centaur holdings plc 2005 report and accounts

CC centaurconferences	CR	DATA STRATEGY	design WEEK
THE DMSHOW	IN-STORE THE MAGAZINE FOR RETAIL MARKETING AND DESIGN	THE IN-STORE SHOW	INSIGHT
mad.co.uk delivering business insight	MarketingWeek	NMA	NewMediaAge NMA .co.uk
PrecisionMarketing	TELEVISUAL	total motivation show	employee benefits
employee benefits EXHIBITION& CONFERENCE	FinanceWeek	fundstrategy	headline money.co.uk
THE LAWYER	The Lawyer.com www.thelawyer.com	THE LAWYER Legal Summit	MoneyMarketing
MoneyMarketing.com	MoneyMarketing ...live	mortgagestrategy	A B C&D architect builder contractor developer The Product Specifiers' Book
HOMEBUILDING &RENOVATING	The Self-Build Magazine & Website HOMEBUILDING &RENOVATING	HOMEBUILDING &RENOVATING SHOW	MWP METALWORKING PRODUCTION
www.plotfinder.net	PROCESS ENGINEERING	PUBLIC SECTOR BUILDING	smarthomezone
the ENGINEER	the ENGINEER online	WHAT'S NEW IN INDUSTRY	PERFECT INFORMATION
Business Travel Show	HALI The International Magazine of Antique Carpet and Textile Art	logistics manager	PUBLIC:PRIVATE FINANCE

Contents

Highlights

	Actual Year ended 30 June 2005 £'000	Pro forma Year ended 30 June 2004 (1) £'000	Pro forma Year ended 30 June 2003 (1) £'000
Business performance			
Turnover	72,215	68,254	62,645
EBITDA (2)	12,202	8,823	6,655
EBITDA margin	16.9%	12.9%	10.6%
Profit before tax (PBT)	2,616	3,397	16,177
Adjusted PBT (3)	10,153	6,336	4,845
Basic EPS	(0.10p)	3.12p	10.5p
Adjusted EPS	4.80p	2.93p	1.41p
Underlying performance			
Turnover	70,915	67,637	61,995
EBITDA (2)	14,333	9,729	6,655
EBITDA margin	20.2%	14.4%	10.7%

1. The Pro Forma 2004 ("2004") results and the Pro Forma 2003 ("2003") results are based on a full 12 months trading for the Centaur Communications Group that became part of Centaur Holdings plc on 10 March 2004.

2. Centaur's key internal measure of profit is earnings before interest, tax, depreciation and amortisation and excluding exceptionals (EBITDA). In addition, "underlying" results of continuing operations are presented to provide a better indication of overall financial performance. The "underlying" results exclude the impact of recent acquisitions or disposals and of new launches into new communities

3. Adjusted PBT is profit before tax, excluding the impact of amortisation of intangibles and of exceptional items and amounts written off investments. Adjusted PBT for 2003 also excludes a profit of £13.6m relating to the disposal of subsidiary undertakings (Lawtel Ltd and Consultancy Europe Associates Ltd).

- Turnover up 6% to £72.2m (2004: £68.3m)
- EBITDA (note 2) up 38% to £12.2m (2004: £8.8m)
- EBITDA margin strongly ahead at 17% after costs associated with Finance Week and Perfect Information (2004: 13%)
- Underlying EBITDA (note 2) at £14.3m, giving a margin of 20% (2004: £9.7m; 14%)
- PBT of £2.6m (2004: £3.4m) after charging amortisation of goodwill
- Adjusted PBT (note 3) up 60% to £10.2m (2004: £6.3m)
- Continuing recovery in advertising with revenues up by 8% on 2004, led by recruitment advertising up 16%
- Continued growth in exhibitions, including 4 new shows launched during the year
- Adjusted EPS up 64% to 4.80p (2004: 2.93p)
- Full year dividend up 70% to 1.7p
- Strong cash generation - net cash of £10.0m at 30 June 2005 (2004: £5.7m)
- Positive start to new financial year

Centaur's strategy

"Our culture is entrepreneurial, innovative and highly customer-focused. We strongly encourage innovation in pursuit of customer satisfaction"

Centaur's strategy, since the formation of the group in 1981, has been based principally on establishing market-leading weekly magazines to serve distinct business communities and then extending our service to those communities through other media, most notably exhibitions, conferences and online products.

Centaur's vision is to be the UK's leading specialist provider of news, information and related services to its chosen business communities. Its organisation reflects this community focus, operating as it does as a federation of small businesses, supported by a strong central infrastructure of common services such as Finance, Circulation, IT Operations and HR.

Our culture is entrepreneurial, innovative and highly customer-focused, with each community served by discrete profit centres. We strongly encourage innovation in pursuit of customer satisfaction. As a result, virtually all of our portfolio was created and launched within the business as opposed to being acquired. Around 15% of Centaur's revenues in the past year derived from products created within the last three years.

In pursuit of market leadership, Centaur's strategy has generally been initially to establish a weekly periodical that becomes a trusted brand, whose identity becomes inextricably linked with that of the community it serves.

Typically we have launched new products within markets that are undergoing change (which is invariably the catalyst which permits market entry) and where we perceive high value, long-term growth potential. In creating products that meet the needs of our markets, we seek first to define the audience that advertisers wish to reach. Next we identify the essential information needs of that audience. Finally we ensure the maintenance of the highest possible standards of editorial integrity. This strategy reflects the fact that, whilst Centaur only creates products that advertisers want, having done so, it positions itself primarily as being in the relevant readership business and thereby is successful in establishing and maintaining market-leading brands.

As the information needs of these communities drive the content development of the weeklies, they also reveal further opportunities to supply information and/or services in other ways. The second element of Centaur's strategy is therefore to extend its trusted community brands into other complementary product offerings, as reflected in the description of the portfolio listed on pages 8 to 9. The most significant of these extensions are online products, exhibitions and conferences.

Centaur's key business models

Magazines

Weekly magazines have always been at the core of Centaur's strategy. Their frequency ensures that they are normally the hub in serving any market. Their key editorial functions are as follows:

- **a** They provide a forum for news about the market, where topicality is essential.
- **b** They serve to diminish the sense of isolation experienced by people working within one area by informing them of events affecting their contemporaries working in a parallel area.
- **c** They monitor the pulse of the sector and provide hard data on a regular basis.

In summary, weeklies actually become an integral part of the community they serve, as its members increasingly rely on them. In some markets, there is insufficient justification for a weekly frequency. Monthly and less frequent titles are however normally only published where opportunities are identified for other profitable products and services linked to the magazine.

Events

As a natural extension of our core mission to create a market identity for a community and diminish the sense of isolation between its members, the development of meetings-based events is a core part of Centaur's strategy.

These take a number of forms, the most important of which are Exhibitions, Conferences and Awards.

The strategy for exhibitions is to build small to medium-sized shows that seek to serve very clearly defined vertical markets. These vertical markets may be subsets of a broader market served by the relevant weekly. Revenues are derived principally from stand sales.

Centaur's conferences model is essentially based on 1 or 2 day programmes addressing topics of high current interest. Revenues are principally from delegates, so great emphasis is placed on the quality of programme research and choice of speakers.

Centaur also stages the leading annual awards ceremony in each of its major communities. These events reinforce the strength of the related magazine brands and provide invaluable opportunities to communicate with the market.

Online products

We believe that the emergence of internet technologies introduces the greatest challenge to business information providers for many years, but also the most exciting opportunities. The medium of the internet is highly complementary to the role of the business magazine.

Editorially, the weekly magazine provides an ideal medium for news analysis and special emphasis features, whilst the internet is better suited to breaking news highlights and database searching. From an advertiser's perspective, the magazine is an ideal medium for brand building, whilst the internet is more suited to advertising designed for lead-generation. In terms of circulation, the magazine addresses the top end of a community, whilst the internet, with its very low marginal cost of distribution, permits a much broader reach.

Centaur has successfully launched internet services to support each of its main brands. Revenues and profits from these services have grown rapidly in the last few years and they have become an integral part of the service we provide to our communities.

Group Products & Services

Centaur's vision is to be the information and related services

25 magazines, 2 newsletters, 27 annuals, 19 online products, 25 awards or other sponsored events, 25 exhibitions and 90 conferences

W Weekly
F Fortnightlies
M Monthly
Bi Bi Monthly

Marketing, Creative & New Media

Magazines
W Marketing Week
W Design Week
W Precision Marketing
W New Media Age
M Creative Review
M Televisual
M In-Store
M Data Strategy

Events
POP Awards
Marketing Week Effectiveness Awards
Precision Marketing Awards
New Media Age Effectiveness Awards
Interactive Marketing & Advertising Awards
Total Motivation Show
Insight
The Direct Marketing Show
The Online Marketing Show
InStore Show
Marketing Week Conferences
Design Week Awards
The Televisual Bulldog Awards
Design Buyer's Forum

Online
Mad.co.uk
NMA.co.uk

Other
Market Research Showcase
Corporate Hospitality/Party Book
Conference and Exhibition Showcase
Precision Marketing Agency Showcase
Precision Marketing Supplier Response Showcase
Design Week Books (4)
Top 100 Design Company Survey
Top 100 Interactive Agencies
Creative Annual
Creative Register
Creative Futures
Design Week Benchmarks
Brand Buyers Guide
Total Motivation Showcase
Televisual Annual
Brand Strategy
Centaur Direct Marketing

Legal and Financial

Magazines
W Money Marketing
W The Lawyer
W Fund Strategy
W Mortgage Strategy
W Finance Week
M Lawyer 2B

Events
The Lawyer Corporate Intelligence Network
Moneymarketing Financial Services Awards
Mortgage Strategy Awards
Headline Money Awards
The Lawyer Awards
MoneyMarketing Roadshows
Money Marketing Live
Lawyer Hot 100
The Lawyer Legal Summit
Lawyer Conferences

Online
Lawyer.com
Headline Money
MoneyMarketing.com
FinanceWeek.com

Other
The Lawyer "100" series
The Lawyer Infotech Guide
The Lawyer Rising 50
Centaur Direct Marketing

UK's leading specialist provider of news, to its chosen business communities

Construction and Engineering

Magazines
F The Engineer
M Architect, Builder, Contractor & Developer
M Homebuilding and Renovating
M Metalworking Production
M Process Engineeering
M What's New In Industry
Bi Public Sector Building

Events
Homebuilding and Renovating Awards
Smart Homes Show
National and Regional Homebuilding Shows
Subcon

Online
The Engineer Online
Plotfinder Database
Homebuilding and Renovating Web
Architect, Builder, Contractor & Developer Web
Property Finder France
What's New In Industry Web (WNII.co.uk)
E4 Subcon.com

Other
Homebuilder's Handbook
How to Renovate a House in France
Product Cards
Centaur Engineering Data Marketing
Centaur Direct Marketing

Perfect Information

Magazines

Events
Perfect Learning

Online
Perfect Filings
Perfect Analysis
Perfect Debt
Perfect Search

Other
Perfect Research

Other

Magazines
M Logistics Manager
M Hali
M Employee Benefits
Q Pay and Reward

Events
Employee Benefits Awards
Employee Benefits Show
Business Travel Exhibitions
Irish Contact Centres Exhibition

Online
Hali.com
PublicPrivateFinance.com
Employee Benefits Interactive
Logistics Manager Web

Other
Special Schools in Britain
Modern Carpet Focus
Hali Turkey
Employee Benefits Book
Public Private Finance
Centaur Direct Marketing

Board of Directors

Executive Directors

Graham Sherren
Executive Chairman and Chief Executive (aged 67)

Graham has spent most of his career running business-to-business publishing companies starting in 1964 with Product Journal Limited. In 1968, Product Journal Limited was acquired by Morgan Grampian plc. He ran Morgan Grampian (including subsequent to its takeover by Trafalgar House Investments plc) until 1981 when he established Centaur Communications.

Geoffrey Wilmot
Chief Financial Officer (aged 52)

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

Non-Executive Directors

Patrick Taylor
Non-Executive Director (aged 57)

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

Colin Morrison
Non-Executive Director (aged 53)

Colin is Chief Executive Officer of the UK division of Australian Consolidated Press. During 2001-03, he was Chief Operating Officer of The Future Network plc, seeing the company through a period of successful reorganisation. He has managed B-to-B publishing operations in the UK for Reed and EMAP, and consumer magazines in the Asia Pacific region and across Europe for Australian Consolidated Press and Axel Springer.

Thomas Scruby
Non-Executive Director (aged 70)

Tom was appointed a Director of Centaur Communications in 1989. Since qualifying as a chartered accountant in 1957, he has held senior executive and non-executive positions in a range of public and private commercial businesses and corporate finance advisory organisations. He is a Non-Executive Chairman of Linguaphone Group plc and Questor VCT plc, and Non-Executive Director of Questor VCT 2 plc.

Senior Management Team

Centaur's senior management team with average age of 46 and average length of service of 15 years

Nigel Roby
Publishing Director, New Media and Engineering Divisions (aged 46)

Calum Taylor
Director of Centaur, Exhibitions and Conferences (aged 38)

Judith Mann Selley
Director of Circulation and Information Services (aged 43)

Mike Lally
Finance Director (aged 47)

Howard Sharman
Business Development Director (aged 52)

Tim Potter
Publishing Director, Legal and Financial Services Division (aged 45)

Roger Beckett
Publishing Director, Creative Division (aged 45)

Annie Swift
Publishing Director, Marketing Division (aged 45)

Ian Roberts
Company Secretary (aged 54)

Robin Coates
Publishing Director, Construction Division (aged 49)

The recovery in the advertising cycle is continuing and our growth prospects continue to be well supported by our pipeline of new and recently launched products

Graham Sherren
Executive Chairman and Chief Executive

Chairman's Statement

"The outlook is encouraging and we expect 2006 results to demonstrate further good progress"

I am pleased to announce that Centaur is reporting record profits in the 12 months to 30 June 2005, with adjusted PBT at the top end of expectations up 60% to £10.2million. Revenues, which grew 6% in the year, benefited from further recovery in the advertising cycle and from the results of new and recently launched products. This year on year revenue growth was partially offset by the adverse impact of biannual engineering exhibitions held in the prior year and by our decision to reduce the number of conferences staged in the year to June 2005, which resulted in a corresponding improvement in margins from events.

EBITDA increased by 38% to £12.2million, representing a dramatic improvement in margin to 17% from 13% in the previous year. Meanwhile, underlying margins, after excluding the results of our major new development initiatives, Finance Week and Perfect Analysis, rose to 20% (2004: 14%).

Profit before tax amounted to £2.6million compared with £3.4million in the year ended 30 June 2004. The 2005 result is stated after charging, within administrative expenses, £7.1million of goodwill amortisation (2004: £2.4million), principally relating to the goodwill arising on the purchase of the Centaur Communications Group (CCG) by the Company on 10 March 2004. PBT in the year to 30 June 2005 also included deductions of £0.5million of exceptional administrative costs associated with the move of the Company from AIM to the Official List in December 2004. Finally, cash balances at 30 June 2005, net of loan note creditors, stood at £10.0million (2004: £5.7million).

In light of this performance, the Board is recommending a final dividend of 1.2p per share, which will be paid to shareholders on the register as at 18 November 2005. It is proposed that the dividend will be paid on 16 December 2005. The Company will not be proposing any Scrip Dividends or Dividend Reinvestment Plan Options.

The recovery in the advertising cycle that started towards the end of 2003 continued through the year to June 2005, although certain business sectors performed more strongly than others. Nevertheless, total advertising turnover during the year increased by 8% over the equivalent prior year period. As in the previous year, this recovery was led by growth in recruitment advertising, which increased by 16% on the previous year.

We also continued to see promising growth in other areas of the business, in particular our internet businesses and our exhibitions. This reflected the success of the principal focus of our strategy in the past few years, which has been to extend our major publishing brands into other media, notably events and online. The Centaur Communications Group (CCG) has developed most of its business organically. Where acquisitions have been made, they have tended to be early stage acquisitions, rather than the purchase of established businesses or products. This strategy continued in the year to 30 June 2005 and the key developments and initiatives in the period are outlined in the Operating Review.

The recovery in the advertising cycle is continuing and our growth prospects continue to be well supported by our pipeline of new and recently launched products. Revenues in the first quarter are ahead of the same period last year. The outlook is encouraging and we expect FY 2006 results to demonstrate further good progress.

Finally, my thanks to all my colleagues who as always have performed with great energy and enthusiasm.

Operating Review

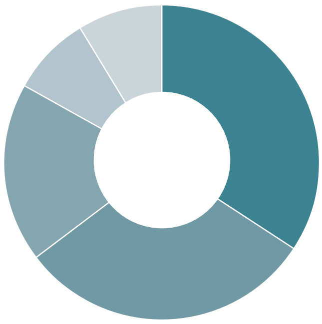
"Innovation is central to Centaur's culture and is an almost constant activity across the whole portfolio"

Trading Review

Centaur's rapid growth in the year continued to be supported by its pipeline of new and recently launched products. Overall, about 15% of revenues generated in the last financial year were from products or events launched within the past three years and less than 2% of revenues were from businesses acquired within the same period. The bulk of these new launches have been in existing communities, exploiting and extending established leading brands. As a result these are already significantly profitable, generating an EBITDA margin in the year of 10%. Losses from acquisitions were generated principally by the new product development costs in Perfect Information arising from the acquisition of Synergy.

Revenue by division
Year ended 30 June 2005

Marketing, Creative and New Media	34.2%
Legal and Financial	30.5%
Construction and Engineering	18.4%
Perfect Information	8.2%
Other	8.7%



Marketing, Creative & New Media

Revenues in our largest market segment grew 3% in the year, but tight cost control, notably in conferences, enabled us to improve margins to 19% (2004: 15%).

The advertising recovery in this sector has been variable, partly reflecting the consumer and retail slowdown experienced in the last year. Nevertheless, recruitment advertising in particular has held up reasonably well and our leading magazines in this sector, Marketing Week, Design Week and Creative Review all achieved modest revenue growth in the year as a whole. The direct marketing segment, for which we publish the weekly magazine Precision Marketing, remained weak.

The Insight and InStore shows both delivered strong revenue and profits growth. The DM Show, run in September 2004, did not improve its results year on year and the new show, the Total Motivation Show, operated close to break-even. The second new marketing show, the Online Marketing Show, made a useful profit contribution in its first year. As noted above, we reduced the number of conferences, but improved the profitability of these events.

Our internet portal, mad.co.uk, which serves the marketing, advertising and design communities, also had a successful year, delivering record profits and margins.

Legal & Financial

This was our most successful market segment, reflecting the strength of the underlying communities served. Revenue grew 12% year on year and we achieved a margin of 20% (2004: 17%). If the results of the newly launched Finance Week were excluded, the margin would have been 27%.

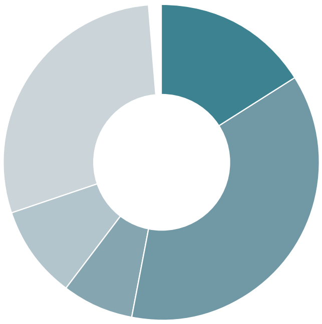
This division's two leading titles, Money Marketing and The Lawyer, each ended the year strongly. Money Marketing recovered from a weak third quarter, and the improved outlook also helped its sister title, Fund Strategy, to end the year strongly. The Lawyer, meanwhile, recorded its best performance ever. Mortgage Strategy, launched in autumn 2001, continued to grow throughout the year.

Finance Week revenues have been building steadily. Recruitment revenues grew more slowly than anticipated, but are expected to be a major source of income for the magazine. We believe it is essential to provide the market with an online job site alongside the printed medium. Having reviewed the possibility of acquiring an existing financial job-site, we concluded that we would achieve a higher return in the long run by building our own, which we have now done.

In exhibitions the previous year's partial replacement of small roadshow-style events by larger regional events resulted in revenues and profitability recovering strongly. We also achieved further valuable contributions from the leading awards events run for each specialist community and from The Lawyer's European Summit.

Revenue by source
Year ended 30 June 2005

Recruitment advertising	16.0%
Other advertising	37.0%
Circulation revenue	7.3%
Online subscriptions	9.5%
Events	28.9%
Other	1.3%



Revenues and profits from our three major internet businesses in this division (Money Marketing Online, TheLawyer.com and Headline Money) grew strongly and each of these business units is now generating a good marginal contribution to central overheads. The first two sites noted above also successfully upgraded their technology platforms during the year and have significant potential for further growth.

Construction & Engineering

Despite the adverse impact of biannual exhibitions not scheduled during the year to June 2005, revenues from this market segment grew by 6% and that, combined with continued cost reductions in the engineering portfolio, led to a doubling of the margin to 16%.

The leading title in the engineering portfolio is The Engineer, which we have successfully re-positioned as the news magazine for technology and innovation, published principally for those involved in the development of new applications and transferable technology. The magazine delivered over 10% revenue growth in the period and traded profitably for the year and its associated web site also traded profitably in the fourth quarter.

Although there has been a well-publicised slowdown in the housing market, the major title in the Construction sector, the monthly publication Homebuilding & Renovating, delivered further growth in revenues. In addition, each of the six established Homebuilding exhibitions generated further growth in revenues, and were boosted by the successful launch of the Smart Homes Show, run alongside the National Homebuilding Show in April 2005.

Operating Review

“The internet as an advertising and information medium is transforming the business opportunities available to Centaur”

Perfect Information

Perfect Information’s (PI) results continued to be held back by the effects of the trading losses and development costs of Perfect Analysis (PA). The development programme, which is being conducted partly in cooperation with a major investment banking client, is on track to be completed in early 2006. As noted in our interim accounts, we have taken steps to reduce the cost base of Perfect Information, principally in respect of fixed costs taken on with the acquisition of Synergy. As a result, losses associated with PA were substantially reduced in the second half.

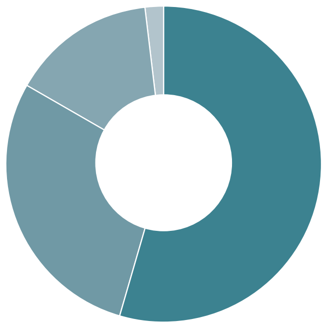
The market for PI’s corporate filings service improved during the year, supported by improving M&A activity. As a result, the company achieved a record level of new subscriptions for its core product Perfect Filings. These contracts, whose revenues are recognised over the life of the subscription period, were largely second half weighted. This factor, combined with rationalisation costs, held back underlying profitability in the year. However, the new financial year has started strongly, including the first new subscription business in the US market.

Other

Overall our other products experienced a small increase in revenues, but a marked improvement in margin in the year to June 2005. Revenue growth was driven principally by a strong performance by the Employee Benefits suite of products, offset to an extent by continued difficulties experienced within the international antique rugs market.

Revenue by product type
Year ended 30 June 2005

Magazines	54.5%
Events	28.8%
Online Products	14.8%
Other	1.9%



Throughout the group we continued to focus on new business opportunities in the year to 30 June 2005

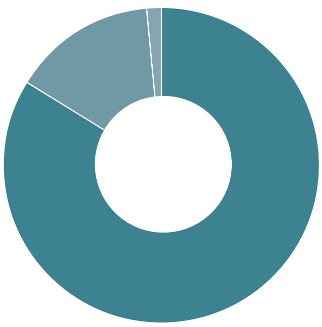
Magazines

In November 2004 we launched Finance Week, published for senior finance professionals working in the corporate sector. The magazine has been well received by its readers and revenues are steadily building. As we anticipated, we have incurred substantial start-up operating losses on this project, amounting to £1.4m in the period to 30 June 2005. However, we believe that the magazine will be established as a leading information brand in its sector and its success will also present us with considerable opportunities for future growth through other media, again particularly through events and online.

In October 2004 we launched Data Strategy, a monthly publication for data professionals, published by the team behind our weekly periodical, Precision Marketing. The magazine made a useful profit contribution in the year and supported a profitable related conference in the second half.

Revenue by maturity
Year ended 30 June 2005

Established products	83.8%
New products	14.7%
Acquisitions	1.5%



Online

The development of the internet as an advertising and information medium is transforming the business opportunities available to Centaur. We have invested steadily in our internet operations and they are now delivering high rates of revenue growth and in many cases are already generating high profit margins.

During the past year we upgraded the technology platforms of three of our four largest internet services, in order to enhance the robustness, scalability and cost-effectiveness of these operations, which we believe have high growth potential. Investment to upgrade the technology platform of the fourth major internet service, mad.co.uk, has just been completed and the new service re-launched in September 2005.

The past year has also been a period of significant development activity within our largest online business, Perfect Information. The major focus of this development has been on its new equity research tool, Perfect Analysis (PA), based on technology acquired in the purchase of Synergy in the previous year. We have secured some new clients for this service during the year but our emphasis has been on delivering the major added-value improvements we have identified as necessary to secure competitive advantage. The development programme is in its final stages and we expect to launch the new completed version of PA in early 2006. We have also during the year launched two new products in the PI portfolio - Perfect Debt (a fully text and clause-searchable tool for the debt professional) and Perfect Search (a new web-based interface for the US market). Both products have started to generate new sales for PI.

“Our acquisition strategy has been based principally on early stage or in-fill acquisitions”

Events

We organised four new exhibitions during the year, bringing to 17 the total number of new shows launched in the past 5 years. In September 2004 we organised the Business Travel Show in Düsseldorf for the first time. This show is the first of its kind serving the largest business travel market in Europe. The launch show was well received by exhibitors and we achieved a high level of re-booking for the following year’s show, which has just run profitably in mid-September 2005. Also, in September 2004, we organised the first Total Motivation Show at Olympia, a show designed for all those involved in the incentivisation of customers and staff.

In April 2005, we organised the first Smart Homes Show alongside our National Homebuilding Show in the NEC, Birmingham, which attracted over 40,000 visitors. This was a great success and contributed to a record level of on-site re-bookings by exhibitors. Its success also encouraged us to launch a second Smart Homes show alongside our London Homebuilding Show in October 2005. Also in April 2005, we organised a smaller version of the Subcon show, successfully converting what had previously been a biannual event into an annual exhibition. In June 2005, we organised the Online Marketing show, sponsored principally by our leading magazine New Media Age. This followed on from the success of our new awards event, the Interactive Marketing Awards, launched in November 2004 as a joint venture between Marketing Week and New Media Age.

For Conferences, this was a year of consolidation. We organised 10% fewer conferences with a corresponding reduction in revenues from these events. However, this loss of revenue was more than compensated for by a marked improvement in overall margins from Events, which increased to 18% (2004: 7%).

Acquisitions

Our acquisition strategy has been based principally on early-stage or in-fill acquisitions. In February 2005 we completed the acquisition of Logistics Manager, a monthly magazine with two related shows. The purchase price was £0.5m and the acquired assets had achieved a profit contribution in the 12 months before sale amounting to approximately £0.2m. This acquisition takes us into a new community. We believe this is a market with significant growth potential, driven by the increased impact of the internet on distribution and these assets constitute a good base from which to exploit that potential.

Operating Review

Current Development Activity

In the new financial year, we are continuing to develop new products at a steady pace. Most of our development effort will focus on extending our established brands into new areas. Innovation is central to Centaur's culture and is an almost constant activity across the whole portfolio.

In mid-September 2005 we organised the first Mortgage Summit, in Spain, which made a good first year contribution. In October 2005, we will be organising the second Smart Homes Show alongside our London Homebuilding Show in Excel, London, following the success of the initial event in April 2005. In March 2006, we will organise the Scottish Financial Services Show for the first time, sponsored by Money Marketing. Also in the Spring of 2006, we will hold the first Fund Strategy Summit.

In autumn 2005, we plan to publish the first issue of Modern Carpets and Textiles magazine, a bi-monthly magazine which will be published by the Hali team. There is currently no specialist magazine dedicated to the editorial needs of the modern carpets and textiles industry and the Hali team is well qualified to meet those needs. Also in autumn 2005, we plan to publish a new specialist consumer magazine entitled Move or Improve, a sister publication to the successful monthly publication Homebuilding and Renovating.

We are continuing to develop the Logistics Manager brand, acquired in February 2005. We have redesigned the magazine, upgraded the circulation, launched a new web-site to support the magazine and will launch a third regional exhibition in the fourth quarter of the new financial year.

Data Strategy will run a new awards event in October 2005. The Engineer will run a new awards event for the sector in April 2006 and will also publish a new Annual, celebrating the 150th anniversary of the magazine.

Finance Week has in the first quarter added a job-site to its internet site, financeweek.co.uk as an essential part of its strategy to be the market leading recruitment advertising medium in this sector.

In early September 2005, Perfect Information (PI) released its Excel add-in facility for Perfect Analysis (PA). This is an important milestone in the overall development of PA and delivers a number of attractive features for its core equity research users. In early 2006, PI plans to complete its development of PA and release it as a fully web-based service.

Notes

1. Centaur's key internal measure of profit is earnings before interest, tax, depreciation and amortisation and excluding exceptionals (EBITDA). In addition, "underlying" results of continuing operations are presented to provide a better indication of overall financial performance. The "underlying" results exclude the impact of recent acquisitions or disposals and of new launches into new communities. Adjusted PBT is profit before tax, excluding the impact of amortisation of intangibles and of exceptional items, including share-based payments.

2. Centaur's product portfolio currently comprises 9 weekly magazines, 1 fortnightly magazine, 11 monthly magazines, 4 magazines of a quarterly or bi-monthly frequency, 2 monthly newsletters, 27 annuals, 19 online products, 25 awards or other sponsored events, 25 exhibitions and 90 conferences.

3. Centaur reports its results within 5 distinct divisions, namely Marketing and Creative, Legal and Financial, Engineering and Construction, Perfect Information and Other. The first 3 segments comprise principally the following vertical business communities in which Centaur publishes market-leading magazine titles: Marketing Services, Creative Services, New Media, Retail Financial Products, Legal Services, Engineering, Private Homebuilding.

4. It also enjoys strong positions in a number of other specialist communities, namely HR, Visual Arts Production, Construction, Antique Rugs and Textiles, Logistics and Public Private Finance. In addition, it serves the Business Travel community with 3 leading trade shows in the UK and overseas.

Full year earnings up 64%
Given the strong financial performance full year dividend up 70%

Geoffrey Wilmot
Chief Financial Officer

As described in the statement of accounting policies on page 34 the consolidated financial statements include all the Group's activities for the year ended 30 June 2005.

The company was incorporated on 30 October 2003 as a private limited company and did not trade until 10 March 2004 when it acquired Centaur Communications Ltd and its subsidiaries ("the Centaur Communications Group").

Pro forma results for the year ended 30 June 2004 are reported and these are based on a full 12 months trading for the Centaur Communications Group that became part of Centaur Holdings plc on 10 March 2004.

Turnover

Turnover increased from £68.3 million to £72.2 million (+ 6%). Turnover is analysed in note 1 to the financial statements (segmental analysis) on page 35.

Profit on ordinary activities before taxation ("PBT")

PBT for the year ended 30 June 2005 was £2.6 million compared to £3.4 million in the Pro Forma year ended 30 June 2004.

PBT for 2005 is stated after charging the items listed in note 2 to the financial statements. This includes £7.1 million (Pro Forma 2004: £2.4 million) of amortisation in respect of intangible assets.

EBITDA before exceptional costs

The Board considers the most important and consistent measure of profit for the Group to be earnings before interest, tax, depreciation, amortisation and exceptional costs ("EBITDA").

EBITDA for the year ended 30 June 2005 was £12.2 million compared to £8.8 million, in the Pro Forma year ended 30 June 2004. This represents an EBITDA margin of 17% (Pro Forma 2004: 13%).

Segmental analysis by maturity on page 35 reports the impact of new product development on EBITDA. New product development is defined as any product launched in the last three years and is reported by reference to the three years preceding each reporting date. A community is defined by reference to the consumers of the relevant products. A new community is defined as any group of consumers not previously served by any products in the three years preceding each reporting date. In addition acquisitions are also reported by reference to the three years preceding each reporting date.

EBITDA excluding acquisitions and new products in new communities (underlying EBITDA) was £14.3 million for the year ended 30 June 2005 (Pro Forma 2004: £9.7 million).

This represents an underlying EBITDA margin on established products of 20% (Pro Forma 2004: 14%).

Taxation

Tax on profit on ordinary activities amounted to £2.8 million in the year ended 30 June 2005 (Pro Forma 2004: tax credit £1.2 million).

This represents an effective tax rate of 29% of reported profits before tax and amortisation.

The 2005 tax charge of £2.8 million includes deferred tax utilisation of £0.9 million. After utilisation the net deferred tax position at 30 June 2005 is an asset of £0.1 million (2004: £1.0 million).

Earnings per Share ("EPS")

A basic loss per share of 0.10 pence is reported for 2005 (2004: earnings of 0.79 pence).

To assist the understanding of the Group's performance an adjusted earnings per share has been included. This is based on the profit for the financial year before amortisation of goodwill and exceptional administrative costs. For 2004 the adjusted Earnings per Share also excluded the effect of an exceptional tax credit relating to the exercise of share options in Centaur Communications Ltd.

Using this adjusted measure, on a fully diluted basis EPS increased from 2.93 pence in 2004 to 4.80 pence in 2005.

Details of EPS calculations are presented in note 9 to the financial statements.

Dividends

Given the strong financial performance in the period, the Board is proposing a final dividend of 1.2 pence per ordinary share, giving a total for the year of 1.7 pence (2004: 1 pence). The final dividend is subject to shareholder approval at the Annual General Meeting and will be paid to all ordinary shareholders on the register at close of business on 18 November 2005. The group has sufficient reserves to cover the recommended dividend.

Cash flow

At 30 June 2005 the Group had cash and deposits of £12.5 million, an increase of £3.4 million on cash at 30 June 2004 of £9.1 million. The cash balances at 30 June 2005 included £2.5 million held on behalf of the holders of loan notes in Centaur Holdings plc.

Treasury policy

Treasury is managed centrally and is principally concerned with managing working capital and seeking to maximise returns on available short - term cash deposits. Further details of the operation of the Group's treasury functions and a description of the role that financial instruments have had during the year in the management of the Group's funding and liquidity risks and interest and foreign exchange rate risks are contained in the "financial instruments" note to the financial statements (note 26).

International financial reporting standards

The Group intends to follow the European Union requirement for all listed companies to adopt international financial reporting standards (IFRS) for their financial statements for accounting periods starting from 1 January 2005, which will include comparative information for prior years.

The first full year's accounts prepared under IFRS will therefore be for the year ending 30 June 2006 and the Group is well progressed in achieving the necessary timetable and understanding the impact of these new reporting requirements.

The main likely areas of change to affect the Group's primary financial statements relate to the treatment of goodwill and intangible assets, the reporting of share based payments and deferred tax.

Report of the Directors

The Directors of Centaur Holdings plc (the "Company" and the "Group") present their Report on the affairs of the Group together with audited Financial Statements for the year ended 30 June 2005.

Admission to the Official List of the London Stock Exchange

On 17 December 2004 the Company's shares were admitted to the Official list of the London Stock exchange having previously been listed on the Alternative Investment Market.

Principal activities

The principal activities of the Group are the creation and dissemination of business and professional information through publications, exhibitions, conferences and online products. Centaur Holdings plc is a holding company, which also provides management services to the Group.

Business review

The business and future developments of the Group are outlined in the Chairman's Statement and Operating and Financial review on pages 13 to 21.

Results and dividends

The actual results for the year ended 30 June 2005 and the Pro forma results for the full year to 30 June 2004 are shown in the consolidated profit and loss account on page 29.

A final dividend of 1.2 pence per share is proposed by the Directors, and subject to shareholder approval at the Annual General Meeting, will be paid on 16 December 2005 to ordinary shareholders on the register at the close of business on 18 November 2005.

Share capital and substantial shareholdings

Details of the share capital are set out in note 19 to the financial statements.

As at 31 August 2005 notifications of interests at or above 3% in the issued share capital of the Company had been received from the following:

Fidelity International Limited	12.01%
AXA S.A.	10.93%
Jupiter Asset Management Limited	8.05%
Graham Veere Sherren (inc spouse)	5.44%
Griffin Land and Nurseries Inc	4.34%
UBS Global Asset Management Life Limited	4.11%
Standard Life Group	4.05%
Legal and General Group plc	3.29%
AEGON UK plc Group of companies	3.13%

Directors and Directors' interests

The Directors of the company during the year are detailed on page 10.

The following Directors had beneficial interests in the ordinary share capital of the Company:

	Number of ordinary shares held at 30 June 2004	Shares acquired during the period	Number of ordinary shares held at 30 June 2005
GV Sherren	6,477,150	1,222,889	7,700,039
(In wife's ownership)	428,270	-	428,270
JPE Taylor	100,000	-	100,000
C Morrison	100,000	-	100,000
BTR Scruby	232,313	-	232,313

The Directors' interests in share options is disclosed in the Directors' Remuneration report on page 27. There has been no change to the Directors' interests since the year end.

Payment of creditors

It is the Group's policy to agree credit arrangements with suppliers as part of the general terms of supply. Payment is then made in accordance with these terms provided the goods and services have been delivered in accordance with the agreed terms and conditions.

The number and diversity of supply relationships means the Group pursues no formal code or policy beyond this. The holding company had no trade creditors at 30 June 2005.

Employment policy

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

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

All companies within the Group actively encourage employee involvement at all levels, both through regular employee briefings and by direct access to managers and the directors.

Statement of Directors' responsibilities

Company law requires the Directors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Company and Group and of the profit or loss of the Group for that period. The Directors are required to prepare the financial statements on a going concern basis, unless it is inappropriate to presume that the Company and the Group will continue in business.

The Directors confirm that suitable accounting policies have been used and applied consistently. The Directors also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 30 June 2005 and that applicable accounting standards have been followed.

The Directors are responsible for keeping proper accounting records which 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 comply with the Companies Act 1985. 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.

Auditors

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

By order of the Board

IPH Roberts
Secretary

20 September 2005

Corporate Governance Statement

Statement of compliance with the Combined Code

The Board of Centaur Holdings plc is committed to the principles outlined in the 2003 FRC Combined Code on Corporate Governance.

Centaur Holdings plc was admitted to the Official List of the London Stock Exchange on 17 December 2004, and prior to that date the Shares were traded on the Alternative Investment Market.

The Board of Centaur Holdings plc is accountable to the Company's shareholders for good Corporate Governance and is pleased to report that many of the best practice criteria established by the 2003 FRC Combined Code were already in place on 17 December 2004.

The statement below describes how the principles of Corporate Governance are now applied and the extent of the Company's compliance with the provisions set out in Section 1 of the 2003 FRC Combined Code. The Company has materially complied with the 2003 FRC Combined Code throughout the Financial year subject to the fact that the same individual exercises the roles of Chairman and Chief Executive.

The Board of Directors

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

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

Board process

The Board is accountable to shareholders, for ensuring that the Group is appropriately managed and achieves the strategic objectives agreed by the Board. In accordance with the Combined Code, the Board has established guidelines requiring specific matters to be discussed by the full Board of Directors, namely, material acquisitions, disposals, investments and capital projects. The Board reviews the Group's internal controls and risk management policies and in order to enable the Board to discharge its duties it supervises overall budgetary planning, treasury planning and business strategy.

The Board meets at least six times each year. The Directors receive the Board papers in advance of each meeting.

The Board has a procedure through which the Directors are able to take independent advice in the furtherance of their responsibilities. The Directors have access to the advice and services of the Company Secretary, Ian Roberts. Ian is secretary to all the Board Committees.

In addition, through the Chairman, the Company Secretary advises the Board on governance matters and provides ongoing training through the regular dissemination of relevant legislative and regulatory updates and external reports.

The Company Secretary is responsible for ensuring that Board procedures are followed and that applicable rules and regulations are complied with.

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

Performance evaluation

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

Board Committees

The number of scheduled full Board meetings and Committee meetings during the year to 30 June 2005 along with attendance of Directors was as follows:

	Scheduled Board Meetings	Audit Committee Meetings	Remuneration Committee Meetings	Nomination Committee Meetings
No. of meetings held	9	3	3	2
Graham Sherren	9	n/a	n/a	2
Geoffrey Wilmot	9	n/a	n/a	n/a
Thomas Scruby	9	2	3	n/a
Patrick Taylor	9	3	3	2
Colin Morrison	9	3	3	2

Board balance and independence

The Board comprises two Executive Directors, Graham Sherren and Geoff Wilmot, and three Non-Executive Directors. The same director Graham Sherren holds the post of Chairman and Chief Executive. Two of the Non-Executive Directors, Patrick Taylor and Colin Morrison are considered by the Board to be 'independent' of management for the purposes of the Combined Code and have no relationships that may interfere with their independent judgement and thus in this regard the requirements of the Combined Code are satisfied. In addition the Board is strengthened by the presence of the third Non-Executive director, Tom Scruby, who whilst as a director of Centaur Communications Ltd from 1989 to 2004 does not in the Board's view satisfy the 'independence' criteria of the Combined Code, brings substantial benefit to the Board and its committees through his knowledge of Centaur. Patrick Taylor has been appointed senior Non-Executive Director.

All Directors are subject to re-election at least every three years.

The Audit Committee

Patrick Taylor chairs the Audit Committee and its other members are Colin Morrison and Tom Scruby. All members of this committee are Non-Executive Directors. The Audit Committee meets at least twice each year. Geoffrey Wilmot, the Chief Financial Officer, the UK Finance Director and external auditors attend for part or all of each meeting. The external auditors have unrestricted access to the Audit Committee and its chairman. The Audit Committee considers all matters relating to financial policies, internal control and reporting, appointment and re-appointment of external auditors, the scope and results of the audits, the independence and objectivity of the auditors and ensures that an effective system of internal financial control is maintained.

The Company does not have an internal audit function. The Company believes that the internal controls established are strong and therefore an additional internal audit function is not currently required. The Audit Committee annually reviews that position.

The Audit Committee has reviewed arrangements for whistleblowing and has put a policy in place ensuring that the appropriate follow-up procedure is in place. All complaints of malpractices will result in an internal enquiry and if appropriate will be followed by an independent investigation.

Centaur's independent auditors may not provide any non-audit service that poses a significant threat to the auditors' objectivity or independence. The Company's auditors have confirmed that they are independent and do so on an annual basis.

The Remuneration Committee

Patrick Taylor chairs the Remuneration Committee and its other members are Colin Morrison and Tom Scruby. All members of this committee are Non-Executive Directors. The Remuneration Committee meets at least twice each year. The Executive Chairman and the Chief Financial Officer may be invited to attend meetings, if the Remuneration Committee considers it appropriate. The Remuneration Committee will consider all material elements of remuneration policy including the remuneration and incentives of Executive Directors and Senior Management. The Executive Directors determine the remuneration of the Non-Executive Directors.

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

The Nomination Committee

Graham Sherren chairs the Nomination Committee and its other members are Colin Morrison and Patrick Taylor. The Nomination Committee ensures that there is in place a formal, rigorous and transparent procedure for the appointment of new Directors to the Board. The Nomination Committee is responsible for ensuring that the right calibre of person and balance of skills is maintained on the Board. This committee meets at least annually and as required will make recommendations to the Board on new appointments to the Board. When the Nomination Committee is considering the appointment of a successor to the chairman, Patrick Taylor chairs this committee.

Internal control

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

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

An ongoing process, in accordance with the guidance of the Turnbull Committee on internal control, is established for identifying, evaluating and managing risks faced by the Group. The Directors recognise that they are responsible for systems of internal control and for reviewing its effectiveness and this they have done throughout the year. The risk management process and systems of internal control are designed to only manage rather than eliminate risk. The risk of failure to achieve business objectives has been reviewed regularly by the Board throughout the period.

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

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

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

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

Relations with shareholders

Communication with shareholders is given a high priority. The Operating and Financial Review gives a detailed overview of the business and future developments. There is regular dialogue with institutional shareholders as well as presentations after the Company's preliminary announcement of the year-end results and at the half year. In addition financial and other information about the Company is available on the Company's website. In addition procedures are in place to ensure that the Board are regularly apprised of shareholders' expressed views of the Company.

The Board's intention is to use the Annual General Meeting on 8 December 2005 to communicate with private and institutional investors and welcomes their participation. The Chairman will aim to ensure that the Chairman of the Audit and Remuneration Committees is available at the Annual General Meeting, details of which can be found in the Notice of the Meeting.

Going concern

After making enquiries, the Directors have a reasonable expectation that the Group has adequate resources to continue its operational existence for the foreseeable future and for this reason, they continue to adopt the going concern basis in preparing the accounts.

Directors' report on remuneration

Information not subject to audit

The Remuneration Committee

The Remuneration Committee consisted of Patrick Taylor (Chairman), Tom Scruby and Colin Morrison (all Non-Executive Directors) and together they considered all matters for the period as reported below. No other party materially assisted the Committee during the period.

Directors' remuneration policy

The policy of the Group for the remuneration of Executive Directors is that it should be sufficient to attract and retain the Directors needed to run the Company successfully. The remuneration package consists of basic salary, benefits, bonuses, pension and share options.

It is the intention of the Committee to review at least annually the remuneration packages (including, but not limited to, pension arrangements, the determination of any targets for any performance-related pay schemes operated by the Company - asking the Board, when appropriate, to seek shareholder approval for any long-term incentive arrangements, bonuses, incentive payments and any compensation payments and share option entitlements) for each of the Executive Directors and Company Secretary. The objective of such policy being to ensure that such are provided with appropriate remuneration and incentives to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their individual contributions to the success of the Company.

The policy with regard to bonus schemes for the Executive Directors and Company Secretary is to set demanding performance targets that are normally based on the Company's key profit measure of Earnings per share (formerly EBTA). The Earnings per share target levels may be set with regard to a number of factors, including year on year growth. The maximum bonuses payable are capped at 75% and 50% of annual salary for the Chief Executive Officer and Chief Financial Officer respectively.

The Directors' service agreements

The contract date for Executive Directors' existing service agreements is 27 February 2004 and provides for notice periods of 12 months; they do not have a fixed term of office.

Patrick Taylor, Colin Morrison and Tom Scruby are the Non-Executive Directors. The Non-Executive Directors do not have service contracts; they have a letter of appointment with the Company. Their appointments are for an initial three year period and provide for notice period of one month. All retiring Directors are eligible for re-election. Any Non-Executive Director who has held office for a nine year period or more shall be subject to re-election at each AGM.

Pension arrangements

There is no Group executive pension scheme. The Company makes contributes to Directors' individual pension schemes.

Share options

The Committee grants share options to members of the senior management. Options granted require that future corporate performance targets be achieved before they can be exercised. The same performance targets, which are based on Earnings before taxation & amortisation (EBTA), are common to all Executive Directors and senior management. The Board's objective in granting options is to increase shareholders value in growth in earnings.

In determining the target EBTA, the base year's profitability of Centaur Holdings plc and its subsidiaries will be the financial year ended 30 June 2004. In respect of the year of exercise, for the purposes of settling the adjusted achieved EBTA the principal criteria to be applied is:

a To exclude exceptional gains, losses or other exceptional items;

b To exclude profits or losses arising from the disposal of assets;

c To apply an appropriate and equitable treatment to the recognition of profits or losses arising from acquisitions within a maximum period of two years from their purchase;

d That the EBTA will be expressed as an amount per ordinary share for the time being in issue in Centaur Holdings plc and where the number of shares will be the weighted average in issue throughout the relevant year upon which the performance is based, and

e That the starting point for the number of shares in issue is 147,994,118 being the total number of ordinary shares of 10 pence in each issue, fully paid, as at 10 March 2004 being the date of admission to the AIM.

The option plan is made up of two parts. Part I is approved by the Inland Revenue and takes advantage of the legislation to encourage employees to own shares in the Company in a tax efficient manner. Part II of the plan has not been approved by the Inland Revenue.

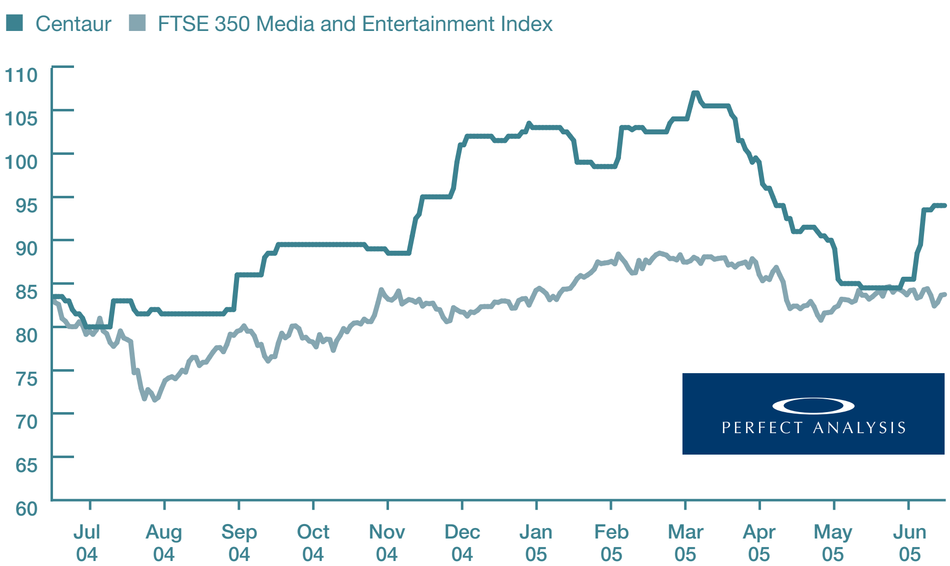
The Rollover Plan

Centaur Holdings plc Executive Directors and certain senior employees elected to rollover existing ("old") Centaur Communications Ltd share options into new "rollover" share options in Centaur Holdings plc. The options were exchanged for options each at various exercise prices in Centaur Holdings plc. In addition, for each share option held in Centaur Communications Ltd, the employee (other than Graham Sherren) received matching options in Centaur Holdings plc. The exercise price for the matching options is set equal to the market value at date of listing, 10 March 2004.

Rollover option holders have been entitled to exercise the former Centaur Communications Ltd options which were rolled over from 10 March 2004 and are excluded from any performance conditions.

Performance graph

The graph below shows the performance of Centaur Holdings plc share compared to the performance of FT350 Media and Entertainment Index over the same period.



Information subject to audit

Directors' interests

The Directors holding office during the year to 30 June 2005 are shown on page 10 and their beneficial interests in the Company's share capital are shown on page 22. None of the Directors had any beneficial interest in the shares of other Group companies.

The following Directors have been granted rollover and matching options to subscribe for ordinary shares in the Company under rollover, approved and unapproved share option schemes:

	Date of grant	Earliest exercise date	Expiry date	Exercise price (pence)	Number at 30 June 2004	Granted in year	Exercised in year	Lapsed in year	Number at 30 June 2005
GV Sherren	9.3.04	9.3.05	9.3.14	11.58	336,224	-	(336,224)	-	-
	9.3.04	9.3.05	9.3.14	41.67	886,665	-	(886,665)	-	-
GTD Wilmot	9.3.04	9.3.07	9.3.14	100.0	587,333	-	-	-	587,333
	9.3.04	9.3.05	9.3.14	41.67	172,777	-	-	-	172,777

During the year Graham Sherren exercised 336,224 options over ordinary shares in the Company at a price of 11.58 pence per share and 886,665 options over ordinary shares in the Company at a price of 41.67 pence per share. The market price at date of exercise was 91.75 pence.

The market price at 30 June 2005 was 94.0 pence and the range during the period was 80.0 pence to 107.0 pence. The average market price during the year was 92.9 pence.

Directors' emoluments

The table below provides details of Directors' remuneration from Centaur Holdings plc for the year to 30 June 2005.

Other benefits for Executive Directors during this period include the provision of car allowance, life assurance, permanent health insurance and medical insurance.

	Salaries and Fees £	Bonus £	Pension £	Other Benefits £	**Actual Year ended 30 June 2005 £**	Actual 30 Oct 2003 to 30 June 2004 £
Executive						
GV Sherren	293,750	132,045	-	43,821	**469,616**	165,674
GTD Wilmot	172,296	51,562	30,152	22,709	**276,719**	80,187
Non Executive						
BTR Scruby	40,000	-	-	-	**40,000**	10,000
C Morrison	40,000	-	-	-	**40,000**	52,366
JPE Taylor	40,000	-	-	-	**40,000**	52,366
	586,046	**183,607**	**30,152**	**66,530**	**866,335**	360,593

Independent auditors' report to the members of Centaur Holdings plc

We have audited the financial statements which comprise the consolidated profit and loss account, the consolidated balance sheet, the company balance sheet, the cash flow statement, the reconciliation of movements in group shareholders' funds, the statement of total recognised gains and losses and the related notes which have been prepared under the historical cost convention and the accounting policies set out in the statement of accounting policies. We have also audited the disclosures required by Part 3 of Schedule 7A to the Companies Act 1985 contained in the directors' remuneration report ("the auditable part").

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities. The directors are also responsible for preparing the directors' remuneration report.

Our responsibility is to audit the financial statements and the auditable part of the directors' remuneration report in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, 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.

We report to you our opinion as to whether the financial statements give a true and fair view and whether the financial statements and the auditable part of the directors' remuneration report have been properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises only the highlights page, the chairman's statement, the operating review, the financial review, the report of the directors, the corporate governance statement and the unaudited part of the report on directors' remuneration.

We review whether the corporate governance statement reflects the company's compliance with the nine provisions of the 2003 FRC Combined Code specified for our review by the Listing Rules of the Financial Services Authority, and we report if it does not. We are not required to consider whether the board's statements on internal control cover all risks and controls, or form an opinion on the effectiveness of the group's corporate governance procedures or its risk and control procedures.

Basis of audit opinion

We conducted our audit in accordance with auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements and the auditable part of the directors' remuneration report. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements and the auditable part of the directors' remuneration report are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view of the state of the company and the group at 30 June 2005 and of the loss and cash flows of the group for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- those parts of the directors' remuneration report required by Part 3 of Schedule 7A to the Companies Act 1985 have been properly prepared in accordance with the Companies Act 1985.

PricewaterhouseCoopers LLP
Chartered Accountants and
Registered Auditors

London
20 September 2005

Consolidated profit and loss account for the year ended 30 June 2005

	Note	Actual Year ended 30 June 2005 £'000	Pro forma Year ended 30 June 2004 £'000	Actual 30 Oct 2003 to 30 June 2004 £'000
Turnover	1	**72,215**	68,254	25,493
Cost of sales		**(39,248)**	(38,017)	(13,609)
Gross profit		**32,967**	30,237	11,884
Distribution costs		**(4,164)**	(4,287)	(1,259)
Administrative expenses		**(26,506)**	(22,468)	(8,983)
EBITDA before exceptional costs	1	**12,202**	8,823	4,905
Depreciation of tangible fixed assets		**(2,368)**	(2,676)	(987)
Amortisation of goodwill		**(7,052)**	(2,437)	(2,186)
Exceptional administrative costs	3	**(485)**	(228)	(90)
Operating profit		**2,297**	3,482	1,642
Share of associate's profit		**27**	-	-
Profit on ordinary activities before interest		**2,324**	3,482	1,642
Interest receivable and similar income	5	**295**	196	71
Amounts written off investments		**-**	(274)	-
Interest payable and similar charges	6	**(3)**	(7)	(4)
Profit on ordinary activities before taxation	2	**2,616**	3,397	1,709
Tax on profit on ordinary activities	7	**(2,760)**	1,222	(1,169)
(Loss) / profit for the financial year		**(144)**	4,619	540
Dividends	8	**(2,532)**	(1,480)	(1,480)
Retained (loss) / profit for the period		**(2,676)**	3,139	(940)
Earnings per share	9			
Basic (loss) / earnings per share (pence)		**(0.10)**	3.12	0.79
Fully diluted earnings per share (pence)		**-**	3.00	0.73
Adjusted earnings per share (pence)		**4.99**	3.04	4.13
Fully diluted adjusted earnings per share (pence)		**4.80**	2.93	3.80

Consolidated balance sheet at 30 June 2005

	Note	2005 £'000	2004 £'000
Fixed assets			
Intangible fixed assets	10	**132,062**	138,701
Tangible fixed assets	11	**5,502**	5,311
Investments	12	**212**	185
		137,776	144,197
Current assets			
Stocks	13	**1,320**	1,185
Debtors	14	**15,761**	14,771
Cash at bank and in hand	15,26	**12,480**	9,132
		29,561	25,088
Creditors: amounts falling due within one year	16	**(24,621)**	(23,426)
Net current assets		**4,940**	1,662
Total assets less current liabilities		**142,716**	145,859
Provisions for liabilities and charges	17	**(2,500)**	(3,387)
Total net assets		**140,216**	142,472
Capital and reserves			
Called up share capital	19	**15,012**	14,879
Share premium account	20	**287**	127,047
Other reserves		**1,486**	1,486
Profit and loss account	21	**123,431**	(940)
Equity shareholders' funds		**140,216**	142,472

The accounting policies on page 34 and the notes on pages 35 to 48 form an integral part of these financial statements.

The financial statements were approved by the Board of Directors on 20 September 2005 and were signed on its behalf by:

GTD Wilmot
Director

Company balance sheet at 30 June 2005

	Note	2005 £'000	2004 £'000
Fixed assets			
Investments	12	**147,714**	147,798
		147,714	147,798
Current assets			
Debtors	14	**4,698**	221
Cash at bank and in hand		**4,652**	5,554
		9,350	5,775
Creditors: amounts falling due within one year	16	**(9,742)**	(6,746)
Net current assets		**(392)**	(971)
Total assets less current liabilities		**147,322**	146,827
Total net assets		**147,322**	146,827
Capital and reserves			
Called up share capital	19	**15,012**	14,879
Share premium account	20	**287**	127,047
Other reserves		**1,486**	1,486
Profit and loss account	21	**130,537**	3,415
Equity shareholders' funds		**147,322**	146,827

The financial statements were approved by the Board of Directors on 20 September 2005 and were signed on its behalf by:

GTD Wilmot
Director

Group cash flow statement for the year ended 30 June 2005

	Note	Actual Year ended 30 June 2005 £'000	Pro forma Year ended 30 June 2004 £'000	Actual 30 Oct 2003 to 30 June 2004 £'000
Net cash inflow from operating activities	25	**9,646**	7,153	4,937
Returns on investments and servicing of finance				
Interest received		**293**	196	71
Interest paid		**(49)**	(174)	(61)
Net cash inflow from returns on investments and servicing of finance		**244**	22	10
Taxation		**(1,105)**	(671)	(356)
Capital expenditure and financial investment				
Purchase of tangible fixed assets	11	**(2,564)**	(2,166)	(667)
Sale of tangible fixed assets		**16**	24	11
Purchase of intangible fixed assets		**(565)**	(195)	(120)
Net cash outflow for capital expenditure and financial investment		**(3,113)**	(2,337)	(776)
Acquisitions and disposals				
Proceeds from the disposal of subsidiary undertakings		**417**	617	-
Acquisition / disposal expenses paid		-	(2,921)	(2,780)
Cash at bank and in hand acquired with subsidiary undertakings		-	58	6,274
Purchase of subsidiary undertakings		-	(128,736)	(127,634)
Net cash inflow / (outflow) from acquisitions and disposal of subsidiary undertakings		**417**	(130,982)	(124,140)
Equity dividends paid to shareholders		**(2,220)**	-	-
Net cash inflow / (outflow) before financing		**3,869**	(126,815)	(120,325)
Financing				
Issue of ordinary share capital		**420**	134,445	131,994
Cash (repaid) / received in respect of loan notes		**(941)**	3,429	3,429
Share capital issue costs		-	(5,968)	(5,968)
Net cash (outflow) / inflow from financing		**(521)**	131,906	129,455
Increase in cash	27	**3,348**	5,091	9,130

The accounting policies on page 34 and the notes on pages 35 to 48 form an integral part of these financial statements.

Other primary statements for the year ended 30 June 2005

Reconciliation of movements in group shareholders' funds

	2005 £'000	2004 £'000
(Loss)/ profit for the financial year	(144)	540
Dividends	(2,532)	(1,480)
Share capital issued	420	147,894
Fair value of rolled over share options	-	1,486
Issue costs	-	(5,968)
Net change in shareholders' funds	(2,256)	142,472
Opening shareholders' funds	142,472	-
Closing shareholders' funds	140,216	142,472

Statement of total recognised gains and losses

	Note	2005 £'000	2004 £'000
(Loss)/ profit for the financial year		(144)	540
Total recognised (loss) / gain relating to the year		(144)	540
Transfer from share premium account	20	127,047	-
Total gains since last annual report		126,903	540

Notes to the financial statements

Statement of accounting policies

The financial statements have been prepared under the historical cost convention in accordance with the Companies Act 1985 and applicable accounting standards in the United Kingdom. The principal accounting policies of the Group, which have been applied consistently throughout the period, are:

Basis of preparation

Actual

The consolidated financial statements include all the Group's activities for the year ended 30 June 2005.

The company was incorporated on 30 October 2003 as a private limited company and did not trade until 10 March 2004 when it acquired Centaur Communications Ltd and its subsidiaries ("the Centaur Communications Group").

As a result the actual comparative refers to the period 30 October 2003 to 30 June 2004.

Pro forma

The Pro forma results for 2004 are based on a full 12 months trading for the Centaur Communications Group that became part of Centaur Holdings plc on 10 March 2004.

Turnover

Turnover represents sales of advertising space, subscriptions and individual publications and revenue from exhibitions and conferences, exclusive of value added tax.

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

Revenue from subscriptions to publications and online services is deferred and recognised in the profit and loss account on a straight-line basis over the subscription period.

Investments

Investments are recorded at cost less provision for impairment in value.

Associates

The Group treats as an associate undertaking any entity in which it has a participating interest and where it exercises significant influence.

Associates are recorded at cost, identifying any goodwill arising. The carrying amount of the investment is adjusted by the Company's share of the results of its Associate less any amortisation or write-off for goodwill. Any gains and losses are recognised in the profit and loss account.

Intangible assets - goodwill and brands / publishing rights

Brands and publishing rights and goodwill purchased or arising on consolidation have been capitalised and are amortised over their estimated useful economic lives.

This is currently estimated at 20 years for all intangible assets and in the case of acquired goodwill this represents the period of time over which the Directors estimate that the values of the businesses acquired are expected to exceed the value of the underlying assets.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation of tangible assets is provided on a straight-line basis over the following estimated useful lives of the assets.

A review of the estimated useful life of each asset is carried out annually to ensure depreciation rates are adequate.

Leasehold property
20 Years or the length of the lease if shorter

Fixtures and fittings
10 years

Computer equipment
3 - 5 years

Motor Vehicles
4 years

Impairment of fixed assets and goodwill

The need for any fixed asset or goodwill impairment write down is assessed by comparison of the carrying value of the asset against the higher of net realisable value or value in use. The value in use is determined from estimated discounted future cash flows. Discount rates used are based on the circumstances of the individual businesses.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing difference can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing difference are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Stocks

Stocks are stated at the lower of cost and net realisable value. For raw materials cost is the purchase price. Work in progress comprises costs incurred relating to publications, exhibitions and conferences prior to the publication date or the date of the event. For goods for resale, cost is the purchase price, or, in the case of publications, the direct cost of production.

Operating leases

Rentals payable under operating leases are charged to the profit and loss account on a straight-line basis over the term of the lease.

Pensions

Pension costs charged to the profit and loss account represent the amount of contributions payable to the Group's defined contribution scheme in respect of the accounting period.

Foreign currencies

Transactions denominated in foreign currency are translated at exchange rates prevailing at the transaction date. Assets and liabilities are translated at exchange rates prevailing at the year end date. Any gains or losses arising on exchange are reflected in the profit and loss account.

Financial instruments

Financial instruments are marked to market each month and any gain or loss is recognised in the profit and loss account. Amounts payable or receivable in respect of interest rate swap agreements are recognised as adjustments to interest over the period of the contract.

1 Segmental analysis

The Group is involved in the single activity of the creation and dissemination of business and professional information in the UK. There is therefore no segmental reporting required. However, set out below are business analyses of Group turnover and EBITDA before exceptional costs ("EBITDA").

	Turnover	Actual Year ended 30 June 2005 EBITDA	Turnover	Pro forma Year ended 30 June 2004 EBITDA
	£'000	£'000	£'000	£'000
Analysis by division				
Marketing, Creative and New Media	24,670	4,686	23,911	3,624
Legal and Financial	22,049	4,447	19,677	3,385
Construction and Engineering	13,320	2,129	12,530	967
Perfect Information	5,904	407	6,099	749
Other	6,272	533	6,037	98
	72,215	12,202	68,254	8,823
Analysis by source				
Recruitment advertising	11,587		9,989	
Other advertising	26,725		25,359	
Circulation revenue	5,267		5,108	
Online subscriptions	6,882		6,303	
Events	20,819		19,722	
Other	935		1,773	
	72,215		68,254	
Analysis by product type				
Magazines	39,356	7,163	37,224	6,432
Events	20,819	3,754	19,722	1,338
Online Products	10,672	907	9,981	894
Other	1,368	378	1,327	159
	72,215	12,202	68,254	8,823
Analysis by maturity				
Existing communities				
-established products	60,538	13,256	55,560	7,948
-new products	10,377	1,077	12,077	1,781
Underlying turnover and EBITDA	70,915	14,333	67,637	9,729
Acquisitions	1,077	(738)	617	(733)
New communities - new products	223	(1,393)	-	(173)
	72,215	12,202	68,254	8,823

New product development is defined as any product launched in the last three years and is reported by reference to the three years preceding each reporting date. A community is defined by reference to the consumers of the relevant products.

A new community is defined as any group of consumers not previously served by any products in the three years preceding each reporting date. Acquisitions are also reported by reference to the three years preceding each reporting date.

Substantially all net assets are located and all turnover and EBITDA are generated in the United Kingdom.

Notes to the financial statements

2 Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging:

	Note	Actual Year ended 30 June 2005 £'000	Pro forma Year ended 30 June 2004 £'000	Actual 30 October 2003 to 30 June 2004 £'000
Staff costs	4	**25,780**	26,042	8,310
Exceptional administrative costs	3	**485**	228	90
Operating leases - plant and machinery		**240**	244	70
Other operating leases		**2,278**	2,094	612
Amortisation of intangibles	10	**7,052**	2,437	2,186
Depreciation of tangible fixed assets	11	**2,368**	2,676	987
(Profit) / loss on disposal of fixed assets		**(11)**	(4)	5
Auditors' remuneration:				
- audit services		**125**	128	128
- further assurance services		**25**	30	30
- tax services		**30**	-	-
- other non-audit services		**29**	25	25

3 Exceptional administrative expenses

Exceptional administrative expenses amounted to £485,000 in the year ended 30 June 2005. These costs relate to the listing of Centaur Holdings plc on the official list of the London Stock Exchange in December 2004. In the Pro Forma year ended 30 June 2004 the exceptional administrative expenses of £228,000 related to costs in respect of the sale of the Centaur Communications Group to Centaur Holdings plc.

4 Employees and directors

Staff costs

	Actual Year ended 30 June 2005 £'000	Pro forma Year ended 30 June 2004 £'000	Actual 30 October 2003 to 30 June 2004 £'000
Wages and salaries	**22,630**	23,163	7,387
Social security costs	**2,654**	2,412	773
Other pension costs	**496**	467	150
	25,780	26,042	8,310

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

	Number	Number	Number
Editorial	**165**	163	163
Production	**63**	71	75
Sales	**176**	200	190
Product management and support	**163**	151	156
Central Services	**150**	165	168
	717	750	752

4 Employees and directors continued

Share option scheme

At the 30 June 2005, the following options over the ordinary shares of 10p each were outstanding:

	Date of grant	Earliest exercise date	Expiry date	Exercise price (pence)	Number at 30 June 2004	Granted in the year	Exercised in the year	Lapsed in the year	Number at 30 June 2005
Rolled Over	9.3.04	9.3.05	9.3.14	11.58	855,096	-	(436,075)	-	419,021
Rolled Over	9.3.04	9.3.05	9.3.14	41.67	1,059,442	-	(886,665)	-	172,777
Rolled Over	9.3.04	9.3.05	9.3.14	57.87	194,349	-	-	-	194,349
Approved (Part I)	9.3.04	9.3.07	9.3.14	100.0	330,000	-	-	(30,000)	300,000
Approved (Part I)	29.9.04	29.9.07	29.9.14	88.5	-	982,373	-	-	982,373
Unapproved (Part II)	9.3.04	9.3.07	9.3.14	100.0	3,368,379	-	-	(229,687)	3,138,692
Unapproved (Part II)	29.9.04	29.9.07	29.9.14	88.5	-	557,627	-	-	557,627
					5,807,266	1,540,000	(1,322,740)	(259,687)	5,764,839

5 Interest receivable and similar income

	Actual Year ended 30 June 2005 £'000	Pro forma Year ended 30 June 2004 £'000	Actual 30 October 2003 to 30 June 2004 £'000
Interest on bank deposits	**290**	196	71
Interest on taxation	**5**	-	-
	295	196	71

6 Interest payable and similar charges

	Actual Year ended 30 June 2005 £'000	Pro forma Year ended 30 June 2004 £'000	Actual 30 October 2003 to 30 June 2004 £'000
Amounts payable in respect of Interest rate swap	**46**	167	57
Utilisation of provision in respect of Interest rate swap	**(46)**	(167)	(57)
Interest on bank loans and overdrafts	**3**	7	4
	3	7	4

7 Tax on profit on ordinary activities

	Actual Year ended 30 June 2005 £'000	Pro forma Year ended 30 June 2004 £'000	Actual 30 October 2003 to 30 June 2004 £'000
Analysis of charge in period UK corporation tax at 30%			
- Current year	**1,617**	-	-
- under/ (over) provision in previous periods	**211**	(156)	-
	1,828	(156)	-
Deferred taxation			
Current year (origination and reversal of timing differences)	**185**	(287)	(96)
Utilisation and (recognition) of tax losses	**925**	(779)	1,265
Adjustment in respect of prior years	**(178)**	-	-
	932	(1,066)	1,169
Tax on profit on ordinary activities	**2,760**	(1,222)	1,169

The factors affecting the tax charge for the period were:

Profit on ordinary activities before tax	**2,616**	3,397	1,709
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK 2005: 30% (2004: 30%)	**785**	1,019	513
Effects of:			
Expenses not deductible for tax purposes	**2,161**	972	656
Capital allowances for the period (in excess of) / less than depreciation	**(240)**	722	219
Utilisation of tax losses	**(925)**	(2,713)	(1,388)
Statutory deduction in respect of non-capital R & D expenditure	**(164)**	-	-
Adjustments to tax charge in respect of previous periods	**211**	(156)	-
Current tax charge / (credit) for period	**1,828**	(156)	-

8 Dividends

	Actual Year ended 30 June 2005 £'000	Actual 30 October 2003 to 30 June 2004 £'000
Equity dividends		
Interim paid 0.5 pence per 10p ordinary share	**740**	-
Proposed final dividend 1.2 pence per 10p ordinary share (2004 : 1 pence)	**1,792**	1,480
	2,532	1,480

9 Earnings per share

The calculations of earnings per share are based on the following profits and numbers of shares:

	Actual Year ended 30 June 2005 £'000	Pro forma Year ended 30 June 2004 £'000	Actual 30 October 2003 to 30 June 2004 £'000
(Loss)/ profit for the financial year	**(144)**	4,619	540
Amortisation of goodwill	**7,052**	2,437	2,186
Amount written off investments	-	274	-
Exceptional deferred tax credit	-	(3,057)	-
Exceptional administrative costs	**485**	228	90
Adjusted profit for the financial year	**7,393**	4,501	2,816
Weighted average number of ordinary shares	**148,261,194**	147,994,118	68,223,627
Dilutive effect of share options	**5,764,839**	5,807,266	5,807,226
Weighted average number of shares in issue taking account of applicable outstanding share options	**154,026,033**	153,801,384	74,030,853
(Loss)/ earnings per share (pence)	**(0.10)**	3.12	0.79
Diluted earnings per share (pence)	-	3.00	0.73
Earnings per share (pence) using adjusted profit for the financial year	**4.99**	3.04	4.13
Diluted earnings per share (pence) using adjusted profit for the financial year	**4.80**	2.93	3.80

The adjusted earnings per share have been provided in order that the effect of goodwill amortisation, the prior year exceptional deferred tax credit together with the other items listed above can be fully understood.

The exceptional deferred tax credit of £3,057,000 in the Pro Forma year ended 30 June 2004 related to the exercise of share options in Centaur Communications Ltd.

Notes to the financial statements

10 Intangible fixed assets

	Goodwill £'000	Brands/ publishing rights £'000	Total £'000
Cost			
At 1 July 2004	140,887	-	140,887
Transfer to brands/publishing rights	(189)	189	-
Additions	-	510	510
Fair value adjustments	(86)	(11)	(97)
At 30 June 2005	140,612	688	141,300
Amortisation			
At 1 July 2004	2,186	-	2,186
Charge for the period	7,034	18	7,052
At 30 June 2005	9,220	18	9,238
Net book amount			
At 30 June 2005	**131,392**	**670**	**132,062**
At 30 June 2004	138,701	-	138,701

Goodwill arising on acquisitions has been capitalised as an intangible asset in accordance with FRS10 and will be amortised over 20 years.

The additions to brands/publishing rights relates to the purchase of the magazine title Logistics Manager and two associated trade exhibitions in February 2005 for a total consideration of £510,000.

In addition the transfer of £189,000 from goodwill to brands/publishing rights relates to the purchase of the Retail Visual Interiors Show in May 2004.

Fair value adjustments of £86,000 in respect of Goodwill and £11,000 in respect of brands/publishing rights have been made as follows:

	Note	Goodwill £'000	Brands/ publishing rights £'000	Total £'000
Acquisition of Centaur Communications Group in March 2004:				
- reduction in consideration following finalising of acquisition costs	12	(84)	-	(84)
- Creditors - amounts falling due within one year		(2)	-	(2)
Purchase of Retail Visual Interiors in May 2004				
- reduction in deferred consideration		-	(11)	(11)
		(86)	**(11)**	**(97)**

11 Tangible fixed assets

	Leasehold Improvements £'000	Fixtures and Fittings £'000	Computer Equipment £'000	Motor Vehicles £'000	Total £'000
Cost					
As at 1 July 2004	966	1,772	9,560	216	12,514
Additions	217	83	2,251	13	2,564
Disposals	(10)	(73)	(2,072)	(73)	(2,228)
At 30 June 2005	1,173	1,782	9,739	156	12,850
Depreciation					
As at 1 July 2004	455	882	5,709	157	7,203
Charge for the year	85	173	2,079	31	2,368
Disposals	(10)	(70)	(2,072)	(71)	(2,223)
At 30 June 2005	530	985	5,716	117	7,348
Net book amount					
At 30 June 2005	**643**	**797**	**4,023**	**39**	**5,502**
At 1 July 2004	511	890	3,851	59	5,311

12 Investments

Group	Associated Company Share of associated company net assets £'000	Associated Company Goodwill £'000	Trade Investments £'000	Group Total £'000
At 1 July 2004	-	-	185	185
Transfer of investment to associated company	171	14	(185)	-
Share of associated company profits for the year ended 30 June 2005	27	-	-	27
At 30 June 2005	**198**	**14**	-	**212**

The Group holds 34% of the ordinary share capital of IPE International Publishers Limited (IPE).

It was agreed in July 2004 that G V Sherren (Chairman and Chief Executive Officer of Centaur Holdings plc) would be appointed to the board of IPE.

As a result the investing company now exerts significant influence on the operations and decisions of IPE and is now accounted for as an associate company. The share of profits of IPE for the year ended 30 June 2005 was £27,000.

Company	Investments in subsidiary undertakings £'000
At 1 July 2004	147,798
Fair value adjustment	(84)
At 30 June 2005	147,714

A fair value adjustment of £84,000 has been made to consideration following the finalisation of acquisition costs relating to the purchase of the Centaur Communications Group by Centaur Holdings plc in March 2004 (see note 10).

12 Investments continued

The Company holds 100% of the issued ordinary share capital of Centaur Communications Limited, incorporated in England and Wales and the following table indicates other subsidiary undertakings within the Centaur Group.

Name	Group %	Company %	Principal activity
Centaur Communications Limited	100	100	Holding company and agency services
Chiron Communications Limited (formerly Oguz Press Limited)	100	-	Magazine publishing
Hali Publications Limited	100	-	Magazine publishing
Ascent Publishing Limited	100	-	Magazine publishing
IFA Events Limited	100	-	Exhibitions
Perfect Information Limited	100	-	Financial information services
Synergy Software Solutions Limited	100	-	Software consulting

All the above subsidiary undertakings are incorporated in England and Wales.

13 Stocks

	Group 2005 £'000	Group 2004 £'000
Raw materials	28	19
Work in progress	1,248	1,128
Goods for resale	44	38
	1,320	1,185

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

14 Debtors

	Note	Group 2005 £'000	Group 2004 £'000	Company 2005 £'000	Company 2004 £'000
Trade debtors		**12,945**	10,333	**-**	-
Amounts owed from group companies		**-**	-	**4,677**	-
Other debtors		**759**	1,243	**5**	221
Deferred tax asset	18	**63**	995	**-**	-
Corporation tax		**-**	262	**-**	-
Prepayments and accrued income		**1,994**	1,938	**16**	-
		15,761	14,771	**4,698**	221

Other Group debtors includes £416,000 (2004 : £833,000) which represents a deferred payment due from Thomson Legal and Regulatory Europe Limited in respect of the purchase of Lawtel Ltd and Consultancy Europe Associates Limited from the Centaur Communications Group in August 2002.

15 Cash at bank and in hand

Total cash at bank and in hand at 30 June 2005 was £12,480,000 (2004: £9,132,000). This includes an amount of £2,488,000 (2004: £3,429,000) held on behalf of the holders of loan notes in Centaur Holdings plc (see note 26).

This amount is therefore a restricted balance and is not available for use by the Group in its day to day operations.

The unrestricted cash available for use in the day to day operations of the Group at 30 June 2005 was £9,992,000 (2004: £5,703,000).

16 Creditors: amounts falling due within one year

	Group 2005 £'000	Group 2004 £'000	Company 2005 £'000	Company 2004 £'000
Trade creditors	**2,978**	3,536	**-**	-
Amounts owed to group undertakings	**-**	-	**5,206**	1,706
Corporation tax	**461**	-	**-**	-
Social security and other taxes	**2,407**	1,788	**33**	35
Other creditors	**59**	370	**6**	96
Accruals and deferred income	**14,436**	12,823	**217**	-
Loan notes	**2,488**	3,429	**2,488**	3,429
Proposed dividend	**1,792**	1,480	**1,792**	1,480
	24,621	23,426	**9,742**	6,746

The loan notes in the Company have been issued in amounts and multiples of £1 with a variable rate of interest of 0.75% below LIBOR for each relevant interest period.

Unless previously redeemed or purchased the loan notes will be redeemed in full at par on 31 March 2011.

The loan notes are redeemable at the option of each note holder on 30 June and 31 December in each year up to 31 March 2011 by giving not less than 30 days notice.

17 Provisions for liabilities and charges

	Onerous Interest Rate swap £'000	Contingent consideration £'000	Restructuring provisions £'000	Total £'000
At 30 June 2004	46	2,500	841	3,387
Utilised in the period	(46)	-	(841)	(887)
At 30 June 2005	**-**	**2,500**	**-**	**2,500**

a Onerous interest rate swap
A provision for an interest rate swap contract was established in 2002 following the full redemption of the term loan to when the swap related. The swap contract expired on 1 November 2004 and the provision was fully utilised at that date.

b Contingent consideration
In October 2003 the Centaur Communications Group acquired 100% of the share capital of the Synergy Software Group ("Synergy") for a total consideration of £3,742,000. The total consideration includes a deferred element that is payable based on profits of Synergy up to 30 June 2007. At 30 June 2005 a provision of £2,500,000 is held as the Directors' best estimate of the deferred payment.

c Restructuring provisions
In August 2002, the Centaur Communications Group disposed of its subsidiary companies Lawtel Limited and Consultancy Europe Associates Limited to Thomson Legal and Regulatory Europe Limited. Following this disposal a provision was established in respect of empty property that resulted in an exceptional charge to the Group of £1,777,000 in the year ended 30 June 2003. This provision was fully utilised at 30 June 2005 and it is expected that any remaining empty property will become fully occupied during the year ended 30 June 2006.

18 Deferred tax

	Accelerated capital allowances £'000	Tax losses carried forward £'000	Other timing differences £'000	Total £'000
At 1 July 2004	1,006	1,101	(1,112)	995
Charged to profit and loss	(221)	(587)	(124)	(932)
At 30 June 2005	**785**	**514**	**(1,236)**	**63**

An asset of £129,000 (2004: £129,000) relating to tax losses arising in Centaur Holdings plc has not been recognised by either Group or Company. This asset will be recognised if it is becomes deemed to be recoverable against the generation of suitable taxable profits in the company in the future.

19 Called up share capital

	Group and Company 30 June 2005 £'000	Group and Company 30 June 2004 £'000
Authorised:		
200,000,000 ordinary shares of 10p each	**20,000**	20,000
800,000 deferred shares of 10p each	**80**	80
Total authorised share capital	**20,080**	20,080
Issued share capital		
149,316,858 (2004: 147,994,118) ordinary shares of 10p each	**14,932**	14,799
800,000 (2004: 800,000) deferred shares of 10p each	**80**	80
As at 30 June 2005	**15,012**	14,879

During the year the Company issued 1,322,740 ordinary shares with a nominal value of £132,274 as a result of the exercise of share options. The total consideration received in respect of these share options amounted to £419,000 giving rise to a share premium of £287,000 (note 20).

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

20 Share premium account

	Group and Company 30 June 2005 £'000	Group and Company 30 June 2004 £'000
At 30 June 2004	**127,047**	-
Premium on shares issued during the year	**287**	133,015
Share premium transferred to profit and loss reserve	**(127,047)**	-
Issue costs	-	(5,968)
As at 30 June 2005	**287**	127,047

During the year the Directors proposed a cancellation of the share premium account to facilitate a more efficient use of the company's reserves. At the Annual General Meeting on 25 November 2004 a special resolution was passed by the shareholders confirming this proposal and as a result on 12 January 2005 the company received high court confirmation of this cancellation, subject to appropriate undertakings provided by the company for the protection of the company's creditors.

The order of the court was registered at Companies House on 12 January 2005.

21 Profit and loss account

	Group 2005 £'000	Company 2005 £'000
At 30 June 2004	**(940)**	3,415
Retained (loss) / profit for the financial year	**(2,676)**	75
Transfer from share premium account	**127,047**	127,047
As at 30 June 2005	**123,431**	130,537

The Company has taken advantage of the exemption available under section 230 of the Companies Act 1985 and has not presented its own profit and loss account in these financial statements. Of the Group profit for the financial year, a loss of £2,393,000 (2004: loss £106,000) is dealt with in the financial statements of the Company.

22 Operating lease commitments

	Land and Buildings 2005 £'000	Land and Buildings 2004 £'000	Eqipment 2005 £'000	Eqipment 2004 £'000
On leases expiring:				
- within 1 year	**-**	5	**-**	-
- between 2 and 5 years	**169**	173	**202**	185
- after 5 years	**2,497**	2,497	**9**	48
	2,666	2,675	**211**	233

23 Pension schemes

The Group contributes to individual and collective money purchase pension schemes in respect of directors and employees once they have completed the requisite period of service. The charge for the year in respect of these pension schemes is shown in note 4. Included within other creditors is an amount of £86,129 (2004: £66,355) payable in respect of the money purchase pension schemes.

24 Capital commitments

The Group and Company had no capital commitments at 30 June 2005.

25 Net cash inflow from operating activities

Reconciliation of operating profit to net cash inflow from operating activities:

	Note	Actual Year ended 30 June 2005 £'000	Pro forma Year ended 30 June 2004 £'000	Actual 30 Oct 2003 to 30 June 2004 £'000
Operating profit		**2,297**	3,482	1,642
Depreciation of tangible fixed assets	11	**2,368**	2,676	987
Amortisation of goodwill	10	**7,052**	2,437	2,186
(Profit) /loss on disposal of fixed assets		**(11)**	(4)	5
(Increase) / decrease in stocks		**(135)**	75	462
Increase in debtors		**(2,601)**	(192)	(32)
Increase / (decrease) in creditors		**1,517**	(626)	(130)
Decrease in provisions		**(841)**	(695)	(183)
Net cash inflow from operating activities		**9,646**	7,153	4,937

26 Financial instruments

Treasury policy

The following note describes the role that financial instruments have had, during the year ended 30 June 2005, in the management of the Group's funding and liquidity risks and interest and foreign exchange rate risks.

The day to day operations of the Group for the period has been financed primarily by cash and at 30 June 2005 cash at bank and in hand amounted to £12,480,000 (2004: £9,132,000). This includes an amount of £2,488,000 (2004: £3,429,000) held on deposit on behalf of the holders of Centaur Holdings plc loan stock which represents a restricted balance and therefore cannot be used in the day to day operations of the business.

Unrestricted cash balances at 30 June 2005 were £9,992,000. (30 June 2004: £5,703,000)

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

Substantially all the Group's net assets are located and all turnover and EBITDA are generated in the United Kingdom and consequently foreign exchange risk is limited. However the Group does have Euro, Hong Kong $ and US $ denominated bank accounts to minimise any recognised losses arising from currency fluctuations.

At 30 June 2005 the Group has no overdrafts or short term or long term borrowings (other than cash held on behalf of the holders of Centaur Holdings plc loan stock) and therefore also has only limited exposure to interest rate risk.

Short terms debtors and creditors that met the definition of a financial asset or liability under FRS 13 have been excluded from all numerical disclosures in this note.

Fair values of Financial instruments at 30 June 2005

The fair value is defined as the amount at which a financial instrument could be exchanged in an arm's length transaction between informed and willing parties and is calculated by reference to market rates discounted to current value. Where Market rates are not available fair values have been calculated by discounting cash flows at prevailing interest rates.

The fair value of financial instruments at 30 June 2005 was:

	Note	Book Value 2005 £'000	Fair Value 2005 £'000	Book Value 2004 £'000	Fair Value 2004 £'000
Primary Financial instruments held or issued to finance the Group's operations					
Cash balances		**12,480**	**12,480**	9,132	9,132
Fixed rate unsecured loan notes		**(2,488)**	**(2,488)**	(3,429)	(3,429)
Contingent consideration		**(2,500)**	**(2,268)**	(2,500)	(2,160)
Investments	12	-	-	185	185
Other Financial Liabilities		-	-	(841)	(782)
Derivative Financial instruments held to manage risk profile					
Interest rate swap		-	-	(46)	(46)

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

26 Financial instruments continued

The maturity of Financial liabilities

The maturity profile of the Group's financial liabilities at 30 June 2005 was as follows:

	2005 £'000	2004 £'000
In one year or less or on demand	(2,488)	(3,993)
In more than one year but not more than two years	-	(258)
In more than two years but not more than five years	(2,500)	(2,565)
In more than five years	-	-
	(4,988)	(6,816)

Borrowing facilities

The undrawn facilities available at 30 June 2005 were as follows:

Expiring in one year or less	-	-
Expiring in more than one year but not more than two years	-	-
Expiring in more than two years	4,000	4,000

27 Reconciliation of net cash flows to movements in net debt

	Actual Year ended 30 June 2005 £'000	Pro forma Year ended 30 June 2004 £'000	Actual 30 Oct 2003 to 30 June 2004 £'000
Net funds at beginning of period	9,132	4,041	2
Increase in cash in the period	3,348	5,091	9,130
Net funds at end of period	12,480	9,132	9,132

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