment of the quality of the group's underlying earnings.

The exceptional items related mainly to the accrual of earn-out provisions based on management's latest estimates of expected pay outs (£5.0m expense) and redundancy costs as part of the finalisation of the group's restructuring plans (£0.9m expense).

Other adjusting items included:

- ▶ Amortisation of acquired intangibles (£3.4m) – relating to the continued amortisation of intangible assets recognised on acquisitions.
- ▶ Exceptional finance costs (£2.9m) – relating to discounting of the E-Consultancy earn-out which was settled during the period.
- ▶ Share based payment expense (£0.5m).

We focused on whether items were properly classified as exceptional (and therefore adjusting) and also on whether the other items which were presented as adjusting items were consistent with prior periods. We also checked the accuracy of all the adjusting items.

As set out further above, the group disposed of Perfect Information during the period resulting in a profit on disposal of £14.7m. Given the quantum and non-recurring nature of this amount there was limited judgement required in determining whether this item should be classified as an adjusting item.

**How our audit addressed the area of focus**

We considered whether the exceptional items recorded were recurring in nature and recognised and presented in accordance with the group's disclosed accounting policy.

In some cases exceptional items of the same nature had been incurred in both the current period and in prior years. We challenged management as to whether such costs were therefore non-recurring in nature. As these costs were directly linked to one ongoing restructuring programme, which was completed in the current period, we accepted these costs as non-recurring and appropriate to separate from underlying earnings.

Our work in relation to each type of exceptional item is summarised below.

- ▶ Deferred contingent consideration charge - the group settled a number of earn outs during the period with the majority of the charge being attributable to the settlements of the Investment Platforms Limited and E-consultancy.com Limited earn outs. We examined agreements between parties confirming the settlement amounts were agreed. We also checked the accuracy of management's computations of adjustments required where there were differences between the amounts provided and those settled. At period end there was one amount of contingent consideration remaining. We checked that management's estimates of forecast performance were consistent with the Board approved budget, and were satisfied that the computations of the amount payable were consistent with the earn-out agreement and were accurate.
- ▶ Redundancies - we tested the accuracy and completeness of the costs incurred, including checking the actual payments made to those employees.
- ▶ Other exceptional items - we considered whether these were non-recurring in nature, including whether such items were likely to repeat or if they had occurred in the past, and if so how those items had been classified. As these items were also material we concurred with their classification as exceptional.

In respect of other adjusting items including the amortisation of acquired intangibles and finance costs we checked that management's computations of the costs were accurate and that the calculation of the share-based payment expense was correct.

We also assessed whether the disclosures within the financial statements provide sufficient detail to understand the nature of these items and assumptions made.

From the evidence obtained, we concurred with management's assessment to classify and disclose these items as adjusting items, in line with the disclosed accounting policy.

**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 geographic structure of the group (which is predominantly based in the UK), the accounting processes and controls, and the industry in which the group operates.

The group operates a centralised accounting function in the UK that is responsible for processing transactions for all entities within the group, and for consolidated financial reporting.

The whole group was audited by the UK audit team at the centralised accounting function.

**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 and to evaluate the effect of misstatements, both individually and on the financial statements as a whole.

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

|  |   |
|--|---|
| <b>Overall group materiality</b>       | £0.5 million (2013: £0.4 million).  |
| <b>How we determined it</b>            | 5% of profit before adjusting items and tax.  |
| <b>Rationale for benchmark applied</b> | We believe that profit before adjusting items and tax provides us with a consistent period on period basis for determining materiality and reflects the presentation of the Consolidated Statement of Comprehensive Income. |

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £24,000 (2013: £21,000) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons

**Going concern**

Under the Listing Rules we are required to review the directors' statement, set out on page 51, in relation to going concern. We have nothing to report having performed our review.

As noted in the directors' statement, the directors have concluded that it is appropriate to prepare the financial statements using the going concern basis of accounting. The going concern basis presumes that the group and company have adequate resources to remain in operation, and that the directors intend them to do so, for at least one year from the date the financial statements were signed. As part of our audit we have concluded that the directors' use of the going concern basis is appropriate.

However, because not all future events or conditions can be predicted, these statements are not a guarantee as to the group's and company's ability to continue as a going concern.

## Other required reporting

### CONSISTENCY OF OTHER INFORMATION

#### Companies Act 2006 opinion

In our opinion, the information given in the Strategic Report and the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

#### ISAs (UK & Ireland) reporting

Under ISAs (UK & Ireland) we are required to report to you if, in our opinion:

- ▶ Information in the Annual Report is:
  - materially inconsistent with the information in the audited financial statements; or
  - apparently materially incorrect based on, or materially inconsistent with, our knowledge of the group and company acquired in the course of performing our audit; or
  - otherwise misleading.

We have no exceptions to report arising from this responsibility.

- ▶ the statement given by the directors on page 84, in accordance with provision C.1.1 of the UK Corporate Governance Code ("the Code"), that they consider the Annual Report taken as a whole to be fair, balanced and understandable and provides the information necessary for members to assess the group's and company's performance, business model and strategy is materially inconsistent with our knowledge of the group and company acquired in the course of performing our audit.

We have no exceptions to report arising from this responsibility.

- ▶ the section of the Annual Report on pages 58 to 61, as required by provision C.3.8 of the Code, describing the work of the Audit Committee does not appropriately address matters communicated by us to the Audit Committee

We have no exceptions to report arising from this responsibility.

### ADEQUACY OF ACCOUNTING RECORDS AND INFORMATION AND EXPLANATIONS RECEIVED

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
- ▶ 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.

### DIRECTORS' REMUNERATION

#### Directors' remuneration report - Companies Act 2006 opinion

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

#### Other Companies Act 2006 reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

### CORPORATE GOVERNANCE STATEMENT

Under the Listing Rules we are required to review the part of the Corporate Governance Statement relating to the company's compliance with the ten provisions of the UK Corporate Governance Code. We have nothing to report having performed our review.

## Responsibilities for the financial statements and the audit

### OUR RESPONSIBILITIES AND THOSE OF THE DIRECTORS

As explained more fully in the Statement of Directors' responsibilities set out on pages 84 to 85, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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

### WHAT AN AUDIT OF FINANCIAL STATEMENTS INVOLVES

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- ▶ whether the accounting policies are appropriate to the group's and the company's circumstances and have been consistently applied and adequately disclosed;
- ▶ the reasonableness of significant accounting estimates made by the directors; and
- ▶ the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

#### Philip Stokes (Senior Statutory Auditor)

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

10 March 2015

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR  
THE 18 MONTHS ENDED 31 DECEMBER 2014**

|   | Note | Adjusted<br>Results<br>18 months ended<br>31 December<br>2014<br>£m | Adjusting<br>Items<br>18 months ended<br>31 December<br>2014<br>£m | Statutory<br>Results<br>18 months ended<br>31 December<br>2014<br>£m | Adjusted<br>Results<br>Year ended<br>30 June<br>2013*<br>£m | Adjusting<br>Items<br>Year ended<br>30 June<br>2013*<br>£m | Statutory<br>Results<br>Year ended<br>30 June<br>2013*<br>£m |
|---|------|---|--|--|---|--|--|
| Revenue   | 1    | 105.6   | -  | 105.6  | 72.0  | -  | 72.0   |
| Net operating expenses*   | 2    | (93.9)  | (10.6)   | (104.5)  | (62.0)  | (44.9)   | (106.9)  |
| <b>Operating profit / (loss)</b>  |      | 11.7  | (10.6)   | 1.1  | 10.0  | (44.9)   | (34.9)   |
| Profit on disposal of subsidiary  |      | -   | 14.7   | 14.7   | -   | -  | -  |
| Finance costs   | 4    | (1.6)   | (2.9)  | (4.5)  | (1.2)   | (1.3)  | (2.5)  |
| <b>Profit / (loss) before tax</b>   |      | 10.1  | 1.2  | 11.3   | 8.8   | (46.2)   | (37.4)   |
| Taxation (expense) / credit   | 6    | (2.1)   | 1.3  | (0.8)  | (2.2)   | 1.2  | (1.0)  |
| <b>Profit / (loss) for the period<br/>attributable to owners of the parent</b>      |      | 8.0   | 2.5  | 10.5   | 6.6   | (45.0)   | (38.4)   |
| <b>Total comprehensive income / (loss)<br/>attributable to owners of the parent</b> |      | 8.0   | 2.5  | 10.5   | 6.6   | (45.0)   | (38.4)   |
| <b>Earnings per share attributable to<br/>owners of the parent</b>                  | 7    |   |  |  |   |  |  |
| Basic*  |      | 5.6p  |  | 7.4p   | 4.6p  |  | (27.3p)  |
| Fully diluted*  |      | 5.5p  |  | 7.2p   | 4.6p  |  | (27.3p)  |

\*2013 comparatives have been restated to treat share-based payments as an adjusting item. The effect of these changes on the comparatives for the year ended 30 June 2013 is to increase adjusted operating profit by £0.2m from £9.8m to £10.0m and adjusted basic and diluted earnings per share by 0.1p from 4.5p to 4.6p. Further information is given in the Statement of Accounting Policies.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR  
THE 18 MONTHS ENDED 31 DECEMBER 2014**

ATTRIBUTABLE TO OWNERS OF THE PARENT COMPANY

|  | Share<br>capital<br>£m | Own<br>shares<br>£m | Share<br>premium<br>£m | Reserve<br>for shares<br>to be<br>issued<br>£m | Deferred<br>shares<br>£m | Retained<br>earnings<br>£m | Total<br>£m |
|--|------------------------|---------------------|------------------------|--|--------------------------|----------------------------|-------------|
| At 1 July 2012   | 15.0                   | (10.5)              | 0.7                    | 3.6  | 0.1                      | 113.7                      | 122.6       |
| Loss and total<br>comprehensive loss<br>for the year       | -                      | -                   | -                      | -  | -                        | (38.4)                     | (38.4)      |
| Transactions with owners:                                  |                        |                     |                        |  |                          |                            |             |
| Dividends (note 23)  | -                      | -                   | -                      | -  | -                        | (3.3)                      | (3.3)       |
| Shares options exercised                                   | -                      | 0.4                 | -                      | -  | -                        | -                          | 0.4         |
| Fair value of employee services<br>(note 22)               | -                      | -                   | -                      | 0.3  | -                        | -                          | 0.3         |
| <b>As at 30 June 2013</b>                                  | 15.0                   | (10.1)              | 0.7                    | 3.9  | 0.1                      | 72.0                       | 81.6        |
| Profit and total<br>comprehensive income<br>for the period | -                      | -                   | -                      | -  | -                        | 10.5                       | 10.5        |
| Transactions with owners:                                  |                        |                     |                        |  |                          |                            |             |
| Dividends (note 23)  | -                      | -                   | -                      | -  | -                        | (5.8)                      | (5.8)       |
| Employee Benefit Trust<br>shares purchased                 | -                      | (0.2)               | -                      | -  | -                        | -                          | (0.2)       |
| Shares options exercised                                   | -                      | 0.2                 | -                      | -  | -                        | -                          | 0.2         |
| Fair value of employee services<br>(note 22)               | -                      | -                   | -                      | 0.5  | -                        | -                          | 0.5         |
| <b>As at 31 December 2014</b>                              | 15.0                   | (10.1)              | 0.7                    | 4.4  | 0.1                      | 76.7                       | 86.8        |

At 31 December 2014, 6,535,973 (2013: 7,318,291) 10p ordinary shares are held in treasury and 616,373 (2013: 1,693,673) 10p ordinary shares are held in an employee benefit trust.

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

The changes to the reserve for shares to be issued during the period ended 31 December 2014 and year ended 30 June 2013 represent the total charges for the period/year relating to equity-settled share-based payment transactions with employees as accounted for under IFRS 2.



**COMPANY STATEMENT OF CHANGES IN EQUITY FOR  
THE 18 MONTHS ENDED 31 DECEMBER 2014**

ATTRIBUTABLE TO OWNERS OF THE COMPANY

|  | Share<br>capital<br>£m | Own<br>shares<br>£m | Share<br>premium<br>£m | Reserve<br>for shares<br>to be<br>issued<br>£m | Deferred<br>shares<br>£m | Retained<br>earnings<br>£m | Total<br>£m |
|--|------------------------|---------------------|------------------------|--|--------------------------|----------------------------|-------------|
| At 1 July 2012                             | 15.0                   | (8.8)               | 0.7                    | 3.6  | 0.1                      | 126.2                      | 136.8       |
| Total comprehensive<br>loss for the year   | -                      | -                   | -                      | -  | -                        | (13.8)                     | (13.8)      |
| Transactions with owners:                  |                        |                     |                        |  |                          |                            |             |
| Dividends (note 23)                        | -                      | -                   | -                      | -  | -                        | (3.3)                      | (3.3)       |
| Shares options exercised                   | -                      | 0.4                 | -                      | -  | -                        | -                          | 0.4         |
| Fair value of employee services (note 22)  | -                      | -                   | -                      | 0.3  | -                        | -                          | 0.3         |
| <b>As at 30 June 2013</b>                  | 15.0                   | (8.4)               | 0.7                    | 3.9  | 0.1                      | 109.1                      | 120.4       |
| Total comprehensive<br>loss for the period | -                      | -                   | -                      | -  | -                        | (2.5)                      | (2.5)       |
| Transactions with owners:                  |                        |                     |                        |  |                          |                            |             |
| Dividends (note 23)                        | -                      | -                   | -                      | -  | -                        | (5.8)                      | (5.8)       |
| Shares options exercised                   | -                      | 0.2                 | -                      | -  | -                        | -                          | 0.2         |
| Fair value of employee services (note 22)  | -                      | -                   | -                      | 0.5  | -                        | -                          | 0.5         |
| <b>As at 31 December 2014</b>              | 15.0                   | (8.2)               | 0.7                    | 4.4  | 0.1                      | 100.8                      | 112.8       |

The company has taken advantage of the exemption available under section 408 of the Companies Act 2006 and has not presented its own statement of comprehensive income in these financial statements. The parent company's loss for the period amounted to £2.5m (Year to 30 June 2013: loss of £13.8m).

**CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2014**

REGISTERED NUMBER 04948078

|  | Note | 31<br>December<br>2014<br>£m | 30<br>June<br>2013<br>£m |
|--|------|------------------------------|--------------------------|
| <b>Non-current assets</b>  |      |                              |                          |
| Goodwill   | 8    | 90.0                         | 98.9                     |
| Other intangible assets  | 9    | 19.9                         | 23.8                     |
| Property, plant and equipment                                    | 10   | 2.5                          | 2.0                      |
| Deferred income tax assets                                       | 20   | 0.8                          | 1.5                      |
|  |      | 113.2                        | 126.2                    |
| <b>Current assets</b>  |      |                              |                          |
| Inventories  | 12   | 1.8                          | 2.0                      |
| Trade and other receivables                                      | 13   | 15.7                         | 16.1                     |
| Cash and cash equivalents  | 14   | 3.4                          | 3.3                      |
|  |      | 20.9                         | 21.4                     |
| <b>Total Assets</b>  |      | 134.1                        | 147.6                    |
| <b>Current liabilities</b>                                       |      |                              |                          |
| Trade and other payables   | 16   | (11.0)                       | (11.6)                   |
| Deferred income  | 17   | (15.3)                       | (14.3)                   |
| Current income tax liabilities                                   | 18   | (0.2)                        | (1.4)                    |
| Borrowings   | 15   | 0.1                          | -                        |
| Provisions   | 19   | (1.1)                        | (3.1)                    |
|  |      | (27.5)                       | (30.4)                   |
| <b>Net current liabilities</b>                                   |      | (6.6)                        | (9.0)                    |
| <b>Non-current liabilities</b>                                   |      |                              |                          |
| Borrowings   | 15   | (18.1)                       | (22.7)                   |
| Provisions   | 19   | -                            | (9.9)                    |
| Deferred income tax liabilities                                  | 20   | (1.7)                        | (3.0)                    |
|  |      | (19.8)                       | (35.6)                   |
| <b>Net assets</b>  |      | 86.8                         | 81.6                     |
| <b>Capital and reserves attributable to owners of the parent</b> |      |                              |                          |
| Share capital  | 21   | 15.0                         | 15.0                     |
| Own shares   |      | (10.1)                       | (10.1)                   |
| Share premium  |      | 0.7                          | 0.7                      |
| Other reserves   |      | 4.5                          | 4.0                      |
| Retained earnings  |      | 76.7                         | 72.0                     |
| <b>Total equity</b>  |      | 86.8                         | 81.6                     |

The financial statements on pages 94 to 141 were approved by the Board of Directors on 10 March 2015 and were signed on its behalf by:

M H Kerswell

Group Finance Director

**COMPANY BALANCE SHEET AS AT 31 DECEMBER 2014**

REGISTERED NUMBER 04948078

|  | Note | 31 December<br>2014<br>£m | 30 June<br>2013<br>£m |
|--|------|---------------------------|-----------------------|
| <b>Non-current assets</b>  |      |                           |                       |
| Investments  | 11   | 134.0                     | 134.0                 |
|  |      | 134.0                     | 134.0                 |
| <b>Current assets</b>  |      |                           |                       |
| Trade and other receivables                                      | 13   | 2.1                       | 9.5                   |
| Cash and cash equivalents  | 14   | -                         | 0.1                   |
|  |      | 2.1                       | 9.6                   |
| <b>Total Assets</b>  |      | 136.1                     | 143.6                 |
| <b>Current liabilities</b>                                       |      |                           |                       |
| Trade and other payables   | 16   | (5.3)                     | (0.8)                 |
| Borrowings   | 15   | 0.1                       | 0.2                   |
|  |      | (5.2)                     | (0.6)                 |
| <b>Net current (liabilities) / assets</b>                        |      | (3.1)                     | 9.0                   |
| <b>Non-current liabilities</b>                                   |      |                           |                       |
| Borrowings   | 15   | (18.1)                    | (22.6)                |
|  |      | (18.1)                    | (22.6)                |
| <b>Net assets</b>  |      | 112.8                     | 120.4                 |
| <b>Capital and reserves attributable to owners of the parent</b> |      |                           |                       |
| Share capital  | 21   | 15.0                      | 15.0                  |
| Own shares   |      | (8.2)                     | (8.4)                 |
| Share premium  |      | 0.7                       | 0.7                   |
| Other reserves   |      | 4.5                       | 4.0                   |
| Retained earnings  |      | 100.8                     | 109.1                 |
| <b>Total equity</b>  |      | 112.8                     | 120.4                 |

The financial statements on pages 94 to 141 were approved by the Board of Directors on 10 March 2015 and were signed on its behalf by

M H Kerswell

Group Finance Director

**CONSOLIDATED CASH FLOW STATEMENT FOR THE 18 MONTHS ENDED 31 DECEMBER 2014**

|   | Note | 18 months ended<br>31 December<br>2014<br>£m | Year ended<br>30 June<br>2013<br>£m |
|---|------|--|-------------------------------------|
| <b>Cash flows from operating activities</b>                           |      |  |                                     |
| Cash generated from operations  | 24   | 17.5   | 9.3                                 |
| Tax paid  |      | (2.5)  | (1.3)                               |
| <b>Net cash generated from operating activities</b>                   |      | 15.0   | 8.0                                 |
| <b>Cash flows from investing activities</b>                           |      |  |                                     |
| Acquisition of subsidiary   |      | -  | (11.4)                              |
| Other acquisitions - settlement of deferred consideration             | 19   | (19.6)                                       | (0.4)                               |
| Disposal of subsidiary  | 25   | 23.2   | -                                   |
| Other disposals - deferred consideration received                     |      | 0.3  | 0.2                                 |
| Purchase of property, plant and equipment                             | 10   | (1.7)  | (0.3)                               |
| Purchase of intangible assets   | 9    | (4.8)  | (4.1)                               |
| <b>Net cash flows used in investing activities</b>                    |      | (2.6)  | (16.0)                              |
| <b>Cash flows from financing activities</b>                           |      |  |                                     |
| Purchase of own shares - employee benefit trust                       |      | (0.2)  | -                                   |
| Exercise of share options settled through treasury shares             |      | 0.2  | 0.4                                 |
| Interest paid   |      | (1.5)  | (1.1)                               |
| Repayment of obligations under finance lease                          |      | (0.3)  | (0.3)                               |
| Dividends paid  | 23   | (5.8)  | (3.3)                               |
| (Repayment)/proceeds of borrowings                                    | 24   | (4.7)  | 10.3                                |
| <b>Net cash flows (used in) / generated from financing activities</b> |      | (12.3)                                       | 6.0                                 |
| <b>Net increase / (decrease) in cash and cash equivalents</b>         |      | 0.1  | (2.0)                               |
| Cash and cash equivalents at 1 July                                   |      | 3.3  | 5.3                                 |
| <b>Cash and cash equivalents at 31 December / 30 June</b>             | 14   | 3.4  | 3.3                                 |

**COMPANY CASH FLOW STATEMENT FOR  
THE 18 MONTHS ENDED 31 DECEMBER 2014**

|  | 18 months ended<br>31 December<br>2014 | Year ended<br>30 June<br>2013 |
|--|--|-------------------------------|
| Note   | £m                                     | £m                            |
| <b>Cash flows from operating activities</b>                    |  |                               |
| Cash generated from / (used in) operating activities           | 24                                     | (7.3)                         |
| <b>Cash flows from financing activities</b>                    |  |                               |
| Exercise of share options settled through treasury shares      | 0.2                                    | 0.4                           |
| Dividends paid   | (5.8)                                  | (3.3)                         |
| (Repayment)/proceeds of borrowings                             | 24                                     | 10.3                          |
| Net cash flows (used in) / generated from financing activities | (10.3)                                 | 7.4                           |
| <b>Net (decrease)/increase in cash and cash equivalents</b>    | (0.1)                                  | 0.1                           |
| Cash and cash equivalents at 1 July                            | 0.1                                    | -                             |
| <b>Cash and cash equivalents at 31 December / 30 June</b>      | 14                                     | 0.1                           |

**STATEMENT OF ACCOUNTING POLICIES**

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

**BASIS OF PREPARATION**

The consolidated and Company financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and International Financial Reporting Interpretations Committee (IFRIC) and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared on the historical cost basis. The consolidated financial statements have been prepared on a going concern basis. Further detail is included within the Report of the Directors on pages 48 to 57. The functional currency of the Company is pounds sterling (GBP) as that is the currency of the primary economic environment in which the group operates. These financial statements are presented in pounds sterling (GBP).

The preparation of financial statements in conformity 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 reporting period. Although these estimates are based on management's best knowledge of the amount, events or actions, the actual results may ultimately differ from those estimates.

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

(a) New and amended standards adopted by the group:

The following new standards and amendments to standards are mandatory for the first time for the financial period beginning 1 July 2013.

- ▶ Amendments to IFRS 7, 'Financial instruments: Disclosure – Offsetting financial assets and financial liabilities'. This amendment includes new disclosures to facilitate comparison between those entities that prepare IFRS financial statements to those that prepare financial statements in accordance with other accounting frameworks. The application of the standard has not had any significant impact on the group.
- ▶ Annual improvements to IFRSs 2009-2011. These annual improvements address six issues in the 2009-2011 reporting cycle. The application of these amendments has not had any significant impact on the group.
- ▶ IFRS 13, 'Fair value measurement' – IFRS establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. This standard excludes share-based payments which are within the scope of IFRS 2 Share-based Payment. The application of the standard has not had any significant impact on the group.

(b) New standards, amendments and interpretations that are potentially relevant to the group issued but not effective for the financial period beginning 1 July 2013 (and in some cases not yet adopted by the EU) and not early adopted:

- ▶ IFRS 9, 'Financial instruments'.
- ▶ IFRS 10, 'Consolidated financial statements'.
- ▶ IFRS 11, 'Joint Arrangements'.
- ▶ IFRS 12, 'Disclosures of interests in other entities'.
- ▶ Transition guidance (amendments to IFRS 10, IFRS 11 and IFRS 12).

The Directors anticipate that the adoption of these standards and interpretations in future periods will have no material impact on the financial statements of the group.

## STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

## PRESENTATION OF NON-STATUTORY MEASURES

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

The principal adjustments are made in respect of:

- ▶ Exceptional costs - the group considers items of income and expenses as exceptional items and excludes them from the adjusted results where the nature of the item, or its size, is likely to be material and non-recurring in nature so as to assist the user of the financial statements to better understand the results of the operations of the group. Details of exceptional items are shown in note 3.
- ▶ Amortisation of acquired intangibles - the group amortises all intangible assets. The amortisation charge for those intangible assets recognised on the acquisition of a subsidiary is excluded from the adjusted results of the group so as to assist the user of the financial statements to better understand the results of the operations of the group. The amortisation of intangible software assets acquired other than through the acquisition of a subsidiary is included in the adjusted results. Details of amortisation of intangibles are shown in note 9.
- ▶ Share-based payments - during the current period the group has amended the definition of adjusting items to include share-based payments. This is to assist the user of the financial statements to better understand the underlying results of the group. 2013 comparatives have been restated to treat share-based payments as an adjusting item. The effect of these changes on the comparatives for the year end 30 June 2013 is to increase adjusted operating profit by £0.2m from £9.8m to £10.0m and adjusted basic and diluted earnings per share by 0.1p from 4.5p to 4.6p. There is no change to statutory figures.
- ▶ Profit on disposal of subsidiary - details of the profit on disposal of subsidiary are shown in note 25.
- ▶ Exceptional finance costs - the group discounts provisions to the net present value where the effects of such discounting are material. The discounting on provisions relating to acquisitions is excluded from adjusted results of the group so as to assist the user of the financial statements to better understand the results of the operations of the group. Details of the exceptional finance costs 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, calculated using the standard rate of corporation tax.

Further details of adjusting items are included in note 3.

Adjusting operating profit reconciles to profit before tax as follows:

|                                   |                                      | 18 months ended<br>31 December<br>2014<br>£m | Year ended<br>30 June<br>2013*<br>£m |
|-----------------------------------|--------------------------------------|--|--------------------------------------|
| Adjusted operating profit         |                                      | 11.7   | 10.0                                 |
| Finance costs                     | 4                                    | (1.6)  | (1.2)                                |
| <b>Adjusted profit before tax</b> |                                      |  |                                      |
| Adjusting items                   |                                      | 10.1   | 8.8                                  |
|                                   | Exceptional costs                    | (6.7)  | (42.4)                               |
|                                   | Amortisation of acquired intangibles | (3.4)  | (2.3)                                |
|                                   | Share-based payments                 | (0.5)  | (0.2)                                |
|                                   | Profit on disposal of subsidiary     | 14.7   | -                                    |
|                                   | Exceptional finance costs            | (2.9)  | (1.3)                                |
| <b>Profit / (loss) before tax</b> |                                      | <b>11.3</b>                                  | <b>(37.4)</b>                        |

\*comparatives have been restated as discussed above.

During the period, the group has changed its key reporting metric from adjusted EBITDA to adjusted operating profit. This is considered to be more reflective of the underlying profitability of each segment and also aligns with the majority of our peers. Accordingly certain disclosures have been amended from prior year to reflect adjusted operating profit. There have been no changes to the numbers disclosed other than as discussed above in relation to the reclassification of share-based payments as an adjusting item. Where disclosures have been amended this is indicated in the note

## CONSOLIDATION

The consolidated financial statements incorporate the financial statements of Centaur Media plc and all its subsidiaries to 31 December, and previously to 30 June, adjusted where appropriate to conform with Centaur's accounting policies.

A subsidiary is an entity controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to benefit from its activities. Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, the results of subsidiaries acquired or disposed of during the reporting period are included in the consolidated income statement from the date the Company gains control until the date when the Company ceases to control the subsidiary.

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

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

When the group loses control of a subsidiary, the gain or loss on disposal recognised in profit or loss is calculated as the difference between (i) the aggregate fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), less liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRS).

## STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

## BUSINESS COMBINATIONS

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

Any deferred consideration to be transferred by the acquirer is recognised at fair value. If the conditions attached to the consideration indicate that the payment forms part of the acquisition, a provision is made for the future liability at the acquisition date. Where the deferred consideration is contingent on the continued employment of the vendors, such arrangements are recognised in the Consolidated Statement of Comprehensive Income on a straight line basis over the life of the earn-out. Subsequent changes to the fair value of the contingent consideration are recognised in accordance with IAS 39 through the Consolidated Statement of Comprehensive Income.

## REVENUE RECOGNITION

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

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

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

## FOREIGN CURRENCIES

Transactions denominated in foreign currency are translated at exchange rates prevailing at the transaction date. Monetary assets and liabilities are translated at exchange rates prevailing at the period end date. Any gains or losses arising on exchange are reflected in the statement of comprehensive income.

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

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

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

## INVESTMENTS

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

## GOODWILL

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

Each brand is deemed to be a Cash Generating Unit (CGU). Goodwill is attributed to individual CGUs but is reviewed at the segment level for the purposes of the annual impairment review as this is the level that management monitor goodwill. Any impairment is recognised in the statement of comprehensive income. Impairment of goodwill is not subsequently reversed.

On the disposal of a cash generating unit, the attributable amount of goodwill is included in the determination of the profit and loss on disposal.

## OTHER INTANGIBLE ASSETS

Intangible assets acquired separately are carried at cost less accumulated amortisation. Intangible assets acquired as part of business combinations are carried at fair value as at the date of acquisition less accumulated amortisation.

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

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

|                              |   |
|------------------------------|---|
| Computer software            | - 3 - 5 years                                       |
| Brands and publishing rights | - 20 years  |
| Customer relationships       | - 10 years or the length of the contract if shorter |
| Websites and content         | - 3 - 5 years                                       |
| Non-compete arrangements     | - Over the term of the arrangement                  |

The group's internally generated brands represent commercially valuable intangibles but are not eligible for recognition as assets under IAS 38 Intangible Assets.

## PROPERTY, PLANT AND EQUIPMENT

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

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

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

## STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

## INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the first in, first out method. Work in progress comprises costs incurred relating to publications, exhibitions and conferences prior to the publication date or the date of the event. For goods for resale, cost is the purchase price, or, in the case of publications, the direct cost of production.

Net realisable value is based on estimated future selling price less all the further costs to completion and all relevant marketing, selling and distribution costs.

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

## TAXATION INCLUDING DEFERRED TAX

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

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

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

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

## LEASES

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

The group leases certain property, plant and equipment. Leases of property, plant and equipment where the group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in financial liabilities. The interest element of the finance cost is charged to the statement of comprehensive income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease term.

## IMPAIRMENT OF NON-FINANCIAL ASSETS

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

## EMPLOYEE BENEFIT COST

The group and Company contribute to a defined contribution pension scheme for the benefit of employees. The assets of the scheme are held separately from those of the group in an independently administered fund. Contributions to defined contribution schemes are charged to the statement of comprehensive income at the time that the related service is provided. The group has no further payment obligations once the contributions have been paid.

The expected cost of compensated holidays is recognised at the time that the related service is provided.

## SHARE-BASED PAYMENTS

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

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

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

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

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

## PROVISIONS

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

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

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

**STATEMENT OF ACCOUNTING POLICIES (CONTINUED)****SHARE CAPITAL AND SHARE PREMIUM**

Ordinary shares are classified as equity. The excess of consideration received in respect of shares issued over the nominal value of those shares is held in the share premium account.

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

**DIVIDENDS**

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

**SEGMENTAL REPORTING**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The Operating Board has been identified as the chief operating decision-maker, responsible for allocating resources and assessing performance of the operating segments. During the prior year the company announced a refocus of its business into four market-facing divisions: Marketing, Financial Services (previously Financial), Professional, and Home Interest (previously Consumer).

**FINANCIAL INSTRUMENTS**

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

**► Financial assets**

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

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

Loans and receivables are carried at amortised cost using the effective interest method.

**► Trade receivables**

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

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

**► Cash and cash equivalents**

Cash and cash equivalents includes cash in hand and deposits repayable on demand or maturing within three months of the balance sheet date.

**► Trade payables**

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

**► Borrowings**

Borrowings are recognised at fair value, 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.

**► Derivative financial instruments**

Derivative financial instruments may be used to hedge interest rate and foreign currency exposure where these circumstances arise. Discounts and premiums are charged or credited to the statement of comprehensive income over the life of the asset or liability to which they relate. Derivative financial assets and liabilities are stated at fair value. Changes to fair value are recognised directly in equity, to the extent that they are effective, with the ineffective portion being recognised in the statement of comprehensive income in the financial period to which it relates. The group does not hold any derivative financial instruments either for trading purposes or designated as hedges.

**KEY ACCOUNTING ASSUMPTIONS, ESTIMATES AND JUDGEMENTS**

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

**i) Impairments**

In assessing whether goodwill and other intangible fixed assets are impaired, the group uses a discounted cash flow model which includes forecast cash flow information and estimates of future growth. If the results of operations in future periods are lower than included in the cash flow model, impairments may be triggered. Further details of the assumptions and sensitivities in the discounted cash flow model are included in note 8.

**ii) Contingent consideration**

Contingent consideration related to acquisitions is dependent on the future performance of the acquired businesses. Judgement is required in estimating the magnitude of the contingent consideration and the likelihood of payment. Further detail related to contingent consideration is disclosed in note 19.

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

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

## NOTES TO THE FINANCIAL STATEMENTS

## 1 SEGMENTAL REPORTING

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

The group is organised around four market-facing segments: Marketing, Financial Services (previously described as Financial), Home Interest (previously described as Consumer) and Professional. Corporate costs are allocated to these segments on an appropriate basis depending on the nature of the cost.

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.

There are no major customers that provide revenue of over 10% of a reportable segment.

|   | Marketing<br>£m | Financial<br>Services <sup>1</sup><br>£m | Home<br>Interest <sup>2</sup><br>£m | Professional<br>£m | Group<br>£m   |
|---|-----------------|--|-------------------------------------|--------------------|---------------|
| <b>18 months ended 31 December 2014</b>                 |                 |  |                                     |                    |               |
| Revenue   | 37.6            | 17.6                                     | 15.8                                | 34.6               | 105.6         |
| Adjusted operating profit                               | 4.0             | 2.6                                      | 1.9                                 | 3.2                | 11.7          |
| Amortisation of acquired intangibles                    | (2.6)           | (0.3)                                    | (0.2)                               | (0.3)              | (3.4)         |
| Exceptional costs                                       | (2.5)           | (3.3)                                    | (0.2)                               | (0.7)              | (6.7)         |
| <b>Segment result</b>                                   | <b>(1.1)</b>    | <b>(1.0)</b>                             | <b>1.5</b>                          | <b>2.2</b>         | <b>1.6</b>    |
| Share based payments                                    |                 |  |                                     |                    | (0.5)         |
| <b>Operating profit</b>                                 |                 |  |                                     |                    | <b>1.1</b>    |
| Profit on disposal of subsidiary                        |                 |  |                                     |                    | 14.7          |
| Finance costs   |                 |  |                                     |                    | (4.5)         |
| Profit before tax                                       |                 |  |                                     |                    | 11.3          |
| Taxation  |                 |  |                                     |                    | (0.8)         |
| <b>Profit for the period from continuing operations</b> |                 |  |                                     |                    | <b>10.5</b>   |
| Segment assets  | 56.9            | 17.4                                     | 13.2                                | 42.5               | 130.0         |
| Corporate assets  |                 |  |                                     |                    | 4.2           |
| <b>Consolidated total assets</b>                        |                 |  |                                     |                    | <b>134.2</b>  |
| Segment liabilities                                     | (12.5)          | (1.7)                                    | (3.7)                               | (9.6)              | (27.5)        |
| Corporate liabilities                                   |                 |  |                                     |                    | (29.9)        |
| <b>Consolidated total liabilities</b>                   |                 |  |                                     |                    | <b>(47.4)</b> |
| <b>Other items</b>                                      |                 |  |                                     |                    |               |
| Capital expenditure (tangibles and intangibles)         | 3.2             | 0.7                                      | 0.6                                 | 2.0                | 6.5           |

<sup>1</sup> previously described as Financial

<sup>2</sup> previously described as Consumer



**1 SEGMENTAL REPORTING (CONTINUED)**

|   | Marketing<br>£m | Financial<br>Services <sup>1</sup><br>£m | Home<br>Interest <sup>2</sup><br>£m | Professional<br>£m | Group<br>£m   |
|---|-----------------|--|-------------------------------------|--------------------|---------------|
| <b>Year ended 30 June 2013*</b>                     |                 |  |                                     |                    |               |
| Revenue   | 23.8            | 13.3                                     | 10.8                                | 24.1               | 72.0          |
| Adjusted operating profit*                          | 2.6             | 2.0                                      | 1.5                                 | 3.9                | 10.0          |
| Amortisation of acquired intangibles                | (1.7)           | (0.2)                                    | (0.1)                               | (0.3)              | (2.3)         |
| Impairment of goodwill                              | (20.8)          | (14.2)                                   | -                                   | (4.2)              | (39.2)        |
| Exceptional costs                                   | 3.9             | (0.6)                                    | (0.5)                               | (6.0)              | (3.2)         |
| <b>Segment result</b>                               | <b>(16.0)</b>   | <b>(13.0)</b>                            | <b>0.9</b>                          | <b>(6.6)</b>       | <b>(34.7)</b> |
| Share based payments                                |                 |  |                                     |                    | (0.2)         |
| <b>Operating loss</b>                               |                 |  |                                     |                    | <b>(34.9)</b> |
| Finance costs                                       |                 |  |                                     |                    | (2.5)         |
| Loss before tax                                     |                 |  |                                     |                    | (37.4)        |
| Taxation  |                 |  |                                     |                    | (1.0)         |
| <b>Loss for the year from continuing operations</b> |                 |  |                                     |                    | <b>(38.4)</b> |
| Segment assets                                      | 50.7            | 18.9                                     | 13.2                                | 60.0               | 142.8         |
| Corporate assets                                    |                 |  |                                     |                    | 4.8           |
| <b>Consolidated total assets</b>                    |                 |  |                                     |                    | <b>147.6</b>  |
| Segment liabilities                                 | (17.3)          | (3.5)                                    | (3.7)                               | (14.7)             | (39.2)        |
| Corporate liabilities                               |                 |  |                                     |                    | (26.8)        |
| <b>Consolidated total liabilities</b>               |                 |  |                                     |                    | <b>(66.0)</b> |
| <b>Other items</b>                                  |                 |  |                                     |                    |               |
| Capital expenditure (tangibles and intangibles)     | 10.6            | 0.6                                      | 0.2                                 | 2.1                | 13.5          |

\* Comparatives have been amended to reflect adjusted operating profit as discussed in the Statement of Accounting Policies.

<sup>1</sup> Previously described as Financial

<sup>2</sup> Previously described as Consumer

**Revenue by Geographical Location**

The group's revenues from external customers by geographical location are detailed below.

|                   | 18 months ended<br>31 December<br>2014<br>£m | Year ended<br>30 June<br>2013<br>£m |
|-------------------|--|-------------------------------------|
| United Kingdom    | 90.7   | 64.3                                |
| Europe (excl. UK) | 4.1  | 3.2                                 |
| North America     | 7.7  | 2.8                                 |
| Rest of World     | 3.1  | 1.7                                 |
|                   | <b>105.6</b>                                 | <b>72.0</b>                         |

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.

An analysis of the group's revenue by type is as follows:

|                  | 18 months ended<br>31 December<br>2014<br>£m | Year ended<br>30 June<br>2013<br>£m |
|------------------|--|-------------------------------------|
| Sale of goods:   |  |                                     |
| Paid for Content | 31.2   | 20.3                                |
| Live events      | 39.3   | 25.0                                |
| Advertising      | 33.7   | 26.2                                |
| Other            | 1.4  | 0.5                                 |
|                  | <b>105.6</b>                                 | <b>72.0</b>                         |

**2 NET OPERATING EXPENSES**

Operating profit is stated after charging / (crediting):

|   |      | Adjusted Results                 | Adjusting Items                  | Statutory Results                | Adjusted Results         | Adjusting Items          | Statutory Results        |
|---|------|----------------------------------|----------------------------------|----------------------------------|--------------------------|--------------------------|--------------------------|
|   | Note | 18 months ended 31 December 2014 | 18 months ended 31 December 2014 | 18 months ended 31 December 2014 | Year ended 30 June 2013* | Year ended 30 June 2013* | Year ended 30 June 2013* |
|   |      | £m                               | £m                               | £m                               | £m                       | £m                       | £m                       |
| Net foreign exchange gains                    |      | (0.1)                            | -                                | (0.1)                            | -                        | -                        | -                        |
| Employee benefits expense                     | 5    | 40.5                             | -                                | 40.5                             | 26.4                     | -                        | 26.4                     |
| Depreciation of property, plant and equipment | 10   | 1.2                              | -                                | 1.2                              | 0.6                      | -                        | 0.6                      |
| Amortisation of intangible assets             | 9    | 3.3                              | 3.4                              | 6.7                              | 2.3                      | 2.3                      | 4.6                      |
| Impairment of goodwill                        | 8    | -                                | -                                | -                                | -                        | 39.2                     | 39.2                     |
| Exceptional operating costs                   | 3    | -                                | 6.7                              | 6.7                              | -                        | 3.2                      | 3.2                      |
| Operating lease rentals                       |      | 3.2                              | -                                | 3.2                              | 2.7                      | -                        | 2.7                      |
| Repairs and maintenance expenditure           |      | 0.1                              | -                                | 0.1                              | 0.1                      | -                        | 0.1                      |
| Trade receivables impairment                  |      | 0.8                              | -                                | 0.8                              | 0.2                      | -                        | 0.2                      |
| Share-based payments*                         |      | -                                | 0.5                              | 0.5                              | -                        | 0.2                      | 0.2                      |
| Other operating expenses*                     |      | 44.9                             | -                                | 44.9                             | 29.7                     | -                        | 29.7                     |
|   |      | 93.9                             | 10.6                             | 104.5                            | 62.0                     | 44.9                     | 106.9                    |
| Cost of Sales                                 |      | 56.3                             | -                                | 56.3                             | 36.7                     | -                        | 36.7                     |
| Distribution costs                            |      | 2.6                              | -                                | 2.6                              | 2.0                      | -                        | 2.0                      |
| Administrative expenses                       |      | 35.0                             | 10.6                             | 45.6                             | 23.3                     | 44.9                     | 68.2                     |
|   |      | 93.9                             | 10.6                             | 104.5                            | 62.0                     | 44.9                     | 106.9                    |

\*2013 comparatives have been restated to treat share-based payments as an adjusting item. The effect of these changes on the comparatives for the year end 30 June 2013 is to increase adjusted operating profit by £0.2m from £9.8m to £10.0m and adjusted basic and diluted earnings per share by 0.1p from 4.5p to 4.6p. Further information is given in the Statement of Accounting Policies. There has been no impact on statutory results.

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

|  | 18 months ended 31 December 2014 | Year ended 30 June 2013 |
|--|----------------------------------|-------------------------|
|  | £m                               | £m                      |
| Audit fees:  |                                  |                         |
| <b>Fees payable to the Company's auditor for the audit of parent company and consolidated financial statements</b> | 126                              | 119                     |
| <b>Fees payable to the Company's auditor and its associates for other services:</b>                                |                                  |                         |
| The audit of the Company's subsidiaries pursuant to legislation  | 40                               | 30                      |
| <b>Total audit fees</b>  | 166                              | 149                     |
| Audit related assurance services   | 54                               | 26                      |
| Taxation compliance services   | 78                               | 43                      |
| Other taxation advisory services   | 138                              | 15                      |
| Other assurance services   | 51                               | 47                      |
| Corporate finance services   | 153                              | -                       |
| <b>Total non-audit fees</b>  | 474                              | 131                     |
|  | 640                              | 280                     |

The corporate finance fees relate to the provision of reporting accountant services in the shareholder circular prepared for the disposal of Perfect Information Limited.

**3 ADJUSTING ITEMS**

As discussed in the Statement of Accounting Policies certain items are presented as adjusting. These are detailed below:

|   | 18 months ended 31 December 2014 | Year ended 30 June 2013 |
|---|----------------------------------|-------------------------|
|   | £m                               | £m                      |
| Restructuring costs   |                                  |                         |
| Redundancies  | 0.9                              | 2.8                     |
| Accelerated amortisation of software                            | -                                | 0.2                     |
| Accelerated share-based payment charge                          | -                                | 0.1                     |
| Post closure costs  | 0.3                              | -                       |
|   | 1.2                              | 3.1                     |
| Acquisition-related costs                                       | 0.2                              | 0.7                     |
| Deferred contingent consideration                               | 5.0                              | 4.3                     |
| Deferred contingent consideration adjustment                    | -                                | (5.4)                   |
| Onerous lease provision   | -                                | 0.6                     |
| Other   | 0.3                              | (0.1)                   |
| <b>Exceptional operating costs (before goodwill impairment)</b> | 6.7                              | 3.2                     |
| Impairment of goodwill  | -                                | 39.2                    |
| Exceptional operating costs                                     | 6.7                              | 42.4                    |
| Amortisation of acquired intangibles                            | 3.4                              | 2.3                     |
| Share-based payments  | 0.5                              | 0.2                     |
| Profit on disposal of subsidiary                                | (14.7)                           | -                       |
| Exceptional finance costs                                       | 2.9                              | 1.3                     |
| <b>Total adjusting items</b>                                    | (1.2)                            | 46.2                    |
| Tax relating to adjusting items                                 | (1.3)                            | (1.2)                   |
| <b>Total adjusting items after tax</b>                          | (2.5)                            | 45.0                    |

Exceptional operating costs comprise the following:

Restructuring costs - in 2014 these comprise redundancy costs of £0.9m and product closure costs as a result of ongoing restructuring activities which completed during the period. Costs in 2013 comprised redundancy costs, accelerated amortisation of software and accelerated share-based payment costs.

Acquisition-related costs - in 2014 these comprise legal and professional fees amounting to £0.2m. Acquisition-related costs in 2013 comprise the legal and professional fees associated with the acquisition of E-consultancy.com Limited ("Econsultancy").

Deferred contingent consideration - the charge in the period relates to contingent consideration associated with the acquisition of Investment Platforms Limited (£2.7m) and Venture Business Research Limited (£0.3m) in 2012. An additional £2.0m has also been charged in relation to Econsultancy as part of the negotiation for its early settlement in June 2014. £5.4m was released in 2013 in relation to the Econsultancy deferred contingent consideration based on management's forecasts.

Onerous lease provision - no additional onerous lease provision was made in 2014.

Other exceptional costs - unwinding of the discount of the deferred consideration receivable on disposed trading assets (£0.1m), offset by costs incurred in relation to assignment of a lease (£0.1m) and other items.

Exceptional finance costs - the charge in the period relates to the unwinding of the discount on the Econsultancy deferred contingent consideration provision. The remaining charge was accelerated and recognised in the six months to 30 June 2014 as part of its early settlement in June 2014.

Other adjusting items are as discussed in the Statement of Accounting Policies

**4 FINANCE COSTS**

|   | 18 months ended<br>31 December<br>2014<br>£m | Year ended<br>30 June<br>2013<br>£m |
|---|--|-------------------------------------|
| Interest payable on revolving credit facility   | 1.2  | 0.8                                 |
| Commitment fees and amortisation of arrangement fee in respect of revolving credit facility | 0.4  | 0.3                                 |
| Finance lease interest  | -  | 0.1                                 |
| <b>Total interest expense</b>   | <b>1.6</b>                                   | <b>1.2</b>                          |
| Unwinding of discount on provisions (included in adjusting items)                           | 2.9  | 1.3                                 |
|   | <b>4.5</b>                                   | <b>2.5</b>                          |

**5 DIRECTORS AND EMPLOYEES**

|   | 18 months ended<br>31 December<br>2014<br>Group<br>£m | Year ended<br>30 June<br>2013<br>Group<br>£m | 18 months ended<br>31 December<br>2014<br>Company<br>£m | Year ended<br>30 June<br>2013<br>Company<br>£m |
|---|---|--|---|--|
| Wages and salaries                            | 34.5  | 22.6   | 1.7   | 0.8  |
| Social security costs                         | 4.4   | 2.9  | 0.2   | 0.1  |
| Other pension costs                           | 1.1   | 0.6  | -   | 0.1  |
| Equity settled share-based payments (note 22) | 0.5   | 0.3  | 0.3   | 0.1  |
|   | <b>40.5</b>   | <b>26.4</b>                                  | <b>2.2</b>  | <b>1.1</b>                                     |
| Exceptional redundancy costs (note 3)         | 0.9   | 2.8  | -   | -  |
|   | <b>41.4</b>   | <b>29.2</b>                                  | <b>2.2</b>  | <b>1.1</b>                                     |

The average monthly number of employees employed during the period / year, including directors, was:

|                                 | 18 months ended<br>31 December<br>2014<br>Group<br>Number | Year ended<br>30 June<br>2013<br>Group<br>Number |
|---------------------------------|---|--|
| Marketing                       | 171   | 165  |
| Financial Services <sup>1</sup> | 55  | 67   |
| Home interest <sup>2</sup>      | 62  | 58   |
| Professional                    | 112   | 135  |
| Central                         | 184   | 168  |
|                                 | <b>584</b>  | <b>593</b>                                       |

<sup>1</sup> previously described as Financial

<sup>2</sup> previously described as Consumer

**Key management compensation**

|   | 18 months ended<br>31 December<br>2014<br>£m | Year ended<br>30 June<br>2013<br>£m |
|---|--|-------------------------------------|
| Salaries and short term employment benefits | 3.4  | 1.2                                 |
| Termination benefits                        | -  | 0.7                                 |
| Post employment benefits                    | 0.2  | 0.1                                 |
| Share-based payments                        | 0.4  | 0.2                                 |
|   | <b>4.0</b>                                   | <b>2.2</b>                          |

Key management is defined as the Executive Directors and Operating Board members.

**Aggregate Directors' remuneration**

|  | 18 months ended<br>31 December<br>2014<br>£m | Year ended<br>30 June<br>2013<br>£m |
|--|--|-------------------------------------|
| Salaries, fees, bonuses and benefits in kind         | 1.7  | 1.4                                 |
| Gains on exercises of share options                  | 0.1  | -                                   |
| Amounts receivable under long term incentive schemes | 0.3  | 0.1                                 |
| Money purchase pension contributions                 | 0.1  | 0.1                                 |
|  | <b>2.2</b>                                   | <b>1.6</b>                          |

Further details of Directors' remuneration are included in the Directors' Report on Remuneration starting on page 64.

**6 TAXATION**

|   | 18 months ended<br>31 December<br>2014<br>£m | Year ended<br>30 June<br>2013<br>£m |
|---|--|-------------------------------------|
| <b>Analysis of charge / (credit) for the period</b> |  |                                     |
| <b>Current tax</b>                                  |  |                                     |
| Current period                                      | 1.7  | 1.3                                 |
| Adjustment in respect of prior year                 | (0.2)  | 0.4                                 |
|   | 1.5  | 1.7                                 |
| <b>Deferred tax (note 20)</b>                       |  |                                     |
| Current period                                      | (0.5)  | (0.5)                               |
| Adjustment in respect of prior year                 | (0.2)  | (0.2)                               |
|   | (0.7)  | (0.7)                               |
| <b>Taxation</b>                                     | <b>0.8</b>                                   | <b>1.0</b>                          |

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

|  | 18 months ended<br>31 December<br>2014<br>£m | Year ended<br>30 June<br>2013<br>£m |
|--|--|-------------------------------------|
| Profit / (loss) before tax   | 11.3   | (37.4)                              |
| Tax at the UK rate of corporation tax of 22% (2013: 23.75%)          | 2.5  | (8.9)                               |
| Effects of:  |  |                                     |
| Expenses not deductible for tax purposes                             | 1.9  | 0.4                                 |
| Income not taxable for tax purposes                                  | (3.2)  | -                                   |
| Goodwill impairment not deductible                                   | -  | 9.3                                 |
| Effects of changes in tax rate on deferred tax balances              | (0.2)  | -                                   |
| Adjustments in respect of prior year                                 | (0.4)  | 0.2                                 |
| Effect of different tax rates of subsidiaries in other jurisdictions | 0.2  | -                                   |
|  | 0.8  | 1.0                                 |

The Finance Act 2013 included legislation to reduce the main rate of corporation tax from 23% to 21% from 1 April 2014. Accordingly the company's profits for this accounting period will be taxed at a blended rate of 22%.

The Finance Act 2013 also included legislation to reduce the main rate of corporation tax from 21% to 20% from 1 April 2015. These further changes had been substantively enacted at the balance sheet date and, therefore, the group's deferred tax balances are recorded at 20%.

**7 EARNINGS PER SHARE**

Basic earnings per share (EPS) is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of shares in issue during the period. 616,373 (2013: 1,693,673) shares held in the employee benefit trust and 6,535,973 (2013: 7,318,291) shares held in treasury have been excluded in arriving at the weighted average number of shares.

For diluted earnings per share the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares. This comprises share options (including those granted under the Sharesave plan) granted to Directors and employees where the exercise price is less than the average market price of the Company's ordinary shares during the period.

Basic and diluted earnings per share have also been presented on an adjusted basis, as the Directors believe that this measure is more reflective of the underlying performance of the group.

|  | 18 months ended<br>31 December<br>2014<br>Earnings<br>attributable to owners<br>of the parent<br>£m | 18 months ended<br>31 December<br>2014<br>Weighted<br>average<br>number<br>of shares<br>millions | 18 months ended<br>31 December<br>2014<br>Earnings<br>per share<br>Pence | Year ended<br>30 June<br>2013<br>Earnings<br>attributable<br>to owners<br>of the parent*<br>£m | Year ended<br>30 June<br>2013<br>Weighted<br>average<br>number<br>of shares<br>millions | Year ended<br>30 June<br>2013<br>Earnings<br>per share*<br>Pence |
|--|---|--|--|--|---|--|
| <b>Basic</b>   | 10.5  | 142.5  | 7.4  | (38.4)   | 140.9   | (27.3)   |
| <b>Effect of dilutive securities</b>                               |   |  |  |  |   |  |
| Options  | -   | 2.8  | (0.2)  | -  | -   | -  |
| <b>Diluted</b>   | <b>10.5</b>   | <b>145.3</b>   | <b>7.2</b>   | <b>(38.4)</b>  | <b>140.9</b>  | <b>(27.3)</b>  |
| <b>Adjusted</b>  |   |  |  |  |   |  |
| <b>Basic</b>   | 10.5  | 142.5  | 7.4  | (38.4)   | 140.9   | (27.3)   |
| Amortisation of acquired intangibles (excluding software) (note 9) | 3.4   |  | 2.4  | 2.3  |   | 1.6  |
| Exceptional finance costs  | 2.9   |  | 2.0  | 1.3  |   | 0.9  |
| Exceptional costs (note 3)   | 6.7   |  | 4.7  | 42.4   |   | 30.2   |
| Share-based payments*  | 0.5   |  | 0.3  | 0.2  |   | 0.1  |
| Profit on disposal of subsidiary                                   | (14.7)  |  | (10.3)   | -  |   | -  |
| Tax effect of above adjustments                                    | (1.3)   |  | (0.9)  | (1.2)  |   | (0.9)  |
| <b>Adjusted*</b>   | <b>8.0</b>  | <b>142.5</b>   | <b>5.6</b>   | <b>6.6</b>   | <b>140.9</b>  | <b>4.6</b>   |
| <b>Effect of dilutive securities</b>                               |   |  |  |  |   |  |
| Options  | -   | 2.8  | (0.1)  | -  | 2.3   | -  |
| <b>Diluted adjusted*</b>   | <b>8.0</b>  | <b>145.3</b>   | <b>5.5</b>   | <b>6.6</b>   | <b>143.2</b>  | <b>4.6</b>   |

2.3m of potentially dilutive share options were disregarded in calculating the 30 June 2013 earnings per share as these were antidilutive for the period presented.

\*2013 comparatives have been restated to treat share-based payments as an adjusting item. The effect of these changes on the comparatives for the year-end 30 June 2013 is to increase adjusted operating profit by £0.2m from £9.8m to £10.0m and adjusted basic and diluted earnings per share by 0.1p from 4.5p to 4.6p. Further information is given in the Statement of Accounting Policies. There was no effect on statutory basic or diluted earnings per share.

## 8 GOODWILL

|   | Note | Group<br>Total<br>£m |
|---|------|----------------------|
| <b>Cost</b>                             |      |                      |
| At 1 July 2012                          |      | 147.2                |
| Additions - acquisition of subsidiaries |      | 16.7                 |
| Additions - other acquisitions          |      | 0.1                  |
| At 30 June 2013                         |      | 164.0                |
| Disposal of subsidiary                  | 25   | (8.9)                |
| At 31 December 2014                     |      | 155.1                |
| <b>Accumulated impairment</b>           |      |                      |
| At 1 July 2012                          |      | 25.9                 |
| Charge for the year                     |      | 39.2                 |
| At 30 June 2013                         |      | 65.1                 |
| Charge for the period                   |      | -                    |
| At 31 December 2014                     |      | 65.1                 |
| <b>Net book amount</b>                  |      |                      |
| At 31 December 2014                     |      | 90.0                 |
| At 30 June 2013                         |      | 98.9                 |
| At 1 July 2012                          |      | 121.3                |

The reduction in goodwill during the period relates to the disposal of Perfect Information Limited (note 25).

Additions to goodwill in 2013 arose on the acquisition of Econsultancy in July 2012.

**Goodwill by segment**

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

Goodwill is allocated to segments as follows:

|                            | Marketing<br>£m | Financial<br>Services <sup>1</sup><br>£m | Home<br>Interest <sup>2</sup><br>£m | Professional<br>£m | Total<br>£m |
|----------------------------|-----------------|--|-------------------------------------|--------------------|-------------|
| <b>At 31 December 2014</b> | 36.7            | 12.3                                     | 7.5                                 | 33.5               | 90.0        |
| At 30 June 2013            | 36.7            | 12.3                                     | 7.5                                 | 42.4               | 98.9        |

<sup>1</sup> Previously described as Financial

<sup>2</sup> Previously described as Consumer

**Impairment testing of goodwill and acquired intangible assets**

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

The group estimates the value-in-use of its CGUs using a discounted cash flow model, which adjusts the cash flows for risks associated with the assets and discounts these using a pre-tax rate of 13.2% (30 June 2013: 12.6%). The discount rate used is consistent with the group's weighted average cost of capital and is used across all segments, which all are based predominantly in the UK and considered to have the same 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 2.25% (30 June 2013: 2.25%). 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.

No impairment was noted as a result of the impairment review (30 June 2013: £39.2m). Professional and Financial Services had the lowest headroom.

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

- (i) apply a 5% reduction to forecast EBITDA in each year of the modelled cash flows.
- (ii) apply a 0.5 percentage points increase in discount rate from 13.2% to 13.7%.
- (iii) reduce the terminal value growth rate from 2.25% to 2%.

For all CGUs, the value-in-use calculations comfortably exceed the CGU carrying values in the sensitivity scenarios.

## 9 OTHER INTANGIBLE ASSETS

|   | Computer software<br>£m | Brands and publishing rights<br>£m | Customer relationships<br>£m | Websites and content<br>£m | Non-competes arrangements<br>£m | Total<br>£m |
|---|-------------------------|------------------------------------|------------------------------|----------------------------|---------------------------------|-------------|
| <b>Cost</b>                               |                         |                                    |                              |                            |                                 |             |
| At 1 July 2012                            | 14.8                    | 5.6                                | 6.0                          | 1.5                        | 0.5                             | 28.4        |
| Additions - business combinations         | 0.3                     | -                                  | 5.6                          | 3.2                        | -                               | 9.1         |
| Additions - separately acquired           | 3.5                     | -                                  | -                            | -                          | -                               | 3.5         |
| Additions - internally generated          | 0.6                     | -                                  | -                            | -                          | -                               | 0.6         |
| At 30 June 2013                           | 19.2                    | 5.6                                | 11.6                         | 4.7                        | 0.5                             | 41.6        |
| Additions - separately acquired           | 2.8                     | -                                  | -                            | -                          | -                               | 2.8         |
| Additions - internally generated          | 2.0                     | -                                  | -                            | -                          | -                               | 2.0         |
| Disposal of subsidiary (note 25)          | (7.2)                   | -                                  | -                            | -                          | -                               | (7.2)       |
| Disposals                                 | (7.3)                   | -                                  | -                            | -                          | -                               | (7.3)       |
| At 31 December 2014                       | 9.5                     | 5.6                                | 11.6                         | 4.7                        | 0.5                             | 31.9        |
| <b>Accumulated amortisation</b>           |                         |                                    |                              |                            |                                 |             |
| At 1 July 2012                            | 10.1                    | 0.8                                | 1.1                          | 0.5                        | 0.5                             | 13.0        |
| Amortisation charge for the year          | 2.3                     | 0.3                                | 1.2                          | 0.8                        | -                               | 4.6         |
| Accelerated amortisation (note 3)         | 0.2                     | -                                  | -                            | -                          | -                               | 0.2         |
| At 30 June 2013                           | 12.6                    | 1.1                                | 2.3                          | 1.3                        | 0.5                             | 17.8        |
| Amortisation charge for the period        | 3.3                     | 0.4                                | 1.7                          | 1.3                        | -                               | 6.7         |
| Disposal of subsidiary (note 25)          | (5.2)                   | -                                  | -                            | -                          | -                               | (5.2)       |
| Eliminated on disposal                    | (7.3)                   | -                                  | -                            | -                          | -                               | (7.3)       |
| At 31 December 2014                       | 3.4                     | 1.5                                | 4.0                          | 2.6                        | 0.5                             | 12.0        |
| <b>Net book value at 31 December 2014</b> | 6.1                     | 4.1                                | 7.6                          | 2.1                        | -                               | 19.9        |
| Net book value at 30 June 2013            | 6.6                     | 4.5                                | 9.3                          | 3.4                        | -                               | 23.8        |
| Net book value at 1 July 2012             | 4.7                     | 4.8                                | 4.9                          | 1.0                        | -                               | 15.4        |

During the period the group disposed of assets with nil net book value that are no longer in use. The assets had an original cost of £7.3m.

Computer software capitalised in 2014 and 2013 principally relates to the development of website and digital subscription platforms.

The additions to customer relationships and websites in content in 2013 relate to the acquisition of Econsultancy purchased in July 2012.

The Company has no intangible assets (2013: £nil).

## 10 PROPERTY, PLANT AND EQUIPMENT

|   | Leasehold improvements<br>£m | Fixtures and fittings<br>£m | Computer equipment<br>£m | Total<br>£m |
|---|------------------------------|-----------------------------|--------------------------|-------------|
| <b>Cost</b>                               |                              |                             |                          |             |
| At 1 July 2012                            | 3.6                          | 3.1                         | 2.1                      | 8.8         |
| Additions                                 | -                            | 0.1                         | 0.2                      | 0.3         |
| Disposals                                 | -                            | (0.1)                       | (0.3)                    | (0.4)       |
| At 30 June 2013                           | 3.6                          | 3.1                         | 2.0                      | 8.7         |
| Additions                                 | 0.9                          | 0.1                         | 0.7                      | 1.7         |
| Disposal of subsidiary                    | (0.1)                        | -                           | (0.5)                    | (0.6)       |
| Disposals                                 | (1.5)                        | (2.3)                       | (1.5)                    | (5.3)       |
| At 31 December 2014                       | 2.9                          | 0.9                         | 0.7                      | 4.5         |
| <b>Accumulated depreciation</b>           |                              |                             |                          |             |
| At 1 July 2012                            | 2.7                          | 2.2                         | 1.6                      | 6.5         |
| Depreciation charge for the year          | 0.2                          | 0.2                         | 0.2                      | 0.6         |
| Eliminated on disposal                    | -                            | (0.1)                       | (0.3)                    | (0.4)       |
| At 30 June 2013                           | 2.9                          | 2.3                         | 1.5                      | 6.7         |
| Depreciation charge for the period        | 0.3                          | 0.5                         | 0.4                      | 1.2         |
| Disposal of subsidiary                    | (0.2)                        | -                           | (0.4)                    | (0.6)       |
| Eliminated on disposal                    | (1.5)                        | (2.3)                       | (1.5)                    | (5.3)       |
| At 31 December 2014                       | 1.5                          | 0.5                         | -                        | 2.0         |
| <b>Net book value at 31 December 2014</b> | 1.4                          | 0.4                         | 0.7                      | 2.5         |
| Net book value at 30 June 2013            | 0.7                          | 0.8                         | 0.5                      | 2.0         |
| Net book value at 1 July 2012             | 0.9                          | 0.9                         | 0.5                      | 2.3         |

During the period the group disposed of assets with nil net book value that were no longer in use. The assets had an original cost of £5.3m.

Included in fixtures and fittings are assets purchased under finance leases with a cost of £0.1m (30 June 2013: £0.8m), accumulated depreciation of £nil (30 June 2013: £0.4m) and net book value of £0.1m (30 June 2013: £0.4m).

The Company has no property, plant and equipment (30 June 2013: £nil).

**11 INVESTMENTS**

| Company Cost   | Investments in subsidiary undertakings<br>£m |
|--|--|
| At 1 July 2012 and 2013 and at 31 December 2014            | 146.2  |
| <b>Accumulated impairment</b>                              |  |
| At 1 July 2012   | -  |
| Charge for the year ended 30 June 2013                     | 12.2   |
| At 30 June 2013 and 31 December 2014                       | 12.2   |
| <b>Net book value at 30 June 2013 and 31 December 2014</b> | <b>134.0</b>                                 |
| Net book value at 30 June 2012                             | 146.2  |

| Name  | Proportion of ordinary shares held and voting rights % | Principal activities                     | Country of incorporation |
|---|--|--|--------------------------|
| Centaur Communications Limited <sup>1</sup> | 100.00   | Holding company and agency services      | United Kingdom           |
| Centaur Consumer Exhibitions Limited        | 100.00   | Exhibitions                              | United Kingdom           |
| Chiron Communications Limited               | 100.00   | Digital and print publishing             | United Kingdom           |
| Ascent Publishing Limited                   | 100.00   | Digital and print publishing             | United Kingdom           |
| Taxbriefs Holdings Limited                  | 100.00   | Holding company                          | United Kingdom           |
| Taxbriefs Limited                           | 100.00   | Digital and print publishing             | United Kingdom           |
| The Forum for Expatriate Management Limited | 100.00   | Events and information                   | United Kingdom           |
| The Forum for Expatriate Management Inc     | 100.00   | Events and information                   | United States            |
| Investment Platforms Limited                | 100.00   | Research data and analysis               | United Kingdom           |
| Venture Business Research Limited           | 100.00   | Research data and analysis               | United Kingdom           |
| The Profile Group (UK) Limited              | 100.00   | Digital information                      | United Kingdom           |
| E-consultancy.com Limited                   | 100.00   | Digital information, training and events | United Kingdom           |

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

The consolidated financial statements incorporate the financial statements of all entities controlled by the Company at 31 December 2014. During the period, the group disposed of Perfect Information Limited and its subsidiary companies (note 25).

**12 INVENTORIES**

|                  | 31 December 2014<br>Group<br>£m | 30 June 2013<br>Group<br>£m |
|------------------|---------------------------------|-----------------------------|
| Work in progress | 1.8                             | 2.0                         |

The company had no inventory at 31 December 2014 (30 June 2013: £nil).

**13 TRADE AND OTHER RECEIVABLES**

|   | 31 December 2014<br>Group<br>£m | 30 June 2013<br>Group<br>£m | 31 December 2014<br>Company<br>£m | 30 June 2013<br>Company<br>£m |
|---|---------------------------------|-----------------------------|-----------------------------------|-------------------------------|
| <b>Amounts falling due within one year</b>    |                                 |                             |                                   |                               |
| Trade receivables                             | 11.9                            | 11.2                        | -                                 | -                             |
| Less: provision for impairment of receivables | (0.5)                           | (0.2)                       | -                                 | -                             |
| Trade receivables - net                       | 11.4                            | 11.0                        | -                                 | -                             |
| Receivables from subsidiaries                 | -                               | -                           | -                                 | 7.4                           |
| Employee benefit trust                        | -                               | -                           | 1.8                               | 1.8                           |
| Other receivables                             | 1.4                             | 1.7                         | 0.3                               | 0.3                           |
| Prepayments                                   | 1.7                             | 1.9                         | -                                 | -                             |
| Accrued income                                | 1.2                             | 1.5                         | -                                 | -                             |
|   | <b>15.7</b>                     | <b>16.1</b>                 | <b>2.1</b>                        | <b>9.5</b>                    |

The ageing of trade receivables at 31 December / 30 June, according to their original due date, is detailed below:

|                             | 31 December 2014<br>Gross<br>£m | 31 December 2014<br>Provision<br>£m | 30 June 2013<br>Gross<br>£m | 30 June 2013<br>Provision<br>£m |
|-----------------------------|---------------------------------|-------------------------------------|-----------------------------|---------------------------------|
| Relating to future revenues | 4.6                             | -                                   | 2.3                         | -                               |
| Current                     | 6.7                             | -                                   | 7.2                         | -                               |
| 31-60 days                  | 0.3                             | (0.2)                               | 0.7                         | -                               |
| 61-90 days                  | 0.1                             | (0.1)                               | 0.5                         | -                               |
| Over 90 days                | 0.2                             | (0.2)                               | 0.5                         | (0.2)                           |
|                             | <b>11.9</b>                     | <b>(0.5)</b>                        | <b>11.2</b>                 | <b>(0.2)</b>                    |

The amount relating to future revenues forms part of deferred income in note 17.

Receivables from subsidiaries are unsecured, have no fixed date of repayment and bear interest at an annual rate of 2.11% (2013: 2.11%).

**13 TRADE AND OTHER RECEIVABLES (CONTINUED)**

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

|   | 31 December<br>2014<br>Group<br>£m | 30 June<br>2013<br>Group<br>£m |
|---|------------------------------------|--------------------------------|
| Balance at start of period  | 0.2                                | 0.2                            |
| Utilised  | (0.5)                              | (0.2)                          |
| Additional provision charged to the statement of comprehensive income | 0.8                                | 0.2                            |
| Balance at end of period  | 0.5                                | 0.2                            |

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 balance sheet. The group's policy for recognising an impairment loss is given in the statement of accounting policies. Impairment losses are taken through administrative expenses in the statement of comprehensive income.

Other receivables comprise mainly employee loans and amounts receivable on a sale or return basis from one of the group's agencies. On this basis the group considers these amounts to be recoverable.

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

**14 CASH AND CASH EQUIVALENTS**

|                          | 31 December<br>2014<br>Group<br>£m | 30 June<br>2013<br>Group<br>£m | 31 December<br>2014<br>Company<br>£m | 30 June<br>2013<br>Company<br>£m |
|--------------------------|------------------------------------|--------------------------------|--------------------------------------|----------------------------------|
| Cash at bank and in hand | 3.4                                | 3.3                            | -                                    | 0.1                              |

**15 BORROWINGS**

|   | 31 December<br>2014<br>Group<br>£m | 30 June<br>2013<br>Group<br>£m | 31 December<br>2014<br>Company<br>£m | 30 June<br>2013<br>Company<br>£m |
|---|------------------------------------|--------------------------------|--------------------------------------|----------------------------------|
| <b>Current liabilities</b>                              |                                    |                                |                                      |                                  |
| Finance lease payables                                  | -                                  | 0.2                            | -                                    | -                                |
| Arrangement fee in respect of revolving credit facility | (0.1)                              | (0.2)                          | (0.1)                                | (0.2)                            |
|   | (0.1)                              | -                              | (0.1)                                | (0.2)                            |
| <b>Non-current liabilities</b>                          |                                    |                                |                                      |                                  |
| Finance lease payables                                  | 0.1                                | 0.1                            | 0.1                                  | -                                |
| Arrangement fee in respect of revolving credit facility | (0.1)                              | (0.2)                          | (0.1)                                | (0.2)                            |
| Revolving credit facility                               | 18.1                               | 22.8                           | 18.1                                 | 22.8                             |
|   | 18.1                               | 22.7                           | 18.1                                 | 22.6                             |

Further details about the group's borrowings are provided in note 26.

|  | 31 December<br>2014<br>Group<br>£m | 30 June<br>2013<br>Group<br>£m | 31 December<br>2014<br>Company<br>£m | 30 June<br>2013<br>Company<br>£m |
|--|------------------------------------|--------------------------------|--------------------------------------|----------------------------------|
| Gross finance lease liabilities - minimum lease payments |                                    |                                |                                      |                                  |
| No later than 1 year                                     | -                                  | 0.2                            | -                                    | -                                |
| Later than 1 year and no later than 5 years              | 0.1                                | 0.1                            | 0.1                                  | -                                |
|  | 0.1                                | 0.3                            | 0.1                                  | -                                |
| Future finance charges on finance leases                 | -                                  | -                              | -                                    | -                                |
| Present value of finance lease liabilities               | 0.1                                | 0.3                            | 0.1                                  | -                                |

The present value of finance lease liabilities is as follows:

|   | 31 December<br>2014<br>Group<br>£m | 30 June<br>2013<br>Group<br>£m | 31 December<br>2014<br>Company<br>£m | 30 June<br>2013<br>Company<br>£m |
|---|------------------------------------|--------------------------------|--------------------------------------|----------------------------------|
| No later than 1 year                        | -                                  | 0.2                            | -                                    | -                                |
| Later than 1 year and no later than 5 years | 0.1                                | 0.1                            | 0.1                                  | -                                |
| Present value of finance lease liabilities  | 0.1                                | 0.3                            | 0.1                                  | -                                |

The finance lease relates to office equipment purchased during the period following the end of the previous lease.



**16 TRADE AND OTHER PAYABLES**

|                                 | 31<br>December<br>2014<br>Group<br>£m | 30<br>June<br>2013<br>Group<br>£m | 31<br>December<br>2014<br>Company<br>£m | 30<br>June<br>2013<br>Company<br>£m |
|---------------------------------|---------------------------------------|-----------------------------------|---|-------------------------------------|
| Trade payables                  | 1.8                                   | 2.2                               | -                                       | -                                   |
| Payables to subsidiaries        | -                                     | -                                 | 4.8                                     | 0.4                                 |
| Social security and other taxes | 1.8                                   | 2.9                               | -                                       | 0.1                                 |
| Other payables                  | 0.5                                   | 0.8                               | -                                       | -                                   |
| Accruals                        | 6.9                                   | 5.7                               | 0.5                                     | 0.3                                 |
|                                 | 11.0                                  | 11.6                              | 5.3                                     | 0.8                                 |

Payables to subsidiaries are unsecured, have no fixed date of repayment and bear interest at an annual rate of 2.11% (2013: 2.11%).

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

**17 DEFERRED INCOME**

|                 | 31<br>December<br>2014<br>Group<br>£m | 30<br>June<br>2013<br>Group<br>£m |
|-----------------|---------------------------------------|-----------------------------------|
| Deferred income | 15.3                                  | 14.3                              |

**18 CURRENT TAX LIABILITIES**

|                 | 31<br>December<br>2014<br>Group<br>£m | 30<br>June<br>2013<br>Group<br>£m |
|-----------------|---------------------------------------|-----------------------------------|
| Corporation tax | 0.2                                   | 1.4                               |

**19 PROVISIONS**

|  | Deferred<br>consideration<br>£m | Onerous<br>lease<br>£m | Total<br>£m |
|--|---------------------------------|------------------------|-------------|
| <b>Group</b>   |                                 |                        |             |
| At 1 July 2013   | 12.8                            | 0.2                    | 13.0        |
| Utilised during the period                                     | (19.6)                          | (0.1)                  | (19.7)      |
| Charged to statement of comprehensive income during the period | 5.0                             | 0.1                    | 5.1         |
| Released during the period                                     | -                               | (0.1)                  | (0.1)       |
| Unwinding of discount  | 2.9                             | -                      | 2.9         |
| Disposal of subsidiary   | -                               | (0.1)                  | (0.1)       |
| At 31 December 2014  | 1.1                             | -                      | 1.1         |
| Current  | 1.1                             | -                      | 1.1         |
| Non-current  | -                               | -                      | -           |
| Total  | 1.1                             | -                      | 1.1         |

**Deferred Consideration**

Deferred consideration at 1 July 2013 related to FEM, IPL and VBR and Econsultancy. The provision at 31 December 2014 relates to VBR.

**FEM, IPL, VBR**

In all cases, the amount provided is dependent on continued employment of the former owners of the business and is treated as post-acquisition remuneration accruing over the period post-acquisition to the end of the performance period. All amounts represent the Directors' best estimate of the amount to be paid at the balance sheet date.

FEM - The deferred consideration for Forum for Expatriate Management was settled at £2.9m during the period.

IPL - The amount of deferred contingent consideration payable with respect to the acquisition of IPL was calculated based on the profits generated by IPL in the year to 30 June 2014 (the performance period), subject to a maximum earn out payment of £4.2m. The maximum amount of £4.2m was settled in September 2014.

VBR - The amount of deferred contingent consideration payable with respect to the acquisition of VBR is dependent on the profits generated by VBR in the period 1 July 2014 to 30 June 2015 (the performance period), subject to a maximum earn out payment of £5.0m.

**Econsultancy**

In the case of Econsultancy the amount provided was determined to form part of the acquisition consideration and a provision recognised in full on acquisition. During the period, following negotiations for the early settlement of the deferred contingent consideration, the provision was increased by £2.0m (year ended 30 June 2013: Nil) and all remaining discounting, a residual of £2.0m, unwound. The deferred consideration was settled on 12 June 2014 for £12.5m in cash.

**Onerous Lease**

The onerous lease provision relates to premises that are no longer occupied following the transfer of staff to existing group premises. The remaining balance was disposed of with the sale of Perfect Information.

**20 DEFERRED INCOME TAX**

The movement on the deferred income tax account is shown below.

|   | Accelerated capital allowances<br>£m | Other temporary differences<br>£m | Tax losses<br>£m | Total<br>£m |
|---|--------------------------------------|-----------------------------------|------------------|-------------|
| Net asset / (liability) at 1 July 2012              | 0.5                                  | (1.0)                             | 0.3              | (0.2)       |
| Acquisition of subsidiary                           | -                                    | (2.0)                             | -                | (2.0)       |
| Recognised in the statement of comprehensive income | 0.5                                  | -                                 | 0.2              | 0.7         |
| Net asset / (liability) at 30 June 2013             | 1.0                                  | (3.0)                             | 0.5              | (1.5)       |
| Adjustments in respect of prior year                | (0.5)                                | 0.3                               | 0.4              | 0.2         |
| Disposal of subsidiary                              | (0.1)                                | -                                 | -                | (0.1)       |
| Recognised in the statement of comprehensive income | (0.2)                                | 0.9                               | (0.4)            | 0.3         |
| Effect of rate change                               | 0.1                                  | 0.1                               | -                | 0.2         |
| Net asset / (liability) at 31 December 2014         | 0.3                                  | (1.7)                             | 0.5              | (0.9)       |

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.

|                          | 31 December 2014<br>Group<br>£m | 30 June 2013<br>Group<br>£m |
|--------------------------|---------------------------------|-----------------------------|
| Deferred tax asset       | 0.8                             | 1.5                         |
| Deferred tax liabilities | (1.7)                           | (3.0)                       |
| Total                    | (0.9)                           | (1.5)                       |

At the balance sheet date, the group has unused tax losses of £2.0m (2013: £2.7m) available for offset against future profits. A deferred tax asset has been recognised in respect of £1.8m (2013: £2.5m) of such tax losses. No deferred tax has been recognised in respect of the remaining £0.2m (2013: £0.2m) as it is not currently considered probable that there will be future taxable profits available. Unrecognised losses may be carried forward indefinitely.

**21 SHARE CAPITAL**

|   | 31 December 2014<br>Group and company<br>£m | 30 June 2013<br>Group and company<br>£m |
|---|---|---|
| <b>Authorised</b>   |   |   |
| 200,000,000 (2013: 200,000,000) ordinary shares of 10p each                                     | 20.0  | 20.0                                    |
| <b>Issued and fully paid</b>  |   |   |
| <b>At 31 December 2014: 150,207,960 (30 June 2013: 150,207,960) ordinary shares of 10p each</b> | 15.0  | 15.0                                    |

**Potential issue of ordinary shares**

Certain senior executives hold options to subscribe for shares in the Company at prices ranging from 41.67p to 100.00p under the Share Option plan and the Rollover plan. The remaining options were exercised under these plans during the period.

A Sharesave plan was launched during 2008 and options have been granted under this plan in subsequent financial years as detailed in note 22.

A Senior Executive Long-Term Incentive Plan (SELTIP) was launched in 2010 and restricted shares have been awarded under this plan in the 18 months to December 2014 and the year to June 2013 as detailed in note 22.

Shares were granted to Executive Directors during the period under the Long Term Incentive Plan (LTIP) approved by shareholders in 2006.

A new Retention Plan was launched during 2014 for senior management and grants were awarded under this plan during the period.

A new Bonus Plan was approved in February 2014 for all staff. No grants have yet been made under this scheme.

The number of shares subject to options, the periods in which they were granted and the periods in which they may be exercised are given below.

| Period of grant  | Plan              | Exercise price<br>Pence | Exercise period                        | 31 December 2014<br>Number of potential issues of shares | 30 June 2013<br>Number of potential issues of shares |
|------------------|-------------------|-------------------------|--|--|--|
| 30 June 2004     | Share option plan | 100.0                   | 10 March 2005 to 9 March 2014          | -  | 587,333  |
| 30 June 2008     | Sharesave plan    | 64.7                    | 1 June 2013 to 1 December 2013         | -  | 29,678   |
| 30 June 2009     | Share option plan | 51.8                    | 29 September 2012 to 29 October 2018   | -  | -  |
| 30 June 2009     | Sharesave plan    | 20.9                    | 1 July 2014 to 1 January 2015          | -  | 564,051  |
| 30 June 2010     | Sharesave plan    | 41.2                    | 1 July 2013 to 1 January 2014          | -  | 83,618   |
| 30 June 2010     | Sharesave plan    | 41.2                    | 1 July 2015 to 1 January 2016          | 18,098   | 18,098   |
| 30 June 2012     | SELTIP            | -                       | 16 September 2013 to 15 September 2021 | -  | 526,484  |
| 30 June 2013     | SELTIP            | -                       | 16 September 2013 to 15 September 2022 | -  | 585,826  |
| 31 December 2014 | SELTIP            | -                       | 17 September 2013 to 15 September 2022 | 6,862  | -  |
| 31 December 2014 | LTIP 2006         | -                       | 13 March 2017 to 12 September 2017     | 1,862,079  | -  |
|                  |                   |                         |  | 1,887,039  | 2,395,088  |

The Retention plan as referred to in note 22 will not result in the issue of any ordinary shares as this plan is not approved by shareholders.

The awards will be settled from the shares held in the employee benefit trust.

**22 SHARE BASED PAYMENTS**

The group operates a number of share based payment schemes.

**Share Option Plan**

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

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

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

**Retention Plan**

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

On 30 December 2011, a further 170,000 nil cost options were granted under the Retention Plan to Mark Kerswell, a Director of Centaur Media plc. The awards vested 50% on 30 June 2013 and 50% on 30 June 2014. The participant first became eligible to participate in the arrangement on his permanent appointment as Group Finance Director on 11 October 2011. There were no performance conditions other than continuing employment.

All such shares have been exercised as at the period end and the scheme has been closed. The Retention Plan was not approved by shareholders. Awards were satisfied using shares held in the Employee Benefit Trust.

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

The Centaur Media Plc 2010 Senior Executive Long-Term Incentive Plan (the "SELTIP") was introduced during 2011. The plan was described in the 2013 Annual Report within the Directors' Report on Remuneration.

Awards of bonus units were made in 2011, 2012 and 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** |
|----------------|------------------|---------------|---------------|---------------------|------------------|-----------------------|-------------------------------------|
| 2011           | £4.0m            | £6.5m         | £2.5m         | 20%                 | £0.4m            | £0.4m                 | 711,621                             |
| 2012           | £6.5m            | £8.0m         | £1.5m         | 30%                 | £0.4m            | £0.3m                 | 788,696                             |
| 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 2012 or 2013

\*\* Awards are only made to participants with continuing employment

**2014 Retention Plan**

The 2014 Retention Plan was introduced during June 2014 with the aim of incentivising and rewarding participants for remaining with the group. Awards vest over a period of two or three years with the only condition being continued employment. Awards have been granted under this scheme during the period.

**Share Incentive Plan**

The Share Incentive Plan is open to all employees who have been employed by the group for more than 12 months. Employees may invest up to £1,500 per annum (or 10% of their salary if less) in shares in the Company which are held in trust and can be withdrawn with tax paid at any time, or tax-free after five years. The company matches the contribution with a ratio of 1 share for every 2 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. The Share Incentive Plan is an HMRC approved plan.

**ShareSave Plan**

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

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

At 31 December 2014, the following options were outstanding over the shares of Centaur Media Plc in the above plans (excluding the ShareSave Plan):

| Plan                | Exercise price Pence | 31 December 2014 |                                  | 30 June 2013 |                                  |
|---------------------|----------------------|------------------|----------------------------------|--------------|----------------------------------|
|                     |                      | 2014 Number      | Contractual remaining life years | 2013 Number  | Contractual remaining life years |
| Share option plan   | 100.00               | -                | -                                | 587,333      | 0.7                              |
| Share option plan   | 51.75                | -                | 3.8                              | -            | 5.3                              |
| Retention plan      | -                    | -                | -                                | 281,565      | 1.0                              |
| Retention plan      | -                    | -                | -                                | 170,000      | 1.5                              |
| SELTIP 2011         | -                    | -                | 6.7                              | 526,484      | 8.2                              |
| SELTIP 2012         | -                    | -                | 6.7                              | 585,826      | 8.2                              |
| SELTIP 2013         | -                    | 6,862            | 7.7                              | -            | -                                |
| LTIP 2006           | -                    | 1,862,079        | 2.7                              | -            | -                                |
| Retention Plan 2014 | -                    | 382,668          | 2.0                              | -            | -                                |
|                     |                      | 2,251,609        | 2.6                              | 2,151,208    | 4.6                              |

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

|                                      | 2014        |                                       | 2013        |                                       |
|--------------------------------------|-------------|---------------------------------------|-------------|---------------------------------------|
|                                      | 2014 Number | Weighted average exercise price Pence | 2013 Number | Weighted average exercise price Pence |
| Outstanding at 1 July                | 2,151,208   | 27.30                                 | 4,574,472   | 45.42                                 |
| Exercised during the period          | (1,653,905) | -                                     | (86,755)    | -                                     |
| Granted during the period            | 2,363,598   | -                                     | 788,696     | -                                     |
| Cancelled during the period          | -           | -                                     | -           | -                                     |
| Forfeited during the period          | (609,292)   | (96.40)                               | (3,125,205) | (47.68)                               |
| Outstanding at 31 December / 30 June | 2,251,609   | -                                     | 2,151,208   | 27.30                                 |
| Exercisable at 31 December / 30 June | 6,862       | -                                     | 587,333     | 100.00                                |

The weighted average share price at the date of exercise was 52.7p (year to 30 June 2013: 44.1p).

**ShareSave Plan**

The following ShareSave Plan awards were outstanding at 31 December 2014:

| Plan             | 31 December 2014        |                                  | 30 June 2013        |                                  |
|------------------|-------------------------|----------------------------------|---------------------|----------------------------------|
|                  | 31 December 2014 Number | Contractual remaining life years | 30 June 2013 Number | Contractual remaining life years |
| 2008 5 year plan | -                       | -                                | 29,678              | 0.42                             |
| 2009 3 year plan | -                       | -                                | -                   | -                                |
| 2009 5 year plan | -                       | 0.01                             | 564,051             | 1.51                             |
| 2010 3 year plan | -                       | 0.01                             | 83,618              | 0.51                             |
| 2010 5 year plan | 18,098                  | 1.00                             | 18,098              | 2.50                             |
|                  | 18,098                  | 1.02                             | 695,445             | 1.66                             |

**22 SHARE BASED PAYMENTS (CONTINUED)**

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

|                                      | 2014<br>Number | 2014<br>Weighted<br>average<br>exercise<br>price<br>Pence | 2013<br>Number | 2013<br>Weighted<br>average<br>exercise<br>price<br>Pence |
|--------------------------------------|----------------|---|----------------|---|
| Outstanding at 1 July                | 695,445        | 25.76   | 2,587,915      | 22.86   |
| Exercised during the period          | (621,304)      | 22.79   | (1,646,216)    | 21.06   |
| Forfeited during the period          | (56,043)       | 53.68   | (246,254)      | 26.67   |
| Outstanding at 31 December / 30 June | 18,098         | 41.24   | 695,445        | 25.76   |
| Exercisable at 31 December / 30 June | 18,098         | 41.24   | -              | -   |

The weighted average share price at the date of exercise was 62.75p (2013: 36.5p).

| Plan                       | Date of grant | Valuation model used | Estimated fair value at grant date Pence | Share price at grant date Pence | Exercise price Pence | Expected volatility % | Expected dividend growth % | Risk free interest rate % |
|----------------------------|---------------|----------------------|--|---------------------------------|----------------------|-----------------------|----------------------------|---------------------------|
| Share option plan          | 9.3.04        | Stochastic           | 24.50                                    | 100.00                          | 100.00               | 22.1%                 | 1.50%                      | 4.60%                     |
| Share option plan          | 29.9.04       | Stochastic           | 21.40                                    | 88.50                           | 88.50                | 22.1%                 | 1.70%                      | 4.80%                     |
| Share option plan          | 29.10.08      | Stochastic           | 7.81                                     | 53.00                           | 51.75                | 34.4%                 | 8.12%                      | 4.20%                     |
| 2008 Sharesave (5 yr plan) | 24.4.08       | Stochastic           | 16.81                                    | 72.00                           | 64.70                | 29.6%                 | 5.14%                      | 4.56%                     |
| 2009 Sharesave (3 yr plan) | 30.4.09       | Stochastic           | 13.61                                    | 37.30                           | 20.92                | 54.2%                 | 9.40%                      | 2.03%                     |
| 2009 Sharesave (5 yr plan) | 30.4.09       | Stochastic           | 10.85                                    | 37.30                           | 20.92                | 45.2%                 | 9.40%                      | 2.65%                     |
| 2010 Sharesave (3 yr plan) | 23.4.10       | Stochastic           | 20.77                                    | 50.50                           | 41.24                | 57.7%                 | 3.17%                      | 2.02%                     |
| 2010 Sharesave (5 yr plan) | 23.4.10       | Stochastic           | 20.66                                    | 50.50                           | 41.24                | 48.1%                 | 3.17%                      | 2.88%                     |
| Retention Plan (2 yr)      | 15.12.10      | Black-Scholes        | 66.68                                    | 70.00                           | -                    | 58.1%                 | 2.43%                      | 1.15%                     |
| Retention Plan (3 yr)      | 15.12.10      | Black-Scholes        | 65.08                                    | 70.00                           | -                    | 59.4%                 | 2.43%                      | 1.62%                     |
| SELTIP                     | 15.09.11      | Black-Scholes        | 23.76                                    | 33.88                           | -                    | 54.0%                 | 5.26%                      | 0.57%                     |
| Retention Plan             | 30.12.11      | Black-Scholes        | 27.65                                    | 30.56                           | -                    | 52.0%                 | 6.04%                      | 0.49%                     |
| LTIP 2006                  | 08.11.13      | Stochastic           | 94.32                                    | 54.25                           | -                    | 43.8%                 | 0.00%                      | 0.92%                     |
| Retention Plan             | 30.06.14      | Black-Scholes        | 52.64                                    | 62.38                           | -                    | 49.5%                 | 6.79%                      | 1.22%                     |
| LTIP 2006                  | 04.08.14      | Stochastic           | 97.88                                    | 56.75                           | -                    | 43.6%                 | 0.00%                      | 1.17%                     |

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

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

The total charge for the period relating to employee share based payment plans was £0.5m (2013: £0.3m), all of which related to equity-settled share-based payment transactions.

For the SELTIP the charge was based on the estimated fair value for the reporting period and the charge finalised during the following period when the restricted shares were granted. No grants were made under the SELTIP during the current period, however, as detailed in table on page 132, the 2013 award of bonus units was finalised on 17 September 2013 on issue of the group's results for the year ended 30 June 2013.

**23 DIVIDENDS**

|   | 18 months ended<br>31 December<br>2014<br>£m | Year ended<br>30 June<br>2013<br>£m |
|---|--|-------------------------------------|
| <b>Equity dividends</b>                                       |  |                                     |
| Final dividend paid for 2013: 1.575p per 10p ordinary share   | 2.2  | -                                   |
| Final dividend paid for 2012: 1.5p per 10p ordinary share     | -  | 2.1                                 |
| Interim dividend paid for 2014: 0.85p per 10p ordinary share  | 1.2  | -                                   |
| Interim dividend paid for 2014: 1.7p per 10p ordinary share   | 2.4  | -                                   |
| Interim dividend paid for 2013: 0.825p per 10p ordinary share | -  | 1.2                                 |
|   | <b>5.8</b>                                   | <b>3.3</b>                          |

A final dividend of £2.0m (1.3p per share) is proposed by the Directors and, subject to shareholder approval at the Annual General Meeting, will be paid on 29 May 2015.

**24 NOTES TO THE CASH FLOW STATEMENT**

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

|   | 31 December<br>2014<br>Group<br>£m | 30 June<br>2013<br>Group<br>£m | 31 December<br>2014<br>Company<br>£m | 30 June<br>2013<br>Company<br>£m |
|---|------------------------------------|--------------------------------|--------------------------------------|----------------------------------|
| Profit / (loss) for the period  | 10.5                               | (38.4)                         | (2.5)                                | (13.8)                           |
| Adjustments for:  |                                    |                                |                                      |                                  |
| Tax   | 0.8                                | 1.0                            | -                                    | -                                |
| Interest expense  | 1.6                                | 1.2                            | 0.1                                  | -                                |
| Depreciation  | 1.2                                | 0.6                            | -                                    | -                                |
| Amortisation of intangibles   | 6.7                                | 4.6                            | -                                    | -                                |
| Accelerated amortisation of software (included within exceptional costs)                        | -                                  | 0.2                            | -                                    | -                                |
| Impairment of goodwill (included within exceptional costs)                                      | -                                  | 39.2                           | -                                    | 12.2                             |
| IFRS 3 ('R) earn-out (included within exceptional costs)  | 5.0                                | 4.3                            | -                                    | -                                |
| Earn-out provision release (included within exceptional costs)                                  | -                                  | (5.4)                          | -                                    | -                                |
| Earn-out discounting unwind   | 2.9                                | 1.3                            | -                                    | -                                |
| Share-based payment charge  | 0.5                                | 0.3                            | 0.3                                  | 0.1                              |
| Profit on disposal  | (14.7)                             | -                              | -                                    | -                                |
| Other   | (0.2)                              | -                              | -                                    | -                                |
| Changes in working capital<br>(excluding effects of acquisitions and disposals of subsidiaries) |                                    |                                |                                      |                                  |
| Decrease / (increase) in inventories  | 0.2                                | (0.9)                          | -                                    | -                                |
| Increase / (decrease) in trade and other receivables  | (0.6)                              | (0.8)                          | 7.3                                  | (6.0)                            |
| Increase in trade and other payables  | 0.2                                | 0.4                            | 5.0                                  | 0.2                              |
| Increase in deferred income   | 3.5                                | 1.8                            | -                                    | -                                |
| Decrease in provisions  | (0.1)                              | (0.1)                          | -                                    | -                                |
| Cash generated from / (used in) operating activities  | <b>17.5</b>                        | <b>9.3</b>                     | <b>10.2</b>                          | <b>(7.3)</b>                     |

## 24 NOTES TO THE CASH FLOW STATEMENT (CONTINUED)

Analysis of changes in net debt

| Group                     | Note | At 1 July<br>2013<br>£m | Net<br>cash flow | Disposal of<br>subsidiary | At 31 December<br>2014<br>£m |
|---------------------------|------|-------------------------|------------------|---------------------------|------------------------------|
| Cash and cash equivalents | 14   | 3.3                     | 0.5              | (0.4)                     | 3.4                          |
| Revolving credit facility | 15   | (22.8)                  | 4.7              | -                         | (18.1)                       |
| <b>Net debt</b>           |      | <b>(19.5)</b>           | <b>5.2</b>       | <b>(0.4)</b>              | <b>(14.7)</b>                |

| Company                   |    | At 1 July<br>2013<br>£m | Net<br>cash flow | At 31 December<br>2014<br>£m |
|---------------------------|----|-------------------------|------------------|------------------------------|
| Cash and cash equivalents | 14 | 0.1                     | (0.1)            | -                            |
| Revolving credit facility | 15 | (22.8)                  | 4.7              | (18.1)                       |
| <b>Net debt</b>           |    | <b>(22.7)</b>           | <b>4.6</b>       | <b>(18.1)</b>                |

## 25 DISPOSAL OF SUBSIDIARY

On 12 June 2014, the group disposed of its interest in Perfect Information Limited. Economic Control transferred on 31 May 2014.

The net assets of Perfect Information at the date of disposal were as follows:

|   | 31 May<br>2014<br>£m |
|---|----------------------|
| Intangible assets   | 2.0                  |
| Trade and other receivables   | 0.8                  |
| Intercompany  | 3.1                  |
| Cash and bank balances  | 0.4                  |
| Deferred tax asset  | 0.1                  |
| Current tax liability   | (0.2)                |
| Trade and other payables  | (0.5)                |
| Deferred income   | (2.5)                |
| Onerous lease provision   | (0.1)                |
| Attributable goodwill   | 8.9                  |
| <b>Net assets disposed attributable to shareholders of the Parent Company</b> | <b>12.0</b>          |
| <b>Directly attributable costs of disposal</b>                                | <b>1.2</b>           |
| <b>Gain on disposal</b>   | <b>14.7</b>          |
| <b>Fair value of consideration</b>  | <b>27.9</b>          |
| Satisfied by:   |                      |
| Cash and cash equivalents   | 24.8                 |
| Novation of intercompany balances   | 3.1                  |
|   | <b>27.9</b>          |
| <b>Net cash inflow arising on disposal:</b>                                   |                      |
| Consideration received in cash and cash equivalents                           | 24.8                 |
| Less: directly attributable costs of disposal                                 | 1.2                  |
| Less: cash and cash equivalents disposed of                                   | 0.4                  |
|   | <b>23.2</b>          |

Proceeds of £27.9 million comprised cash of £24.8 million and settlement of amounts owed by the continuing group to PI of £3.1 million.

Directly attributable transaction costs of £1.2 million were incurred.

The results of Perfect Information are not shown separately as a discontinued operation in the consolidated statement of comprehensive income as it was not individually deemed a major line of business for the group.

There were no disposals of subsidiaries in the year-ended 30 June 2013.

**26 FINANCIAL INSTRUMENTS**

Categories of financial instruments

|                              |      | 31 December<br>2014 | 30 June<br>2013 |
|------------------------------|------|---------------------|-----------------|
|                              | Note | £m                  | £m              |
| <b>Financial assets</b>      |      |                     |                 |
| Cash and bank balances       | 14   | 3.4                 | 3.3             |
| Loans and receivables        | 13   | 12.8                | 12.7            |
|                              |      | 16.2                | 16.0            |
| <b>Financial liabilities</b> |      |                     |                 |
| Amortised cost               |      | 27.4                | 31.8            |

The group's activities expose it to a variety of financial risks: currency risk, interest rate risk, credit risk, liquidity risk and capital risk.

The following note describes the role that financial instruments have had during the period ended 31 December 2014 in the management of the group's financial risks.

**Currency risk**

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

**Interest rate risk**

The group has no significant interest-bearing assets but is exposed to interest rate risk as it borrows funds at floating interest rates. This risk may be managed by the use of interest rate swap contracts as cash flow hedges. Hedging activities are evaluated regularly to align interest rate views and risk appetite with the hedging requirements of the group's revolving credit facility. The group did not enter into any hedging transactions during the period (2013: none) and, as at 31 December 2014, the only floating rate to which the group is exposed is LIBOR.

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

**Credit risk**

Credit risk is managed on a group basis. Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, and credit exposures to customers including outstanding receivables and committed transactions. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted. For customers, the group's risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. The directors consider the maximum credit risk to which the group is exposed is the sum of cash and cash equivalents per note 14 and the receivables balance per note 13. The group does not consider it is subject to any significant concentrations of credit risk.

**Liquidity risk**

Liquidity risk is the risk that the group will not be able to meet its financial obligations as they fall due. Throughout the period ended 31 December 2014, and for the foreseeable future, the group was and is expected to be in a net borrowings position. The group manages liquidity risk by maintaining adequate reserves and working capital credit facilities, and by continuously monitoring forecast and actual cash flows. A summary of the undrawn facilities the group has at its disposal to further reduce liquidity risk is shown below. The total facility available to the group was reduced to £25m with effect from June 2014 following the disposal of Perfect Information (note 25) and the early settlement of the deferred consideration for Econsultancy (note 19). The £25m facility is available through to the end of the loan in March 2016. The facility will be renegotiated during Spring 2015.

|  | 31 December<br>2014 | 30 June<br>2013 |
|--|---------------------|-----------------|
|  | £m                  | £m              |
| Expiring later than one year and less than 5 years |                     |                 |
| Loan Facility                                      | 6.9                 | 14.1            |

**Liquidity risk (continued)**

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

|                                    | Book value<br>£m | Fair value<br>£m | Less than<br>1 year<br>£m | 2-5 years<br>£m |
|------------------------------------|------------------|------------------|---------------------------|-----------------|
| <b>At 31 December 2014</b>         |                  |                  |                           |                 |
| Financial liabilities              |                  |                  |                           |                 |
| Variable interest rate instruments | 18.1             | 18.1             | -                         | 18.1            |
| Fixed interest rate instruments    | -                | 0.1              | -                         | 0.1             |
|                                    | 18.1             | 18.2             | -                         | 18.2            |
| <b>At 30 June 2013</b>             |                  |                  |                           |                 |
| Financial liabilities              |                  |                  |                           |                 |
| Variable interest rate instruments | 22.8             | 22.8             | -                         | 22.8            |
| Fixed interest rate instruments    | 0.3              | 0.3              | 0.2                       | 0.1             |
|                                    | 23.1             | 23.1             | 0.2                       | 22.9            |

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

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

**Capital risk**

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

The capital structure of the group consists of net debt, which includes borrowings (note 15) and cash and cash equivalents (note 14), and equity attributable to owners of the parent, comprising issued share capital (note 21), other reserves and retained earnings.

The group continues to benefit from its banking facilities agreed during 2012 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 March 2016, allows for a maximum drawdown of £25.0m. Interest is calculated on LIBOR plus a margin dependent on the level of outstanding drawdowns, which is re-measured quarterly in line with covenant testing. The facility will be renegotiated during Spring 2015.

The group's borrowings are subject to financial covenants tested quarterly. At 31 December 2014 all of these covenants were achieved.

## 27 OPERATING LEASE COMMITMENTS - MINIMUM LEASE PAYMENTS

|   | 31 December<br>2014<br>£m | 30 June<br>2013<br>£m |
|---|---------------------------|-----------------------|
| <b>Commitments under non-cancellable operating leases payable</b> |                           |                       |
| Within 1 year   | 2.0                       | 2.7                   |
| Later than one year and less than 5 years                         | 7.8                       | 3.6                   |
| After 5 years   | 0.4                       | 1.0                   |
|   | 10.2                      | 7.3                   |
| <b>Commitments receivable under non-cancellable subleases</b>     |                           |                       |
| Within 1 year   | 0.2                       | 0.6                   |
| Later than one year and less than 5 years                         | 1.2                       | -                     |
| After 5 years   | -                         | -                     |
|   | 1.4                       | 0.6                   |

During the period, the group vacated Holden House with all staff transferring to the Wells Street property. The break clause in the Lexington Street property was exercised during the period. The property had previously been sublet.

In November 2013, the group signed a new lease for the entire Wells Street building. Two parts of the building are sublet to tenants.

## 28 PENSION SCHEMES

The group contributes to individual and collective money purchase pension schemes in respect of Directors and employees once they have completed the requisite period of service. The charge for the period in respect of these defined contribution schemes is shown in note 5. Included within other payables is an amount of £0.1m (2013: £0.1m) payable in respect of the money purchase pension schemes.

## 29 CAPITAL COMMITMENTS

At 31 December 2014, the group had capital commitments totalling £0.4m (30 June 2013: £nil) relating to new finance and CRM systems. The commitments are expected to be fulfilled within one year.

## 30 RELATED PARTY TRANSACTIONS

**Group**

Key management compensation is disclosed in note 5.

As at 31 December 2014, the group was owed £nil (2013: £45,000) by GP Simidian, a director of Perfect Information Limited, arising from unpaid share subscriptions relating to his minority shareholding in that company.

There were no other material related party transactions.

**Company**

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

|                                     | 18 months ended<br>31 December<br>2014<br>£m | Year ended<br>30 June<br>2013<br>£m |
|-------------------------------------|--|-------------------------------------|
| Recharge of administrative expenses | -  | 0.1                                 |
| Interest payable                    | 0.1  | 0.3                                 |
|                                     | 0.1  | 0.4                                 |

Borrowings of £4.7m were repaid (Year to 30 June 2013: £10.3m received) by subsidiaries on behalf the Company.

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

**Audit Exemption**

For the period ended 31 December 2014, the Company has provided a guarantee pursuant to sections 479A-C of the 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 accounts, or preparation of individual accounts, as appropriate, for this financial period.

| Name  | Company<br>Number | Outstanding<br>liabilities<br>£m |
|---|-------------------|----------------------------------|
| Centaur Communications Limited              | 01595235          | 11.6                             |
| Centaur Consumer Exhibitions Limited        | 07276298          | 2.4                              |
| Chiron Communications Limited               | 01081808          | 11.1                             |
| Ascent Publishing Limited                   | 02561341          | 1.3                              |
| The Forum for Expatriate Management Limited | 06776955          | 0.6                              |
| Pro-Talk Limited                            | 03939119          | -                                |
| Taxbriefs Holdings Limited                  | 03572069          | -                                |
| Taxbriefs Limited                           | 01247331          | 0.3                              |
| Investment Platforms Limited                | 06439194          | 0.4                              |
| Venture Business Research Limited           | 05663936          | 0.4                              |
| The Profile Group (UK) Limited              | 05243851          | 3.6                              |
| Econsultancy.com Limited                    | 04047149          | 3.0                              |
| Mayfield Publishing Limited                 | 02034820          | 0.4                              |
| Your Business Magazine Limited              | 01707331          | 3.5                              |

## 31 POST BALANCE SHEET EVENTS

On 6 February 2015 the group sold the trade and assets of the Aidex Exhibition brand, sitting within the Professional segment, for total consideration of £401,000. The sale comprises all intellectual property related to the business and work in progress totalling £26,000. Profit on disposal is expected to be £375,000.

## FIVE YEAR RECORD (UNAUDITED)

|   | 2010 | 2011   | 2012  | 2013   | 2014 |
|---|------|--------|-------|--------|------|
| Revenues (£m)   | 63.8 | 67.4   | 69.3  | 74.4   | 72.8 |
| Live events and paid-for content revenues as % of whole | 50%  | 52%    | 60%   | 66%    | 68%  |
| Adjusted operating profit*                              | 4.8  | 7.2    | 10.4  | 10.0   | 10.2 |
| Adjusted operating profit margin*                       | 8%   | 11%    | 15%   | 13%    | 14%  |
| Operating profit / (loss) (£m)                          | 2.8  | (30.0) | 0.9   | (33.3) | 3.0  |
| Adjusted profit before tax (£m)*                        | 4.9  | 7.2    | 9.1   | 8.8    | 9.2  |
| Profit / (loss) before tax (£m)                         | 2.7  | (30.2) | (0.8) | (35.7) | 14.2 |
| Diluted adjusted EPS (pence)*                           | 2.6  | 3.6    | 4.4   | 4.7    | 5.0  |
| Dividend per share (pence)                              | 1.8  | 1.3    | 1.5   | 2.4    | 3.0  |
| Operating cash flow (£m)                                | 6.9  | 5.7    | 10.4  | 9.9    | 12.3 |
| Average permanent headcount (FTE)                       | 634  | 577    | 557   | 598    | 576  |
| Revenue per head (£'000)                                | 101  | 117    | 124   | 124    | 126  |
| <b>Revenue by type</b>                                  |      |        |       |        |      |
| Live events   | 18.3 | 20.8   | 22.8  | 28.0   | 28.9 |
| Paid-for content  | 13.5 | 14.5   | 19.0  | 21.1   | 20.6 |
| Advertising   | 31.6 | 31.6   | 26.3  | 24.6   | 22.4 |
| Other   | 0.5  | 0.5    | 1.2   | 0.7    | 0.9  |
|   | 63.8 | 67.4   | 69.3  | 74.4   | 72.8 |

\*Comparatives have been restated to treat share-based payments as an adjusting item.

|                                      | 2010  | 2011  | 2012   | 2013   | 2014   |
|--------------------------------------|-------|-------|--------|--------|--------|
| Goodwill and other intangible assets | 156.1 | 128.8 | 160.0  | 122.7  | 109.9  |
| Other assets and liabilities         | (1.9) | (2.4) | (19.0) | (18.6) | (8.4)  |
| Net assets before net debt           | 154.2 | 126.4 | 141.0  | 104.1  | 101.5  |
| Net debt                             | (0.4) | (5.4) | (24.5) | (27.0) | (14.7) |
| <b>Total equity</b>                  | 153.8 | 121.0 | 116.5  | 77.1   | 86.8   |

## DIRECTORS, ADVISERS AND OTHER CORPORATE INFORMATION

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04948078

**Incorporated / Domiciled in**  
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Andria Vidler (Chief Executive)  
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