

**CENTAUR  
MEDIA  
ANNUAL  
REPORT**

2024

# Contents

<b>Directors, Advisers and Other Corporate Information</b>	<b>2</b>	<b>Independent Auditors' Report</b>	<b>58</b>
<b>Highlights</b>	<b>4</b>	<b>Consolidated Statement of Comprehensive Income</b>	<b>60</b>
<b>Chairman's Statement</b>	<b>6</b>	<b>Consolidated Statement of Changes in Equity</b>	<b>61</b>
<b>Chief Executive Review</b>	<b>8</b>	<b>Company Statement of Changes in Equity</b>	<b>62</b>
<b>Financial Review</b>	<b>22</b>	<b>Consolidated Balance Sheet</b>	<b>63</b>
<b>Board of Directors</b>	<b>30</b>	<b>Company Balance Sheet</b>	<b>64</b>
<b>Report of the Directors</b>	<b>32</b>	<b>Consolidated Cash Flow Statement</b>	<b>65</b>
<b>Corporate Governance Report</b>	<b>38</b>	<b>Company Cash Flow Statement</b>	<b>66</b>
<b>Corporate Social Responsibility</b>	<b>46</b>	<b>Statement of Accounting Policies</b>	<b>67</b>
<b>Directors' Report on Remuneration</b>	<b>48</b>	<b>Notes to the Financial Statements</b>	<b>74</b>

## Directors, Advisers and Other Corporate Information

### Company registration number

04948078

### Incorporated / Domiciled in

England

### Registered office

Wells Point  
79 Wells Street  
London  
W1T 3QN

### Directors

JPE Taylor (Chairman)  
MH Kerswell (Interim Chief Executive)  
C Morrison  
C Satterthwaite  
RW Boyle  
RS Miskin

### Company Secretary

C Baty

### Bankers

Royal Bank of Scotland plc  
Corporate Banking London  
9th Floor  
280 Bishopsgate  
London  
EC2M 4RB

Barclays Bank PLC

1 Churchill Place  
London  
E14 5HP

### Solicitors

Macfarlanes LLP  
10 Norwich Street  
London  
EC4A 1BD

Travers Smith LLP

10 Snow Hill  
London  
EC1A 2AL

### Independent Auditors

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

### Registrars

Share Registrars Limited  
Suite E; First floor  
9 Lion and Lamb Yard  
Farnham  
Surrey  
GU9 7LL

# Who we are and what we do

**Centaur is an integrated, multi-platform business media group, providing business information, events and marketing solutions to selected professional and commercial markets.**

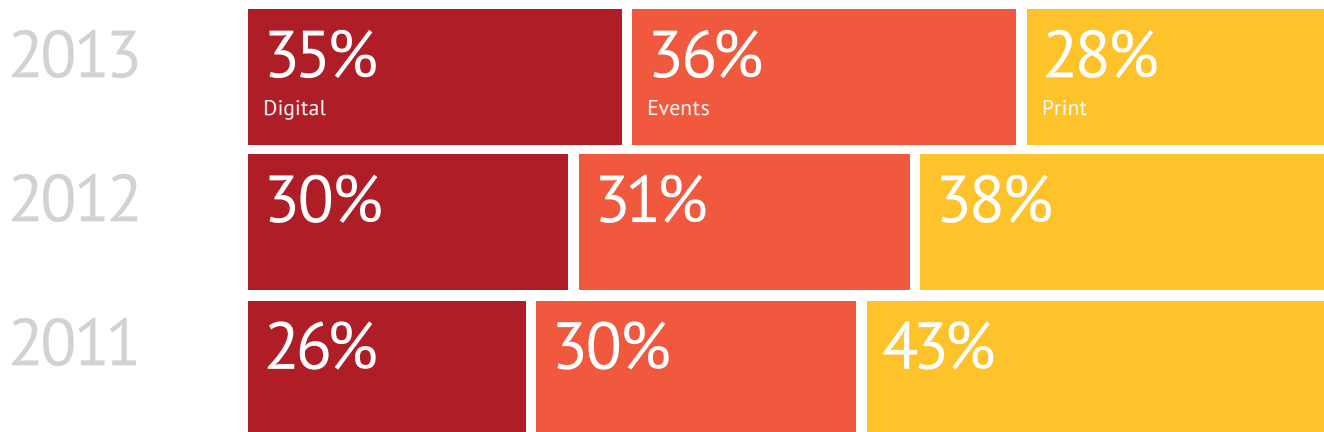
**Our market leading brands do this using the deep understanding of, and insight into, the markets they operate in, delivering sustainable competitive advantage to our business customers and communities.**

**We are constantly focused on providing the highest-quality, business-critical products and services, in whatever format and at whatever frequency best suits our customers.**

**Centaur is a modern, digital, entrepreneurial business with a culture of innovation, collaboration, openness and trust. Our people are passionate and proud of what they do, and work here because their contributions are valued and their efforts are rewarded.**

# Highlights

Revenue by type



## Financial

- Adjusted EBITDA up 10% to £12.9m (2012: £11.7m)
- Adjusted profit before tax up 8% to £8.6m (2012: £8.0m)
- Reported loss before tax of £37.4m (2012: profit £2.7m) includes a non-cash impairment charge of £39.2m (2012: £nil)
- Adjusted basic EPS up 7% to 4.5p (2012: 4.2p) with a proposed full year dividend of 2.4p (up 7%)
- Cash conversion remains strong at 112% (2012: 120%)

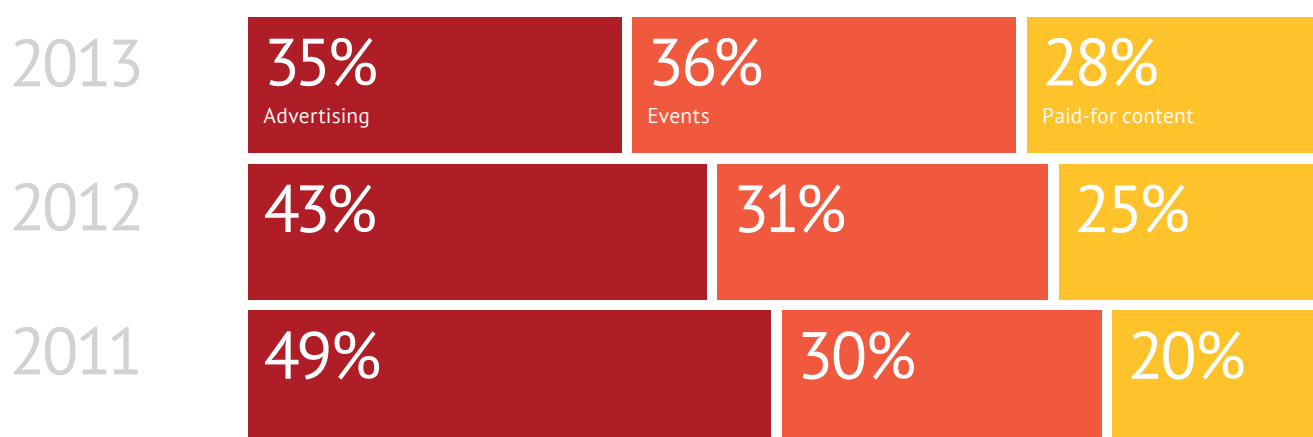
## Operational

- Revenue mix continues to improve
  - Digital contribution increased to 35%, paid-for content 28% and events 36%
  - Advertising revenues reduced as planned to 35% of total revenues
- Refocus around market segments driving greater focus on delivery of revenue and cost synergies
- Acquisition of Econsultancy completed in July 2012 and integration accelerating

## NOTES

1. Adjusted results exclude adjusting items as detailed in the Basis of Preparation section of the Statement of Accounting Policies (page 67).
2. Cash conversion rate is operating cash flow expressed as a percentage of adjusted operating profit. Adjusted operating profit is as calculated in the Basis of Preparation section of the Statement of Accounting Policies (page 68) and operating cash flow is as calculated in the Financial Review (page 27).
3. Underlying growth rates adjust for the impact of acquisitions, disposals and discontinued activities by excluding them from both the reported 2013 and 2012 results.
4. Reported loss before tax of £37.4m (2012: profit of £2.7m) includes a non-cash impairment charge of £39.2m (2012: £nil).

### Revenue by source



	Year to 30 June 2013	Year to 30 June 2012	Reported Growth %	Underlying Growth <sup>3</sup> %
Revenue (£m)	72.0	65.6	10%	(3%)
Adjusted EBITDA (£m) <sup>1</sup>	12.9	11.7	10%	(2%)
Adjusted EBITDA margin	18%	18%		
Adjusted profit before tax (£m) <sup>1</sup>	8.6	8.0	8%	
Reported (loss)/profit before tax (£m)	(37.4)	2.7		
Basic (LPS)/EPS (pence)	(27.3)	0.9		
Adjusted basic EPS (pence) <sup>1</sup>	4.5	4.2	7%	
Dividend per share (pence)	2.4	2.25	7%	
Operating cash flow (£m)	9.6	10.3		
Cash conversion <sup>2</sup>	112%	120%		

# Chairman's Statement



## Overview

I am pleased to be able to report results that show good profit growth, albeit at a slower rate than initially anticipated, in what have remained challenging economic conditions. I am also happy to report stable trading in the last two months of the 2013 financial year. This reflects improved conditions across those markets that proved volatile for much of 2013, but also a sharper focus across the Group and with much greater emphasis on the speed of change and delivery of results.

Adjusted EBITDA increased by 10% to £12.9m (2012: £11.7m). Adjusted profit before tax increased by 8% to £8.6m (2011: £8.0m) with adjusted EPS up 7% to 4.5p (2012: 4.2p).

While we have made significant progress in re-engineering the business over the last two years, the management changes made in May 2013 reflect the need to accelerate the Group's delivery of our strategic objectives. These strategic objectives are to build market-leading positions in selected high growth markets, to improve the quality of our revenue streams by growing revenues from digital, paid-for content and events, and to leverage scale to deliver sustainable growth in adjusted EBITDA margins and cash flow.

Our refocus around four market segments - Marketing, Professional, Financial and Consumer - will facilitate effective delivery and execution of revenue and cost synergies, strengthen further initiatives to increase the proportion of revenues generated from digital, paid-for content and events, and allow the business to exploit fully the opportunities presented by the five acquisitions completed since July 2011.

### Dividend

The Board is recommending a final dividend of 1.575p per share, giving a full year dividend of 2.4p (2012: 2.25p). The 7% increase in the full year dividend reflects the Board's confidence in the future prospects of the Group.

The level of dividend cover against adjusted EPS at 1.9 times (2012: 1.9 times) remains slightly below our target level of 2 to 3 times. The Board's view is that this remains appropriate as our markets return to growth and we continue to see the benefits from the restructuring and investment initiatives we have undertaken over the last two years.

### Board and employees

The last 12 months have been a time of both challenge and achievement for the business and our people. I would like to take this opportunity to express my thanks to all our employees for their commitment, energy and enthusiasm both in relation to the year's results and in helping to continue to build the basis for Group's future success.

Colin Morrison has served as a non-executive director since 2004 and will not be offering himself for re-election at the Annual General Meeting in November 2013. I would like to place on record my thanks for the contribution that Colin has made to the Board and the Group over the last 9 years.

Geoff Wilmot stood down as Chief Executive Officer on 15 May 2013. The process to appoint a new permanent Chief Executive Officer is continuing and the Board anticipates making an announcement in due course.

### Current trading and outlook

The trading momentum across the Group in the latter part of the 2013 financial year has continued into 2014. With a sharper focus on markets and customers, opportunities to scale the business more effectively, and a strong pipeline of new digital platforms and event launches, Centaur is better placed to exploit fully the numerous opportunities across the Group.

The Group ended the year with an improved revenue and earnings profile and with further opportunity to build a more scalable and flexible cost base. The digital, subscription and events businesses are growing well, whilst the print, advertising funded businesses are stable. With deferred revenues up 27%, the outlook for 2014 is positive.

The Board's primary focus is on leveraging Centaur's brands and refocused organisation, and accelerating organic and new product growth.

Patrick Taylor  
Chairman  
11 September 2013

“I am pleased to be able to report good growth in profit alongside a sharper focus on our markets and customers and greater emphasis on the speed of change and the delivery of results.”

**PATRICK TAYLOR**  
CHAIRMAN

# Chief Executive Review



## Strategic overview

Centaur is an integrated, multi-platform business media group, providing business information, events and marketing solutions to selected professional and commercial markets.

### The Group's strategic objectives are:

- To build market-leading positions in selected high growth markets, each underpinned by a deep and unrivalled understanding of the markets and customers that we serve.
- To improve the quality of our revenues and earnings by increasing the proportion of revenues generated from digital, paid-for content and events.
- To leverage scale and to drive operational excellence across the Group to deliver sustainable growth in adjusted EBITDA margins and cash flow.

### Financial targets

In October 2011, the Group announced headline target measures for the three financial years to 30 June 2014. These were to double revenues, double the digital share of total revenues to at least 50% and double adjusted EBITDA margins to at least 25%.

In the year to 30 June 2013, digital revenues accounted for 35% of total revenues, EBITDA margins were 18% and revenues were 24% ahead of their 2011 underlying base. Our progress in achieving the targets set out in 2011 has been primarily held back by weaker underlying revenue growth in the two financial years to 30 June 2013.

We remain focused on increasing our digital share of total revenues and our adjusted EBITDA margins, but we anticipate replacing in due course the underlying revenues objective with more appropriate targets.

### Market and segment focus

To accelerate the delivery against its strategic objectives, Centaur has refocused its business around four market segments: Marketing, Professional, Financial and Consumer. By focusing on our markets, customers and audiences we are:

- Ensuring that we are an essential part of the markets we operate in with a clearly defined value proposition that creates competitive advantage for our customers and audiences.
- Improving collaboration and integration across the business. As a result, we are:
  - Strengthening initiatives to increase the proportion of revenues generated from digital, paid-for content and events. Advertising revenues will see their relative importance diminish over time.
  - Facilitating greater focus on the delivery and execution of revenue and cost synergies and accelerating the pace of change across the Group, leveraging our asset base and skill sets across the entire business.
  - Allowing the business to fully exploit the opportunities presented by the five acquisitions completed since July 2011.

### Market segments

As announced in May 2013, the Group is now reporting its results across four market segments, which comprise the following activities and brands:

#### Marketing

- The digital, print and events activities across the established B2B brands - Marketing Week, Creative Review, and Design Week.
- Marketing Week Live, our flagship exhibition serving the European marketing community.
- The Profile Group, a digital information business which provides forward planning and contact information to the marketing, media and PR communities.
- Econsultancy, a digital information and events business which is building a leading position in the market for digital marketing and e-commerce.



**“We have made excellent progress in shifting our revenue mix in favour of digital, paid-for content and events. The emphasis around our core markets strengthens initiatives to improve the quality of our revenues and earnings, accelerates focus on revenue and cost synergies and allows the business to more effectively exploit the value in recent acquisitions”**

#### **Professional**

- The digital, print and events activities across the established B2B brands serving the Legal, HR and Engineering communities - The Lawyer, Employee Benefits and The Engineer.
- Perfect Information, a digital information and work flow business serving the global corporate advisory sector.
- VB Research, a digital information business serving investment communities across the global renewable energy and security markets.
- FEM, an information and events business serving HR professionals across the global mobility market.
- A portfolio of B2B exhibitions serving the Meetings, Business Travel, Engineering and Humanitarian sectors – The Meetings Show, Business Travel Show, Subcon and Aidex.

#### **Financial**

- The digital, print and events activities across the established B2B brands serving the financial services industry - Money Marketing, Mortgage Strategy, Fund Strategy and Corporate Advisor.
- Taxbriefs, a leading provider of specialist content to the financial services industry.
- Headline Money, a digital information business serving journalists across the UK financial services sector.
- The Platforum, a specialist information business in the retail financial services sector.

#### **Consumer**

- The digital, print and events activities across the established UK focused self-build, renovation, home improvement and period homes markets - Homebuilding and Renovating, The National and Regional Homebuilding and Renovating exhibitions, Real Homes, Period Living and The National Home Improvement Show.

Alongside the refocus of the business around its markets and customers, the Group is also:

- Building a stronger digital culture through investment in digital development capability across the Group as a whole rather than across individual divisions.
- Investing in core audience and customer data and technology platforms.
- Investing in our people to develop and align core skills and capabilities across the business, specifically related to digital development, sales and marketing.
- Building a high performance culture with improved reward mechanisms that better align to stretching performance goals.
- Accelerating opportunities to build paid-for content subscription solutions across those parts of the business that have traditionally been primarily advertising funded.
- Applying more rigour around investment in new product development and the allocation of capital and management time across the Group as a whole, rather than across individual divisions.
- Consolidating all London-based operations in one office. While this will not be complete until 2014, we have agreed to co-locate Econsultancy alongside other marketing portfolio assets based at Centaur’s Wells Street offices by December 2013. This will allow the Group to exploit revenue synergies and shared capabilities more effectively across the Marketing portfolio.
- Accelerating the integration of recent acquisitions to scale the business more effectively and to leverage the operational and technology capabilities and entrepreneurial flair inherited with many of these acquisitions.

**“Centaur is a growing business. With greater collaboration across all parts of the business and a strong pipeline of new digital platforms and event launches, we are better placed to exploit fully the numerous opportunities across the Group”**

### Financial year end

The Board has considered carefully the impact of the material weighting of the Group's trading to the fourth quarter of its present financial year. Given the limited levels of visibility across some parts of the business, and the consequential impact on expectations around our full year numbers, the Board has decided to align the Group's financial year end with the majority of its peers, and move the financial year end to December. Further information on the impact of this change is included in the Financial Review.

### Management Team

The Group is managed by an Operating Board, which is led by Mark Kerswell as interim CEO. Peter Harris has been appointed as interim CFO. Across each of the four market segments, Simon Middelboe and Andrew Evans lead our information and events activities respectively. Stephen Farish has recently joined the Group on an interim basis to oversee our publishing activities, and Kathleen Jones was appointed to the Operating Board as Group HR Director in November 2012. These changes in the leadership team have provided new impetus and focus to the business and the challenges ahead.

### People

The operating board has prioritised investment in people policies and practices as part of a plan to strengthen our employee proposition.

Employee engagement was measured across the Group in an all employee survey in March 2013. This is the first time we have conducted a Group wide survey since 2011 and the results were generally positive. Key areas of focus identified as a direct result of the survey were to improve the working premises and environment, enhance our internal communications, improve opportunities for training and development across the Group and develop appropriate recognition and reward strategies. In addition to each theme being sponsored by a

member of the Operating Board, local management have developed plans to improve against issues identified locally. Our aim is to create a positive working environment where our people can flourish in their careers by being customer focused and best equipped to improve what we do for the benefit of our customers.

Remuneration continues to be an important topic for the Group, our employees and our stakeholders. We are actively working to ensure improved alignment between performance and reward, and that our people are appropriately incentivised with variable pay and bonus plans that drive high performance whilst reinforcing the appropriate cultural behaviours and values of the Group. We have moved to an annualised pay process for this performance year to ensure that reward is administered more effectively and pay awards are allocated against focused criteria in a fair and equitable way.

We have implemented a new on-line Performance and Development management tool for the new performance year. Having trained all managers on their responsibilities, we aim to help drive employee contribution and engagement as great conversations are focused on SMART objectives and providing better development support to staff. This is the foundation for building and embedding a stronger performance culture across the group.

We also recognise that managers need to improve their own management skills continually and Centaur is investing in building the Centaur Management Academy to ensure managers are better equipped to deal with the challenges they face in a changing workplace. Acquisitions such as Econsultancy have highlighted the depth of expertise we hold within the Group and we are keen to exploit that potential for the benefit of the Group.



Hospitality Technology Europe Show 2013

## Operational review

Our events and subscription-based businesses have delivered strong growth in 2013, and are well positioned to accelerate growth into 2014. Our exhibitions portfolio has grown revenues by 11%, which is an excellent performance relative to our UK peers, and reflects our focus on optimising the existing portfolio and driving a healthy pipeline of new event launches. Our subscription-based businesses have also shown strong momentum, with Profile and Econsultancy both delivering growth in annualised invoiced subscription revenues in excess of 25%, which positions both businesses exceptionally well as we head into the new financial year. Our other recent acquisitions, FEM and The Platform, have also had strong years and are well positioned to deliver good growth into 2014. VB Research is also growing well and we anticipate this accelerating into 2014, particularly as it starts to realise benefits from closer collaboration with other businesses operating in the same professional markets.

Underlying revenues did not, however, return to growth as had been anticipated in February 2013. The key factors impacting underlying and reported performance in the latter part of the year were the continued weakness in print advertising, most notably across our financial titles, further declines in recruitment revenues, and losses incurred across Econsultancy's overseas operations. While the impact of these factors has been partially offset by the effect of prior year cost savings and growth across other parts of the Group, this revenue weakness has had a material impact on full year earnings. Underlying digital revenues in 2013 were flat, reflecting expected weakness in Perfect Information and weaker digital advertising revenues, principally across the Financial portfolio.

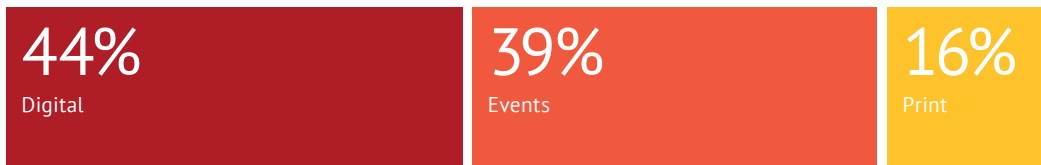
A key focus across the Group is shifting the emphasis of our revenue mix in favour of digital, paid-for content and events. Print and advertising revenues still have an important role to play, but their relative importance across the Group is diminishing as planned. Advertising revenues now account for 35% of total revenues (2012: 43%), with recruitment revenues accounting for only 8% of total revenues (2012: 11%). Paid-for content and events revenues now account for 28% and 36% respectively of total revenues (2012: 25% and 31%). Digital revenues accounted for 35% of total 2013 revenues (2012: 30%), with print revenues now accounting for only 28% of total revenues (2012: 38%). The continued shift in our revenue mix reflects the significant underlying drop in print advertising revenues across our established financial and marketing titles, but also the impact of recent acquisitions, all of which are focused predominantly on digital, paid-for content and events.

We have continued to manage our cost base rigorously, but the impact of the weaker print and advertising revenues means that EBITDA margins remain at 18%, with adjusted EBITDA of £12.9m (2012: £11.7m) growing by 10%. With greater focus on operational excellence across the Group as a whole, the Group believes that EBITDA margins in excess of 25% are achievable in the medium term.

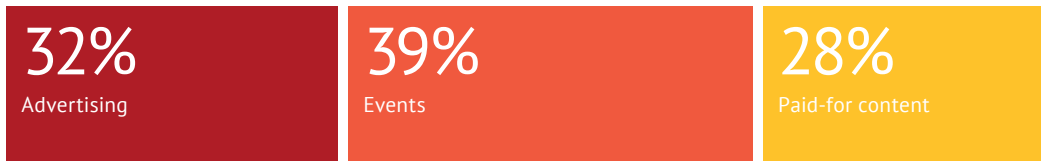
As a result of the weakness in print advertising revenues across the Group and a reduction in performance from overseas locations, the Group has recognised a non-cash impairment of £39.2m (2012: £nil) against goodwill.

# Chief Executive Review

## Revenue by type\*



## Revenue by source\*



## MARKETING

Our Marketing division brings together all of the established and recently acquired businesses that serve the Marketing industry, including Marketing Week, Creative Review, Design Week, Profile and Econsultancy. The benefits of the recent refocus on the markets we serve are expected to be most keenly felt across this division. The consolidation of these businesses, also under one roof, will create a far stronger proposition to the market, and create further opportunities to leverage the technology and business models across the combined portfolio.

The 59% increase in reported revenues reflects the impact of full year contributions from Profile and Econsultancy, acquired in February 2011 and July 2012 respectively. Underlying revenues declined by 11%, predominantly reflecting weakness in our print advertising revenues across Marketing Week and Creative Review. Digital advertising revenues across these titles were flat year on year.

The division continues to generate revenues from digital, events and print in line with our Group strategy, with digital revenues increasing to 44% (2012: 35%), events increasing to 39% (2012: 33%) and print decreasing to 16% (2012: 33%) of divisional revenues. Advertising revenues across this division now account for 33% of divisional revenues (2012: 48%), with paid-for content revenues accounting for 28% (2012: 20%).

Events revenues include Marketing Week Live, the Marketing Week Engage Awards, The Digitals and Econsultancy's events portfolio and corporate training activities in the UK and overseas.

Econsultancy's 2013 results have been significantly impacted by losses incurred across their international offices, primarily related to the deferral of corporate training engagements. Action has already been taken to mitigate these losses in 2014, with the closure of the Australian office and headcount reductions across the New York and Singapore offices. Econsultancy's UK

office has reported good growth in both revenues and adjusted EBITDA, and the invoiced subscription revenues across Econsultancy's digital subscription products have grown by 22% year on year.

Econsultancy is launching the Festival of Marketing in October 2013, effectively repositioning its existing UK events and leveraging the brand strength and relationships across all the Marketing division products. Forward bookings for this event are encouraging, with revenues at over 90% of target at the end of August 2013.

Profile has continued to report strong growth in its digital, subscription-based revenues. Invoiced subscription revenues at 30 June were 32% ahead of the same period last year, with renewal rates, yields and volumes all growing well. Profile has recently established a presence in North America and is launching its new Celebrity Intelligence product in September 2013. The growth prospects across the business are exciting, as are the opportunities to leverage the digital expertise within Profile across other parts of the Group.

Adjusted EBITDA margins across the Marketing segment fell from 19% to 15%, reflecting the impact of Econsultancy's overseas operations, investment in digital subscription products and weaker advertising revenues across our established B2B titles.

Deferred revenues across the Marketing segment are up 125% compared to the same period last year. Forward bookings across our print and digital B2B publications are also up 8% compared to last year, and the trends that we are seeing across these titles are encouraging.

The outlook for this division is increasingly positive - a sharper focus on our customers and audience, and greater opportunity to leverage digital, paid-for content opportunities across the division, gives us greater confidence as we enter the new financial year.

## NOTES

\*The balancing figure relates to other revenues





**22%**

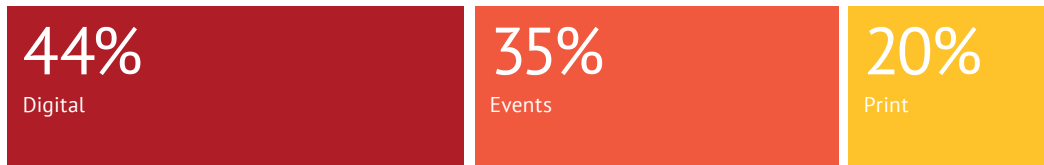
Econsultancy's  
invoiced  
subscription  
revenues have  
grown by 22%

The Digitals 2013  
Marketing Week Live 2013

**13**

# Chief Executive Review

## Revenue by type\*



## Revenue by source\*



## PROFESSIONAL

The Professional division consists of a range of brands, including strong traditional print titles, industry-leading exhibitions and recently acquired integrated digital solutions. The exhibitions in this division, including The Business Travel Show, SubCon, Employee Benefits Live and Aidex, performed strongly with a 30% rise in revenues to £2.9m (2012: £2.2m).

Digital revenues have increased to 44% (2012: 42%), events have increased to 35% (2012: 29%) and print has decreased to 20% (2012: 27%) of divisional revenues. The division is less dependent on advertising revenues that now account for 33% of divisional revenues (2012: 41%), with paid-for content revenues accounting for 31% (2012: 28%).

The Lawyer has performed well with revenues decreasing by only 3% in 2013 despite a challenging sector-specific environment. There are significant opportunities to partner with our other professional community brands, Perfect Information and VBR. By leveraging these strong brands we believe the market share of existing products can be expanded more easily. We also see significant opportunities to build paid-for content revenues across The Lawyer.

The HR portfolio, consisting of Employee Benefits and FEM, performed well producing an 18% rise in revenues, with the Employee Benefits Live exhibition producing a 21% rise in revenues, and FEM growing its revenues by 50%, the latter benefiting from a strong position in the global HR mobility community.

Perfect Information has performed in line with expectations in 2013, and is now leveraging its quality product offerings on a global scale. To meet the needs of its large and diverse global audience of investment banks, corporate law firms and other corporate finance professionals, Perfect Information is launching a brand new product, Filings Expert, which gives subscribers access to 10 years' worth of content (c15 million documents) through an intuitive and easy-to-use interface. Perfect Information is also now seeking to expand its content and customer base in Asia, and has recently established a presence in Hong Kong.

Also contributing to digital revenue growth was VB Research, acquired in 2011, which grew revenues by 96% to £0.7m.

Deferred revenues across the Professional division are up 12% compared to the same period last year, reflecting increases related to The Lawyer and The Meeting Show.

## NOTES

\*The balancing figure relates to other revenues





**30%**

The exhibitions in this division performed strongly with a 30% rise in revenues

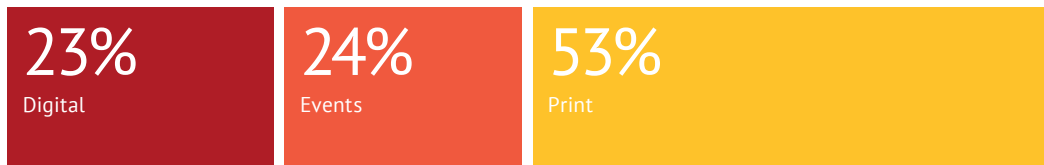
**50%**

FEM grew its revenues by 50%, benefiting from a strong position in the global HR mobility community

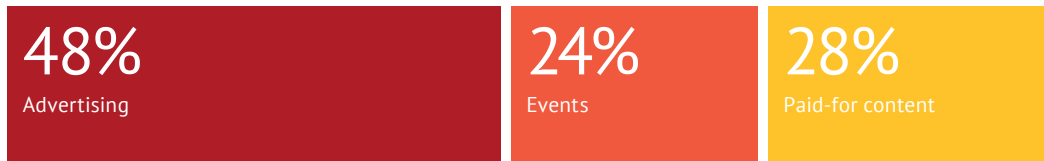
Employee Benefits Live 2013  
Filings Expert

## Chief Executive Review

### Revenue by type



### Revenue by source



## FINANCIAL

Our Financial division comprises our leading brands, Money Marketing, Fund Strategy, Mortgage Strategy, Corporate Advisor, Tax Briefs and Headline Money, together with the recent acquisition, The Platform, all closely serving the financial services community.

Advertising revenues across the print titles in this division fell by 33% in 2013, reflecting the uncertainty caused by the introduction of the Retail Distribution Review (RDR) in January 2013. This is the principal reason for the 15% reduction in underlying revenues across this division. Digital advertising revenues were also impacted by RDR and general market weakness, and fell by 9% in 2013. The Platform has continued to grow well, with revenues 38% ahead of the prior year.

The Financial division is the most print and advertising dependent part of the Group, with 53% (2012: 58%) of its revenues delivered in print format and 48% (2012: 54%) advertising-funded. Digital and events revenues accounted for 23% and 24% (2012: 20% and 22%) of total divisional revenues.

Events products include the Money Marketing Awards, Headline Money Awards and a series of summit events.

Adjusted EBITDA margins fell from 19% in 2012 to 17% in 2013, reflecting the fixed cost base associated with the reduction in print-based advertising revenues.

Forward bookings across the financial division are 31% up compared to the same period last year, and the declines in print advertising revenues seen throughout 2013 are showing greater signs of stability. In addition, deferred revenues are 10% ahead of the prior year with a strong contribution from The Platform. While starting from a significantly lower base, the outlook for the 2014 financial year is encouraging.





**31%**

Forward bookings across the financial division are 31% up

**38%**

The Platform has continued to grow well, with revenues 38% up

# Chief Executive Review

## Revenue by type



## Revenue by source



## CONSUMER

This division comprises exhibitions and publishing assets devoted to our consumer customer base. Leading brands include the Homebuilding and Renovating portfolio and the National Home Improvement Show.

A strong performance in 2013 has seen growth in both revenues (5%) and adjusted EBITDA margin (15% to 16%), principally driven from growth in event and digital revenues. The publishing assets within this division delivered another resilient performance against difficult market conditions, with continued improvement in margin.

Due to the significant events and print-based composition of this division (approximately 45% of division revenues arising from each in 2013 and 2012) there has been no significant movement in the revenue type or source.

Strategic plans and initial investment has been made in developing digital opportunities across our publishing assets, creating further routes to market and potential for greater market share. Digital advertising revenues have risen 29% in 2013 reflecting the initial impact of these projects in the latter half of the year, and providing for enhanced future prospects.





5%

Revenue growth principally from events and digital products

16%

EBITBA margin increased from 15%

The National Home Improvement Show 2013  
Homebuilding & Renovating Magazine



### New Product Development

Recent launch activity across the Exhibitions portfolio includes Aidex, Hospitality Technology, Advanced Manufacturing Show and Live Marketing. The Group has an exciting pipeline of new digital and events-focused activity, with The Meetings Show running for the first time in July 2013 and the Festival of Marketing running in October 2013. We are also about to launch new or refreshed digital subscription products, including Celebrity Intelligence (The Profile Group) and Filings Expert (Perfect Information).

Across Centaur's business information products, we have recently created a centre of excellence in digital product development in business information, which has conceived, designed and built a number of exciting new web-based products and we are now looking to scale this capability to benefit other parts of the Group.

### Acquisition

The Group completed the acquisition of Econsultancy in July 2012. Econsultancy is a digital information and events business which occupies a leading position in the global market for digital marketing and e-commerce. It now forms an integral part of our Marketing portfolio where we see the opportunity for significant cross-selling and marketing synergies. The business is also well positioned to deliver substantial revenues from paid-for content solutions in this fast growing international market.

### 2014 priorities

Looking ahead to 2014, our future business model and the accelerated delivery against our strategic objectives are dependent upon:

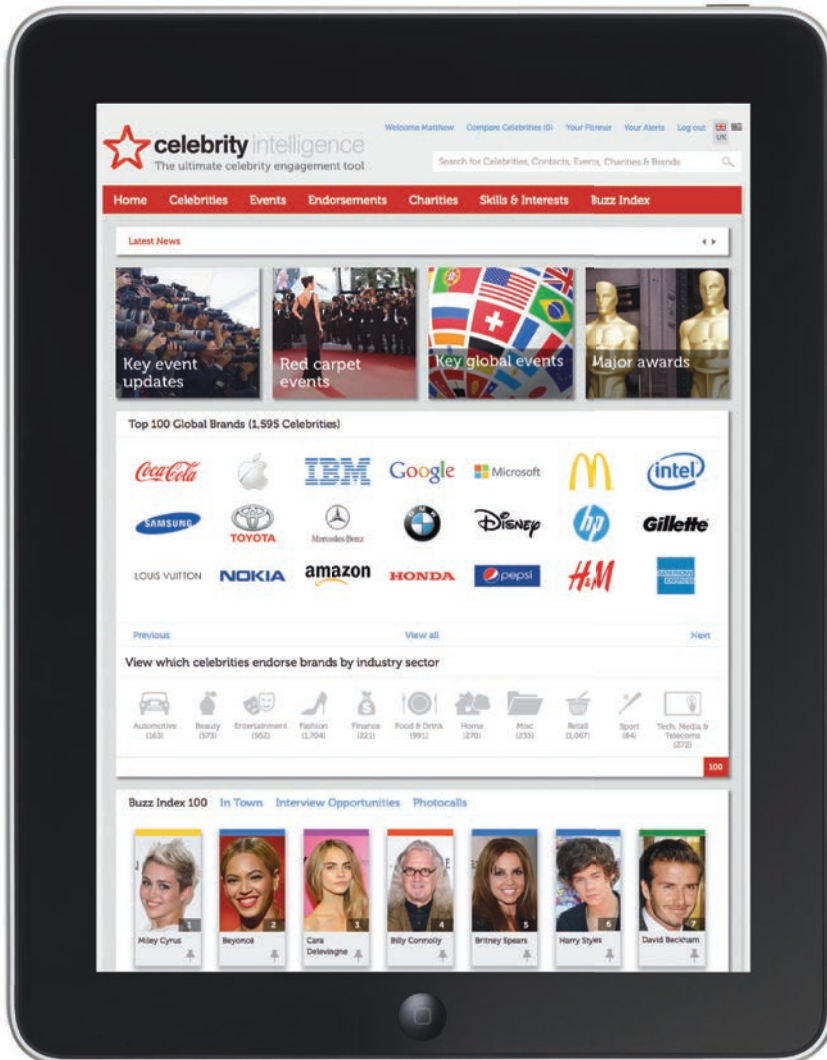
- A deep engagement across the markets that we serve, our audiences and our customers.

- A rigorous focus on data and the insights and intelligence that we can draw upon as a result of our market knowledge and experience.
- Operational excellence – leveraging digital, technology and sales capability in a straightforward, disciplined and scalable fashion, and ensuring the business is operated as efficiently as possible.
- Embedding a performance culture and developing our people capabilities for the future.

The momentum that we have across the business is encouraging, and the enthusiasm and commitment that all of our staff have displayed is tremendous. Our focus on serving selected markets in a more collaborative fashion alongside our investment in people and technology means that we are well placed to grow the business into the 2014 financial year and beyond.

Mark Kerswell  
Interim Chief Executive Officer  
11 September 2013





The Meetings Show 2013  
Celebrity Intelligence

# Financial Review



**“Growth in reported revenue and EBITDA has resulted from the successful integration of Econsultancy and other previous acquisitions, further focus on our core brands and a more flexible cost base”**

## Highlights

- In 2013, the Group increased its reported revenue by 10%. Adjusted EBITDA increased by 10% to £12.9m (2012: £11.7m), with adjusted EBITDA margins maintained at 18%. Adjusted profit before tax increased by 8% and adjusted earnings per share grew by 7%. The total proposed dividend for the year of 2.4p (2012: 2.25p) is up by 7%.
- The Group has recently announced a refocusing of the business around its key customer-facing markets: Marketing, Professional, Financial, and Consumer. The segmental results are presented accordingly.
- Restructuring activities have continued into 2013, producing more efficient and scalable central departments.
- Strong attention to cash management has ensured the Group’s target of a net debt to EBITDA ratio below 2 times has been maintained.
- As a result of the weakness in print advertising revenues across the Group and a reduction in performance from overseas locations, the Group has recognised a non-cash impairment of £39.2m (2012: £nil).

## NOTES

1. Adjusted results exclude adjusting items as detailed in the Basis of Preparation section of the Statement of Accounting Policies (page 67).
2. Underlying growth rates adjust for the impact of acquisitions, disposals and discontinued activities by excluding them from both the reported 2012 and 2013 results.

# £72m

## Revenue growth of 10%

### Segmental reporting

Set out below is revenue and adjusted EBITDA by division, together with the respective reported and underlying growth rates.

	2013 (£m)	2012 (£m)	Reported Growth %	Underlying Growth <sup>2</sup> %
<b>Marketing</b>				
Revenue	23.8	15.0	59%	(11%)
Adjusted EBITDA <sup>1</sup>	3.6	2.9	24%	(29%)
Adjusted EBITDA margin	15%	19%		
<b>Professional</b>				
Revenue	24.1	24.7	(2%)	5%
Adjusted EBITDA <sup>1</sup>	5.4	4.3	26%	31%
Adjusted EBITDA margin	22%	17%		
<b>Financial</b>				
Revenue	13.3	15.6	(15%)	(15%)
Adjusted EBITDA <sup>1</sup>	2.2	3.0	(27%)	(27%)
Adjusted EBITDA margin	17%	19%		
<b>Consumer</b>				
Revenue	10.8	10.3	5%	5%
Adjusted EBITDA <sup>1</sup>	1.7	1.5	13%	13%
Adjusted EBITDA margin	16%	15%		
<b>Total</b>				
Revenue	72.0	65.6	10%	(3%)
Adjusted EBITDA <sup>1</sup>	12.9	11.7	10%	(2%)
Adjusted EBITDA margin	18%	18%		

# £12.9m

## Adjusted EBITDA up 10%

### Revenue

Total Group revenues grew by 10% to £72.0m (2012: £65.6m).

Underlying revenue declined by 3%, with print revenues declining by 14%, digital revenues flat and events revenues up 7%. The balance of reported revenues has improved in 2013 with digital revenues increasing to 35% (2012: 30%), events revenues increasing to 36% (2012: 31%) and print falling to 28% (2012: 38%) of total revenues. By source, advertising revenues accounted for 35% of total revenues (2012: 43%) and paid-for content 28% (2012: 25%).

The Marketing division's revenues were £23.8m, 59% higher than the £15.0m reported in 2012. The acquisition of Econsultancy contributed £9.3m of revenue, offset by declines in other Marketing assets, including Marketing Week and Creative Review. Digital revenues in this division increased to 44% (2012: 35%) with print decreasing to 16% (2012: 33%). By source, advertising revenue accounted for 33% (2012: 48%) and paid-for content 28% (2012: 20%).

The Professional division reported revenues of £24.1m (2012: £24.7m), which was 5% up on an underlying basis. The exhibitions in this division, including SubCon and Aidex, performed strongly with a 30% (£0.7m) rise in revenues. VB Research, acquired in 2011, grew revenues by 96% to £0.7m.

The Financial division saw a 15% decline in revenues, on both a reported and underlying basis, to £13.3m (2012: £15.6m), principally as a result of declines in print and advertising revenues, which account for 53% (2012: 58%) and 48% (2012: 54%) of revenues respectively. Digital revenues in this division were 23% of total revenues, up from 20% in 2012.

Consumer revenues of £10.8m were 5% up on a reported basis on 2012 (£10.3m), with growth arising from events, including the National Home Improvement Show and the National Homebuilding Shows and digital products.

Revenue per employee has remained constant at £122,000 in 2013 compared to 2012. Whilst revenue has risen by 10%, the acquisition of Econsultancy has added incremental headcount and the effects of the restructuring activities have not yet been translated into average headcount reductions as these activities were completed during the year.

### Adjusted EBITDA and adjusted operating profit

Adjusted EBITDA of £12.9m was 10% up on the £11.7m reported in 2012. Adjusted EBITDA margins remained flat at 18%.

Net adjusted operating expenses rose £5.2m to £62.2m (2012: £57.0m), reflecting the acquisition of Econsultancy (which contributed £8.3m of cost to the Group) offset by various restructuring initiatives to reduce costs. Total employment related costs, excluding redundancy costs, were £26.4m (2012: £25.2m), including Econsultancy costs of £3.8m. Adjusted for the impact of Econsultancy, average headcount across the Group has remained largely flat at 525 (2012: 537).



# 18%

## Adjusted EBITDA margin stable

Operating loss of £34.9m decreased from a profit of £3.3m reported in 2012 as a result of a £39.2m impairment charge against goodwill (2012: £nil).

### Reconciliation of adjusted EBITDA to (loss)/profit before tax

	Note	2013 £m	2012 £m
<b>Adjusted EBITDA</b>		<b>12.9</b>	<b>11.7</b>
Depreciation & Amortisation	2	(2.9)	(2.8)
Share based payment		(0.2)	(0.3)
<b>Adjusted operating profit</b>		<b>9.8</b>	<b>8.6</b>
Finance costs	4	(1.2)	(0.6)
<b>Adjusted profit before tax</b>		<b>8.6</b>	<b>8.0</b>
Adjusting items			
Exceptional costs	3	(42.4)	(4.5)
Amortisation of acquired intangibles	2	(2.3)	(0.8)
Exceptional finance costs	4	(1.3)	-
<b>(Loss)/profit before tax</b>		<b>(37.4)</b>	<b>2.7</b>

#### Adjusting items

The Group has reported adjusting items before tax of £46.0m (2012: £5.3m), including an impairment charge of £39.2m (2012: £nil), restructuring costs of £3.1m (2012: £2.3m), acquisition-related costs of £0.7m (2012: £1.1m), onerous lease costs of £0.6m (2012: £0.3m), finance costs of £1.3m (2012: £nil) and amortisation on acquired intangibles (not included in exceptional costs) of £2.3m (2012: £0.8m).

Throughout 2013 further restructuring activities have been completed, including management changes and the restructure of central departments and commercial teams. Total restructuring costs were £3.1m (2012: £2.3m), which includes redundancy costs of £2.8m (2012: £1.9m). Restructuring costs are included within exceptional items.

Acquisition-related costs include deferred contingent consideration arrangements with acquisition vendors and legal and professional fees and stamp duty. Impairment relates to the write down of goodwill in Marketing, Professional and Financial segments. The tax effect of adjusting items is a credit of £1.2m (2012: credit £0.8m).

# 4.5p

EPS up 7%

There were no sales or closures of assets and therefore no post closure costs in 2013 (2012: £0.3m).

Further information on exceptional items is presented in note 3 to the financial statements.

### Net finance costs

Net finance costs were £2.5m (2012: £0.6m), consisting of £1.2m of charges reflecting a full year of the debt facilities put in place in 2012 and an exceptional finance cost of £1.3m in respect of the unwind of the discount of the Econsultancy deferred consideration. Finance costs also include the commitment fees in respect of undrawn amounts under the new bank facility and the amortisation of the arrangement fee.

Adjusted profit before tax of £8.6m was 8% up on the £8.0m reported in 2012. Reported loss before tax was £37.4m (2012: profit of £2.7m).

### Taxation

A tax charge of £1.0m (2012: £1.4m) has been recognised. The adjusted tax charge was £2.2m (2012: £2.2m), giving an adjusted effective tax rate (compared to adjusted profit before tax) of 25.6% (2012: 27.5%).

### Earnings per share

The Group's adjusted EPS increased by 7% to 4.5p (2012: 4.2p). Basic loss per share was 27.3p (2012: EPS of 0.9p). Full details of the EPS calculations are presented in note 7 to the financial statements.

### Dividends

A final dividend of 1.575p per share is proposed, giving a total for the year of 2.4p (2012: 2.25p) up 7%. The final dividend is subject to shareholder approval at the annual general meeting and will be paid on 6 December 2013 to all ordinary shareholders on the register at close of business on 8 November 2013.

### Acquisitions and disposals

The Group completed the acquisition of Econsultancy in July 2012.

The acquisition of Econsultancy involves an earn-out payment which is not contingent on the continued employment of the vendors. Under the provisions of IFRS 3 (revised), a provision for such contingent consideration is recognised at the date of acquisition as part of the cost of acquisition. Any subsequent amendments to the estimated future cost are recorded in the Statement of Comprehensive Income. During the year the estimation of EBITDA in calendar year 2015 has been revised from £4.0m to £3.0m resulting in a decrease in the provision for contingent consideration and a credit recorded in the Statement of Comprehensive Income of £5.4m – see note 19 for details.

### Financing and bank covenants

In 2012, the Group agreed a £40.0m revolving credit facility, provided by RBS and Barclays. This is a four-year facility that amortises by £2.5m per annum. The principal financial covenants under the facility are: maximum net debt to EBITDA of 2.5 times, progressively dropping to 2.0 times in the final year of the facility; minimum interest cover of 5 times; and minimum cash flow to debt service of 1.1 times. All these covenants are tested on a quarterly basis. At 30 June 2013, all tests were passed.

# £14.3m

## Deferred revenues increased 27%

While the maximum net debt to EBITDA covenant is 2.5 times, the Group has set out a target leverage ratio of below 2 times. At 30 June 2013, the ratio of net debt to EBITDA was 1.5 times. Adjusted to include a provision for deferred consideration as part of net debt, the ratio as at 30 June 2013 was 1.9 times.

### Cash flow

A summary of cash flow is set out below. Operating cash flow of £9.6m (2012: £10.3m) was generated from adjusted EBITDA of £12.9m (2012: £11.7m).

	2013 £m	2012 £m
<b>Adjusted EBITDA</b>	<b>12.9</b>	<b>11.7</b>
Movement in working capital	1.1	0.8
Capital expenditure	(4.4)	(2.2)
<b>Operating cash flow</b>	<b>9.6</b>	<b>10.3</b>
Cash impact of exceptional items	(4.7)	(4.2)
Taxation	(1.3)	-
Interest and finance leases	(1.4)	(1.2)
<b>Free cash flow</b>	<b>2.2</b>	<b>4.9</b>
Acquisitions net of disposals	(11.6)	(11.0)
Dividends	(3.3)	(2.9)
Share exercises/(purchases)	0.4	(0.2)
<b>Net cash flow</b>	<b>(12.3)</b>	<b>(9.2)</b>
Opening net (debt)/cash	(7.2)	2.0
<b>Closing net debt</b>	<b>(19.5)</b>	<b>(7.2)</b>

# 1.5 times

## Net debt to EBITDA ratio

Cash conversion of 112% has been achieved (2012: 120%), reflecting increased capital expenditure and a more positive working capital movement. The reduction in working capital in 2013 of £1.1m (2012: £0.8m) excludes the impact of exceptional cost accruals and the effect of acquisitions and disposals. Free cash flow of £2.2m (2012: £4.9m) is reported after exceptional related cash flows of £4.7m (2012: £4.2m). The cash impact of exceptional items principally includes payments related to redundancy costs incurred in 2012 and 2013, and the cash impact of acquisition-related expenses in 2013. Tax of £1.3m was paid in 2013 (2012: £nil) as the Group generated taxable profits in 2012. The Group spent a net amount of £11.6m on acquisitions and disposals in 2013, and further analysis on these investments is included in notes 8 and 25 to the financial statements.

Net debt at 30 June 2013 was £19.5m (2012: £7.2m).

### Capital expenditure

Capital expenditure on software and property, plant and equipment amounted to £4.4m (2012: £2.2m) reflecting the continued development of digital platforms across the Group and the implementation of a new CRM system.

### Balance sheet

Net assets at 30 June 2013 were £81.6m (2012: £122.6m). Deferred income at 30 June 2013 was £14.3m, a 27% increase on the £11.3m reported at 30 June 2012.

Goodwill at 30 June 2013 was £98.9m (2012: £121.3m). Additions in the year of £16.8m were mainly due to the acquisition of Econsultancy. An impairment of £39.2m (2012: £nil) has been recognised as a result of weaknesses in print advertising and a reduction in performance from overseas locations.

### Key performance indicators (KPIs)

The key strategic objectives of the Group are summarised in the Strategic Overview section of the Chief Executive Review on page 8. The Board uses a range of performance indicators to monitor progress against these objectives and manage the business. The indicators which the Board considers to be important are as set out opposite.

### Financial year end

In considering the seasonality of the Group's results and the significant dependence on the trading performance in the April to June quarter, the Board has decided to move the financial year end from 30 June to 31 December.

We envisage providing the next audited report and financial statements to cover the 18 month period to 31 December 2014, following an interim period report for the 6 month period to 31 December 2013, and an additional interim period report for the 6 month period to 30 June 2014. Interim management statements will be provided at a similar frequency and timing to coincide with the new reporting periods.

### NOTES

1. Adjusted results exclude adjusting items as detailed in the Basis of Preparation section of the Statement of Accounting Policies (page 67).
2. Cash conversion rate is operating cash flow expressed as a percentage of adjusted operating profit. Adjusted operating profit is as calculated in the Basis of Preparation section of the Statement of Accounting Policies (page 68) and operating cash flow is as calculated in the Financial Review (page 27).
3. Underlying growth rates adjust for the impact of acquisitions, disposals and discontinued activities by excluding them from both the reported 2012 and 2013 results.

# 112%

## Cash conversion

	2013	2012
<b>Underlying revenue growth / (decline) by revenue type <sup>3</sup></b>		
Print	-14%	-5%
Digital	-	7%
Events	7%	6%
<b>Total</b>	<b>-3%</b>	<b>2%</b>
Digital revenues as a percentage of total revenues	35%	30%
Adjusted EBITDA margin <sup>1</sup>	18%	18%
Revenue per employee (£'000s)	122	122
Adjusted PBT (£m) <sup>1</sup>	8.6	8.0
Adjusted EPS (pence) <sup>1</sup>	4.5	4.2
Cash conversion rate <sup>2</sup>	112%	120%

### Conclusion

This has been another important year for Centaur, involving the largest acquisition in the Group's history which has resulted in significant EBITDA growth. Whilst weakness in our print advertising revenues in 2013 has resulted in the recognition of an impairment charge, the integration of Econsultancy and other previous acquisitions, and further focus on our core brands, has resulted in solid progress towards our on-going strategic aims, most notably improvement in our revenue mix via growth in digital revenue share. We have further strengthened the efficiency and scalability of our central departments, and made significant back office investment. This combined with a new focus on our markets and customers will provide for an enhanced ability to realise synergistic opportunities on a more flexible cost base.

Peter Harris  
Interim Finance Director  
11 September 2013

# Board of Directors



**Patrick Taylor**  
Chairman

Patrick was appointed as Chairman in December 2009. 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 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 non-executive Chairman of Nonstop Adventure Limited and Skiplex Limited, and a non-executive director of The Lowwood Products Company Limited.



**Mark Kerswell**  
Interim Chief  
Executive Officer

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



**Christopher Satterthwaite**  
Senior Independent  
Director

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



**Colin Morrison**  
Non-Executive Director

Colin is a former journalist who has been CEO of media and digital businesses across Europe, the US and AsiaPacific for Australia Consolidated Press, Emap, Reed Elsevier, Hearst, Future and Axel Springer. He is chairman of Globelynx Limited and the Royal National Children's Foundation; and a non-executive director of Travel Weekly Group Limited.



**Robert Boyle**  
Non-Executive Director



**Rebecca Miskin**  
Non-Executive Director



**Claire Baty**  
Company Secretary

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

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

Claire trained at Mazars and qualified as an accountant in 1999. Claire left accounting practice in 2004 to work for Thomson Legal and Regulatory UK Limited (now part of Thomson-Reuters) and subsequently joined Centaur Media plc in 2006, becoming Group Financial Controller in 2008 and Company Secretary in 2010. Claire is a fellow of the Association of Chartered Certified Accountants and holds an MBA (Finance) from Manchester Business School.

# Report of the Directors



The Directors of Centaur Media plc (the “Company” and “the Group”) present their Report on the affairs of the Group together with the audited consolidated Financial Statements for the year ended 30 June 2013.

## Principal activities

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

## Business review

The Chief Executive Review on pages 8 to 21 contains a review of the Group’s strategic and operational activities and future development. The results for the year are reviewed in the Financial Review on pages 22 to 29. The Corporate Social Responsibility statement on pages 46 to 47 contains details of the Group’s policy in relation to people, the environment and the community. Key performance indicators can be found in the Financial Review on page 29. Principal risks and uncertainties are detailed in this report on pages 35 to 36.

## Dividends

A final dividend of 1.575p per share is proposed by the Directors, and subject to shareholder approval at the Annual General Meeting, will be paid on 6 December 2013 to ordinary shareholders on the register at the close of business on 8 November 2013. With the interim dividend of 0.825p per share this will make a total dividend of 2.4p per share (2012: 2.25p) for the year.

## Share capital and substantial shareholdings

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

	2013	2012
Aberforth Partners LLP†	20.90%	20.63%
Artemis Investment Management	12.89%	13.35%
Jupiter Asset Management Limited	9.68%	9.68%
River & Mercantile Asset Management LLP	8.28%	8.28%
Graham Veere Sherren (inc spouse)	7.22%	7.22%
Legal & General Group PLC	7.11%	7.11%
Griffin Land and Nurseries Inc	-	3.70%

## NOTES

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



# 2.4p

## Dividend per share increased 7%

At 31 August 2013 7,318,291 (2012: 7,761,785) 10p ordinary shares are held in treasury, representing 4.87% (2012: 5.17%) of the issued share capital of the Company as at 30 June 2013. 800,000 deferred shares of 10p each carry restricted voting rights and carry no right to receive a dividend payment. The movement in treasury shares during the year is due to the exercise of share options.

### Directors and Directors' interests

The Directors of the Company during the year and to the date of this report are detailed on page 39. All Directors served from 1 July 2012 unless otherwise stated.

	Number of ordinary shares held at 1 July 2012	Shares acquired during the year	Shares disposed of during the year	Number of ordinary shares held at 30 June 2013*
JPE Taylor	750,000	-	-	750,000
C Satterthwaite	95,942	-	-	95,942
C Morrison	355,000	100,000	-	455,000
RW Boyle	80,000	-	-	80,000
M H Kerswell	20,000	100,000	-	120,000
GTD Wilmot (resigned 24 May 2013)	123,814	48,498	-	172,312

\*or date of resignation if earlier

The Directors' interests in share options, long-term incentive plans and the ShareSave plan are disclosed in the Directors' Report on Remuneration on pages 55 and 56.

Since the year end, M H Kerswell has exercised options over 85,000 shares in the Retention Plan. There have been no other changes to Directors' interests since the year end and up to the date of this report.

### **Qualifying third party indemnity provisions**

By virtue of article 217 of the Articles of Association of the Company, a qualifying indemnity provision (within the meaning given by section 234 of the Companies Act 2006) is in force at the date of this report in respect of each Director of the Company and was in force from 8 December 2005.

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

### **Payment of creditors**

It is the Group's policy to agree credit arrangements with suppliers as part of the general terms of supply. Payment is then made in accordance with these terms provided the goods and services have been delivered in accordance with the agreed terms and conditions. The number and diversity of supply relationships means the Group pursues no formal code or policy beyond this. Trade creditors of the Group at 30 June 2013 were equivalent to 17 (30 June 2012: 10) days' purchases.

The Company had no trade payables at 30 June 2013 or 30 June 2012.

### **Charitable and political donations**

The Group supports a nominated charity, chosen annually by employees. Cancer Research UK was the nominated charity until March 2013, and charitable donations of £10,000 (2012: £5,000) were made to this charity. MacMillan Nurses was chosen as the nominated charity from April 2013 and a donation of £5,000 was made during the year. There were no political donations made (2012: nil).

### **Employment policy**

The Group is an equal opportunities employer and appoints employees without reference to age, sex, ethnic group or religious beliefs. It is the Group's policy to give full consideration to suitable applications for employment by disabled persons. Opportunities also exist for employees of the Group who become disabled to continue in their employment or to be trained for other positions in the Group.

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. In addition, the Share Incentive Plan and the ShareSave Plan as described in note 22 encourage employees' participation in the Group's performance.

All employees are regularly briefed on the Group's performance and new initiatives through regular all-staff email from the Interim Chief Executive Officer.

### **Significant agreements**

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

### **Conflicts of interest**

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

### **Financial instruments**

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

---

## Principal risks and uncertainties

Specific business risks to which the Group is exposed are detailed below and the Board has implemented a comprehensive risk management process to identify, monitor and mitigate these risks.

### ● **Exposure to the economy**

Centaur's products and markets are predominantly UK based and as a result the Group's performance is broadly linked to the strength of the UK economy and general economic factors such as inflation, currency fluctuation, interest rates, supply and demand of capital and industrial disruption therefore have the potential to affect the Group's operations, business and profitability. While these macro-economic factors are beyond the control of the Group, specific exposure to interest rate and currency risk is minimal and in addition the range of markets served by Centaur's products together with the continuing strategy of extending the reach of established brands and recent acquisitions through the delivery of new products in a diverse range of media formats provides some ability to spread this exposure.

### ● **Financing**

Centaur had net debt at 30 June 2013 of £19.5m and a ratio of net debt to EBITDA of 1.5 times (adjusted to include a provision for deferred consideration as part of net debt, the ratio was 1.9 times), comfortably below its targeted leverage of below 2 times. Failure to comply with any financial covenant could result in additional finance costs and possible withdrawal of the facility. The Group constantly monitors its cash flows and profitability and has operated within all its covenants throughout the year. Its existing facilities expire in February 2016 and the Group will consider the refinancing of these facilities in the financial year ending 30 June 2015.

### ● **Dependence on advertising**

Advertising revenues represented 35% of Group revenue in the year ended 30 June 2013 (2012: 43%) and changes in advertising trends, particularly away from traditional magazine formats could have an impact on the Group's profitability. However, the diversity of served markets and strength of brands, which in most cases includes a number of market leading positions, together with continued brand diversification into alternative media formats all serve to limit this exposure. In addition, the continued investment in digital and paid-for content solutions provides further opportunities to build more sustainable and less cyclical revenue streams that will help to reduce the concentration of more traditional forms of advertising within overall Group revenues.

### ● **Growth strategy**

The Group seeks to launch or acquire new digital products, events and other brand extensions. It is essential that the Group successfully develops and markets these products and integrates acquired businesses in order to continue to grow. The Group has an experienced management team in place with significant experience of managing new product development and the integration of acquisitions.

### ● **Competitor activity**

A number of products exist that compete directly or indirectly with those of the Group resulting in a highly competitive market. Domestic and international competitors market their products to the Group's target audiences. New technology, changing commercial circumstances and new entrants to the markets in which the Group operates, may adversely affect the Group's business. A key element of the Group's strategy is to develop and maintain a deep understanding of the information needs of the markets it serves, its customers and audiences. As a result, the Group can continually adapt and develop existing products thus protecting market-leading positions and thereby limiting the opportunities for competitors to secure an advantage.

### ● **Dependence on key personnel**

The Group's future success is substantially dependent on the continued services and continuing contributions of its Directors, senior management and other key personnel. The loss of the services of any of the Group's executive officers or other key employees could have a material adverse effect on the Group's business. The entrepreneurial culture of the Group and the incentive programmes in place enable the Group to attract and retain key personnel.

### ● **Reliance on information systems**

Certain divisions of the Group are dependent on the efficient and uninterrupted operation of their IT and computer systems and of services from third-party providers. The Group has taken precautions to limit its exposure to the risk of material disruption to systems.

### **Going concern**

The Directors have carefully assessed the Group's ability to continue trading, particularly in the light of the uncertain market conditions, and have a reasonable expectation that the Group and Company have adequate resources to continue in operational existence for the foreseeable future.

Net debt at 30 June 2013 amounted to £19.5m (2012 £7.2m). The £40.0m revolving credit facility with the Royal Bank of Scotland and Barclays continues to be in place, not expiring until February 2016.

The continuing strength of the Group's cash generation is reflected in the 112% conversion of adjusted operating profit into operating cash flow during the year ended 30 June 2013 (page 27).

The Group has net current liabilities which arise from its normal high levels of deferred income which represent timing differences relating to events in the future and subscriptions. An assessment of cash flows for the next two financial years, which has taken into account this and the factors described above, has indicated an expected level of cash generation which would be sufficient to allow the Group to fully satisfy its working capital requirements, to cover all principal areas of expenditure including maintenance capital expenditure and taxation during this period and to meet interest payments, as they fall due, and the financial covenants under the revolving credit facility.

### **Statement of Directors' responsibilities**

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

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

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

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

---

Each of the Directors, whose names and functions are listed in the Board of Directors summary on page 30, confirms that, to the best of their knowledge:

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

**Disclosure of information to the auditors**

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

**Independent auditors**

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

**Corporate governance**

The company's statement on corporate governance can be found in the Corporate Governance Report on pages 38 to 45 of these financial statements. The Corporate Governance Report forms part of this Report of the Directors and is incorporated into it by cross-reference.

*By order of the Board*

Claire Baty  
Company Secretary  
11 September 2013

# Corporate Governance Report

---

## Statement of compliance with the UK Corporate Governance Code

The Board has prepared this report with reference to the UK Corporate Governance Code (the "Code") issued by the Financial Reporting Council in June 2010.

The Board of Centaur Media plc is accountable to the Group's shareholders for good Corporate Governance and in doing so is committed to the principles outlined in the Code as well as compliance with the Companies Act 2006, the Listing Rules and the Disclosure and Transparency Rules.

The statement below describes how the principles of Corporate Governance are applied and the extent of the Group's compliance with all relevant provisions of the Code.  
The Group has complied with the Code throughout the financial year.

### Leadership

#### Role of the Board

The Group is controlled through its Board of Directors. The Board recognises its responsibility to the Company's shareholders. It does this by providing 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's activities and strategy by ensuring the right financial and human resources are in place.

#### Operation of the Board

The Board held seven scheduled meetings during the year.

Board and Committee meetings are scheduled to ensure that adequate time is given to consider and discuss all agenda items.

In addition to scheduled meetings Directors are available to hold telephonic and ad hoc meetings on matters that need to be addressed outside the scheduled dates.

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 Code, the Board has established guidelines requiring specific matters to be reserved for decision by the full Board of Directors, including:

- The commencement of any major new and/or different business activity.
- Material acquisitions and disposals.
- Material investments and capital projects.
- The Group's internal controls and risk management policies, including insurance and material litigation.
- Overall budgetary planning, treasury planning and business strategy.
- Review of the functioning of the Board Committees.

#### Membership of the Board and its committees

As at 30 June 2013, the Board comprised a Non-Executive Chairman, one Executive Director and four Non-Executive Directors. Geoff Wilmot stepped down as Chief Executive Officer and resigned as a director on 24 May 2013. Mark Kerswell was appointed as Interim Chief Executive Officer on 14 May 2013.

Details of appointments, roles and backgrounds of the Directors are set out in the biographies on page 30 and on the Group's website ([www.centaur.co.uk](http://www.centaur.co.uk)). The Board believes that the Directors possess a wide range of commercial, financial and regulatory experience and ability which are relevant to the Group as a PLC in the media sector.

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 Group's website ([www.centaur.co.uk](http://www.centaur.co.uk)). Non-members may attend these committee meetings by invitation although no Director can attend a meeting, or part of a meeting, where he/she could have a conflict of interest.

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

	Board role	Audit Committee	Remuneration Committee	Nomination Committee
JPE Taylor	Chairman	-	-	Chairman
C Satterthwaite	Senior Independent Director	Member	Member	Member
C Morrison	Non-Executive Director	Member	Chairman	Member
RW Boyle	Non-Executive Director	Chairman	-	-
RS Miskin	Non-Executive Director	-	Member	Member
MH Kerswell	Interim Chief Executive Officer from 14 May 2013 (previously Group Finance Director)	-	-	-
GTD Wilmot	Chief Executive Officer until 14 May 2013	-	-	-

#### Meeting attendance

The number of scheduled full Board meetings and Committee meetings during the year to 30 June 2013 along with attendance of Directors was as follows:

	Scheduled Board Meetings	Audit Committee Meetings	Remuneration Committee Meetings	Nomination Committee Meetings
<b>Number of meetings held</b>	<b>7</b>	<b>3</b>	<b>4</b>	<b>1</b>
JPE Taylor	7	n/a	n/a	1
MH Kerswell	7	n/a	n/a	n/a
C Satterthwaite	5	3	3	0
C Morrison	6	3	4	1
RW Boyle	7	3	n/a	n/a
RS Miskin	7	n/a	4	1
GTD Wilmot (resigned 24 May 2013)	7	n/a	n/a	n/a

## Sub Committees

The Board on occasion appoints sub-committees consisting of at least two Directors in order to finalise and approve matters that have been approved in principle by the Board, subject to final amendments.

A sub-committee of two Directors was appointed to approve the issue and allotment of shares in satisfaction of employee share schemes.

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

## Division of responsibilities

There is a clear division of responsibilities between the Non-Executive Chairman and the Chief Executive, which has been set out in writing and agreed by the Board.

The Chairman is responsible for:

- Leading the Board.
- Ensuring the effectiveness and proper performance of the Board and of its Directors and setting the agenda for its meetings.
- Regularly updating the Directors on all matters relevant to them.
- Ensuring constructive relations between Executive and Non-Executive directors.
- Establishing effective communication with shareholders and ensuring that the Board understands their views.
- Regular contact with the Chief Executive.

Patrick Taylor was appointed as Chairman on 10 December 2009 and was considered by the Board to meet the independence criteria on his appointment.

The Chief Executive's responsibilities are:

- Setting and implementing the overall strategy.
- Overseeing the day-to-day management of the Group.
- The line management of senior executives.
- Jointly with the Chairman, representing the Group externally.

The Non-Executive directors constructively challenge the performance of management both in board meetings and outside. Through the work of the audit committee, the Non-Executives are able to satisfy themselves on the integrity of financial information and the robustness of financial controls and risk management systems.

During 2013 a strategy day was held where Executive Directors and members of senior management met to carry out a review of the strategy of the Group. Non-Executive directors including the Non-Executive Chairman participated in this process and helped to develop the proposals on strategy.

Christopher Satterthwaite is the Senior Independent Director and is available to meet with shareholders if required.

The Non-Executive Directors have met together without the Executive Directors as required by the Code.

See Statement of Directors' responsibilities on page 36 for further details.



---

## Effectiveness

### Composition of the Board

The Board is satisfied that, as at 30 June 2013, all four Non-Executive Directors (Christopher Satterthwaite, Colin Morrison, Robert Boyle and Rebecca Miskin) and the Non-Executive Chairman (Patrick Taylor) remain independent according to the definition contained in the Code. No Non-Executive Director:

- has previously been employed by the Group within the last five years;
- has had a material business relationship with the Group within the last three years;
- receives remuneration other than Director's fees;
- has close family ties with any of the Group's advisers, Directors or senior employees;
- holds cross-directorships or has significant links with other Directors through involvement in other companies or bodies;
- represents a significant shareholder; or
- has served on the Board for more than nine years.

Colin Morrison was first elected as a director in 2004 and will not be offering himself for re-election at the Annual General Meeting in November 2013. There is no current intention to replace Colin.

### Appointments to the Board

The Board has established a Nomination Committee with formally delegated duties and responsibilities within written terms of reference prescribed by the Board which are available on the Group's website ([www.centaur.co.uk](http://www.centaur.co.uk)).

The Nomination Committee ensures the maintenance of 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.

Following Geoff Wilmot's departure, the Nomination Committee has appointed an external executive search firm, "The Up Group", to recruit the Chief Executive Officer, and this process is underway as at the date of this report. The Up Group has no other connection with the Company.

Patrick Taylor is the chairman of the Nomination Committee. Its other members are Colin Morrison, Christopher Satterthwaite and Rebecca Miskin. When the Nomination Committee is considering the appointment of a successor to the Chairman, Christopher Satterthwaite chairs this committee.

### Commitment

Patrick Taylor has disclosed his other significant commitments to the Board and it was satisfied that these did not prevent him from giving adequate time to his role as Chairman.

These commitments are:

- Non-Executive Chairman of his family owned company; Nonstop Adventure Limited;
- Non-Executive Director of a family owned hydro-electric generating company, The Lowwood Products Company Limited; and
- Non-Executive Chairman of Skiplax Limited.

The terms and conditions of appointment of Non-Executive Directors are available for inspection at the Company's registered office during normal business hours and at the AGM. The letters set out the expected time commitment of a minimum of two days per month, including attendance at regular board meetings, attendance at the AGM, and appropriate preparation time ahead of each meeting. The agreement of the Chairman is required before a Non-Executive Director accepts any additional commitments that might affect the time they are able to devote to their role as a Non-Executive Director of the Group. The Board is satisfied that each of the Non-Executive Directors commits sufficient time to the business of the Group and contributes to the governance and operations of the Group.

## **Development**

All new directors receive a full induction pack on joining the Board and undertake a number of induction meetings throughout the business shortly after appointment. This includes meetings with major shareholders if required.

The chairman reviews the training and development needs of each director on a continual basis and specifically as part of the annual evaluation process. The Company Secretary provides on-going training through the regular dissemination of relevant legislative and regulatory updates and external reports.

## **Information and Support**

The Directors receive Board and Committee papers in advance of each meeting. These are circulated usually a week before the meetings and contain prior minutes of all meetings, including sub-committees, as well as reports from the Chief Executive Officer and Group Finance Director. On at least two occasions a year detailed business focused reports are provided and reported on by the divisional heads. The Company Secretary also submits a report for each meeting addressing legal, regulatory and governance matters.

The Board has a procedure through which the Directors are able to take independent advice in the furtherance of their responsibilities; no such advice was sought during the year.

The Directors have access to the advice and services of the Company Secretary, Claire Baty, who is also secretary to all the Board Committees. In addition, the Company Secretary advises the Board on governance matters and is responsible for ensuring that Board procedures are followed and that the Board complies with the applicable rules and regulations.

## **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 performance self-evaluation questionnaires were issued to each Director during the year and these questionnaires were analysed and a summary reported on to the Board by the Company Secretary. The questionnaires covered the constitution and performance of the Board as a whole, its committees, its meetings, its strategy, training provided and provision of information to Directors, relationships within the Board and with staff members and a general overview of key issues.

The Chairman has met with each Director individually in order to consider the performance of the said director, the Committees and the Board as a whole. The Non-Executive directors, led by the Senior Independent Director, met during the year to evaluate the performance of the Chairman. No matters of concern arose.

The Directors have considered the value of introducing an external evaluation of performance and have decided that the internal evaluation process is appropriate at the current time.

## **Re-election**

Under the Company's Articles all Directors are subject to re-election at least every three years. However, the Board decided to recognise best practice in this area and have chosen to stand for re-election annually.

---

## Accountability

### Financial and Business Reporting

The Board recognises its responsibility to present a true and balanced assessment of the Group's position and prospects. The statement of directors' responsibilities and disclosure of information to the auditors is set out on pages 36 to 37.

This annual report contains a balanced and understandable assessment of the business and its prospects in the Chief Executive Review and Financial Review sections on pages 8 to 29. An explanation of the business model is contained in the Strategic Overview section of the Chief Executive Review on page 8. The Independent Auditors' Report on pages 58 and 59 includes a statement by the auditor about their reporting responsibilities.

### Risk Management and Internal Control

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

An on-going 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. In reviewing the Group's risk profile the following categories of risk are considered: Competitor; Customer; Employee; Finance; Infrastructure and systems; Market; Reputational; and Supplier. These headings are then broken down into various risk events and the likelihood of occurrence, potential severity and risk management processes and systems are identified.

The risk management process and systems of internal control are designed to only manage rather than eliminate risk and can only provide reasonable and not absolute assurance against material misstatement and loss. The risk of failure to achieve business objectives has been reviewed regularly throughout the year.

The Board recognises that it is responsible for systems of internal control and for reviewing its effectiveness, but has delegated responsibility for reviewing the effectiveness of the Group's system of risk management and internal controls 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 internal 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 divisions 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 on-going 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.

---

In addition the Executive Director runs formal meetings with senior members of each division on a monthly basis. These discussions address new product development opportunities as well as operational matters.

An Internal Control Review has been conducted by management and a report has been submitted to the Audit Committee. No major control weaknesses were identified.

### **Audit Committee**

The Board has established an Audit Committee with formally delegated duties and responsibilities within written terms of reference prescribed by the Board which are available on the Group's website ([www.centaur.co.uk](http://www.centaur.co.uk)).

Robert Boyle is the chairman of the Audit Committee and has recent and relevant financial experience. Its other members are Colin Morrison and Christopher Satterthwaite. See the Board of Directors summary on page 30 for further details on the experience of the members of the Audit Committee. All members of this committee are Non-Executive Directors.

The Audit Committee meets at least twice each year and has met three times during 2013. In addition the Chairman meets with the external auditors at least annually on a one to one basis. The Chief Executive Officer, the Group Finance Director, the Group Financial Controller 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.

To meet its responsibilities the Committee considered:

- interim and preliminary announcements, together with any other formal announcements relating to financial performance;
- the accounting principles, policies and procedures adopted in the Group's financial statements, including, where necessary, challenging the judgements made; and
- the potential effects of tax accounting and other significant judgemental and complex accounting issues dealt with in the accounts.

### **Reappointment of Auditors**

Centaur's external auditors, PricewaterhouseCoopers LLP, have been in post since 2000, and for nine years as auditors of a listed company (Centaur was listed in March 2004). The Audit Committee has reviewed the independence and effectiveness of the external auditors during the year including:

- the terms, areas of responsibility, duties and scope of work of the external auditors as set out in the engagement letter;
- the external auditors' work plan for the Group;
- the detailed findings of the audit, including a discussion of any major issues that arose during the audit;
- the letter from PricewaterhouseCoopers LLP confirming its independence and objectivity; and
- the audit fee and the extent of non-audit services provided by the external auditors.

The Audit Committee has recommended the reappointment of PricewaterhouseCoopers LLP at the forthcoming AGM, which the Board has fully accepted.

---

### **Non-audit services provided by Auditors**

Centaur's external auditors may not provide any non-audit service that poses a significant threat to the auditors' objectivity or independence. Centaur's auditors have confirmed that they are independent and do so on an annual basis. During the year, with the approval of the Audit Committee, the Corporate Taxation team of PricewaterhouseCoopers LLP, who are also the Company's auditors, provided taxation compliance and advisory work to the Group. The fee in respect of this work was £58,000. Other assurance fees of £94,000 (2012: £nil) were incurred in the year relating to an audience measurement project, of which, £47,000 related to 2012. An analysis of the fees paid to PricewaterhouseCoopers LLP during 2013 can be found in note 2 to the financial statements.

### **Internal Audit**

The Group does not have an internal audit function. The Group believes that the internal controls established are strong and that, given the relatively centralised structure of the finance function, an internal audit function would not add value. The Audit Committee annually reviews that position.

### **Whistle blowing**

The Audit Committee has reviewed arrangements for whistle-blowing and has put a policy in place. The policy encourages a culture of openness and seeks to reassure employees that by reporting issues of concern they will not suffer victimisation or detriment. Employees are required to raise issues in the first instance with their line manager or, if this is a problem, with the Human Resources Director or in exceptional cases with the Chief Executive Officer or Chairman of the Audit Committee.

The Group is committed, whenever appropriate, to investigate fully any concern raised in a timely manner and where an investigation confirms wrongdoing to take the necessary disciplinary or legal action. The Group will, wherever possible and without infringing confidentiality, keep the "whistleblower" informed of the outcome of enquiries and decisions taken with regard to the matter. Guidance is also given to raising matters externally.

### **Remuneration Committee Accountability**

Details of the Remuneration Committee are found on page 48.

### **Relations with Shareholders**

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

Along with up to date details of the Group's business activities copies of all the regulatory announcements can be viewed on the Group's website ([www.centaur.co.uk](http://www.centaur.co.uk)). The website also contains downloadable copies of the annual and interim reports, investor presentations and General Meeting notices and voting results.

The Board's intention is to use the Annual General Meeting on 13 November 2013 to communicate with private and institutional investors and welcomes their participation. The Chairman will aim to ensure that the Chairmen of the Audit and Remuneration Committees are available at the Annual General Meeting, details of which can be found in the Notice of the Meeting.

During the year Patrick Taylor, in his capacity as Chairman, has met with a number of the Group's largest shareholders. Christopher Satterthwaite, in his capacity as Senior Independent Director is available to meet with any major shareholder at their request.

Details of share capital and substantial shareholdings are given on page 32 and in note 21.

# Corporate Social Responsibility

The Board recognises the need for a clearly defined strategy and well defined policies in relation to the impact of the Group's activities on all its key stakeholders and the broader environment as a whole. The Board has therefore formulated an approach to Corporate Social Responsibility (CSR) which is both complementary to the stated strategic objectives of the Group but also practical in terms of implementation of policy and measurement of results.

## People in Centaur

Centaur's success depends upon its ability to keep developing new products and refreshing existing ones and that in turn depends upon our ability to attract and retain a highly motivated, entrepreneurial team of people. In seeking to achieve this objective, we believe that the following are the most important factors for us to address:

- a. Giving our people a sense of ownership:** We encourage our people where appropriate to have a strong sense of identity with their particular business unit or brand and to think like owners.
- b. Maintaining unity around a common vision, strategy and culture:** We seek to provide each of our businesses with a corporate context of a clearly communicated vision and strategy and a common culture. We aim to achieve this through good communication on a number of levels. In addition to a structure of formal and informal divisional meetings across the Group, which are attended on a monthly basis by the Chief Executive Officer and Group Finance Director, a number of other mechanisms are used to retain a corporate framework without diluting the strength derived from the devolved operating structure of the Group as described above. These include:
  - The Group intranet which provides a regular update of news and corporate information.
  - A regular monthly email newsletter from the Chief Executive Officer which is circulated to all staff highlighting recent new business developments, trading highlights and news on our people.
  - Senior managers' attendance at periodic management seminars to promote and share best practice across the Group. In addition, senior managers receive periodic updates in relation to the Group's trading performance from the Chief Executive Officer and Group Finance Director.
- c. Providing competitive rewards:** We aim to provide financial rewards and a range of associated benefits that are competitive within our sector. Centaur's culture is meritocratic and in reviewing remuneration packages, we seek to focus primarily on individual performance. During 2013 and previously, individual reviews have been conducted throughout the year on the anniversary of joining. From 1 July 2013 onwards, all reviews will take place during the summer, with annual pay reviews effective from 1 October of each year. A new on-line Performance and Development management tool has been implemented for the new performance year to support this.
- d. Providing effective resources:** Centaur's management style is intended to incorporate a high level of coaching to support and promote superior performance. This is supplemented by an in-house programme of entry-level training programmes. We continue to successfully run the Centaur Training Academy, a more extended training programme for new sales recruits.
- e. Listening to our staff:** An employee engagement survey was completed in March 2013, and as a result actions are being taken in various key areas including office environment and facilities, internal communication, training and development, recognition and reward.
- f. Refurbishing the Wells Street offices.** An important element in our aim to attract and retain motivated and entrepreneurial people is our working environment. To this end, Centaur is investing in refurbishing the main Wells Street building, creating a modern, more open plan environment which encourages collaboration and communication across the business.



## The Environment

The Board is aware of the potential impact on the environment of the Group's activities and recognises its responsibility to the environment particularly with regard to its use of paper and print for magazines, disposal of waste and recycling, packaging and distribution of magazines, use of toner inks and in reducing its carbon footprint primarily in its consumption of energy.

The policy of the Group is to consider the impact on the environment as one of the factors when making purchasing decisions and to regularly record and monitor the results of those decisions on the environment, where practical. The Director responsible for overseeing this policy is Mark Kerswell.

*Purchase of paper and printing* – The Group sources all its magazine paper grades from mills that hold valid forestry certification scheme accreditation, which ensures its pulp is sourced from well managed and sustainable forests, and have ISO 14001 and EMAS accreditation.

Centaur uses 100% recycled paper made from post-consumer recovered paper fibres on many of its magazine titles and there is an on-going initiative to increase recycled paper content over time with the aim of reducing the Group's CO<sub>2</sub> carbon footprint.

*Disposal of waste and recycling* – A recycling initiative is in place across the Group and this continues to ensure that around 50% of office waste is recycled.

*Packaging and distribution of magazines* – Lighter weight plastic that can be recycled has been adopted where appropriate and tight controls are exercised on print runs and wastage levels.

*Toner inks* – All toner cartridges and computer equipment continue to be recycled where possible. In order to reduce the consumption of toner cartridges, computers are linked to photocopiers for printing purposes in most areas of the business.

## Energy consumption

In reporting on energy consumption and in comparing numbers from year to year the Group is conscious that the figures can be affected by climatic differences and employee numbers between reporting years. These factors should be taken into account.

The numbers for the 12 months to 30 June 2013 and the comparatives for the prior year are as follows:

	2013	2012
Energy consumption (CO <sub>2</sub> tonnes) <sup>1</sup>	469	549
Electricity (MWh)	894	936
Oil ('000 litres) <sup>2</sup>	-	18

## The Community

It is Group policy to not make corporate contributions to political parties and the Group has no intention of using the authority that it has under Companies Act 2006 to do so. During the year, the Group has supported a nominated charity as chosen by staff. Details of donations made are included in the Report of the Directors.

## NOTES

1. The CO<sub>2</sub> tonnes represent the CO<sub>2</sub> equivalent of the electricity and oil consumed during the year. The calculation is based on the conversion factor provided by the National Energy Foundation.
2. Heating oil was only used at one of the Group's premises, which has now been vacated.
3. Water is supplied by the landlords, except for one building, so the majority of the figures are unavailable.

# Directors' Report on Remuneration



## Annual Statement

As Chairman of the Remuneration Committee, I am pleased to introduce our Report on Directors' Remuneration for the year ended 30 June 2013. While the UK Government's reforms on Directors' pay published recently by the Department for Business, Innovation & Skills will not formally impact the Company until next year, the Committee has sought to comply with a number of the new requirements early in the interests of best practice. Therefore, this report has been split into three sections:

- This *Annual Statement* which summarises and explains the major decisions and changes for 2014 in respect of directors' remuneration;
- A *Directors' Remuneration Policy* which sets out the 2014 remuneration policy for the Company's directors; and
- An *Annual Report on Remuneration* which provides details of the remuneration earned by the Company's directors in relation to the year ended 30 June 2013.

We will be seeking your support for each part of the report by way of a single advisory vote at the forthcoming AGM.

### Remuneration Policy for 2014

The Committee has carried out a review of the senior executive incentive policy at the Company with a specific focus on the Executive Directors. The principal conclusions of the review, which primarily reflect the Committee's objective of simplifying arrangements and adopting best practice where relevant, are as follows:

- Base salary levels remain broadly appropriate;
- Annual bonus potential should continue to be limited to 100% of salary for Executive Directors. However, instead of 100% of the bonus being based on adjusted profit before tax (PBTA) as operated for the year ended 30 June 2013, 60% of the bonus will be based on sliding scale PBTA targets, and 40% on sliding scale revenue growth targets. This rebalancing should ensure that the management team focuses on both revenue and earnings growth. Further, instead of 100% of the bonus being payable in cash, the Committee will introduce a deferral element. Therefore, starting with the 2013/14 financial year, any annual bonus equivalent to more than 75% of basic salary will be paid as Centaur Media plc shares and deferred for 3 years;
- The 2010 Senior Executive Long Term Incentive Plan (SELTIP), which has reached the end of its first 3 year plan period, is considered to be too complicated and not sufficiently aligned to the long-term. Therefore, the Committee intends to revert to a conventional long-term incentive policy delivered through the existing Long-Term Incentive Plan (LTIP) which was approved by shareholders at the 2006 AGM. The Committee will adopt a market consistent annual grant policy whereby Executive Directors will receive LTIP awards over shares with a value equal to 100% of base salary. The first grants under the policy are expected to be made shortly. Reflecting the objective of incentivising long-term earnings growth and total shareholder return, 50% of the 2013 LTIP award will be based

---

on absolute adjusted earnings per share targets and 50% of the 2013 LTIP award will be based on relative total shareholder return ("TSR") measured against the constituents of the FTSE SmallCap (excluding investment trusts);

- Shareholding guidelines have been introduced for Executive Directors, who are expected to retain 50% of the net of tax LTIP awards until they have a holding of shares with a value equivalent to 100% of salary; and
- Clawback provisions have been introduced into both the annual bonus and LTIP plans.

The Committee believes that the changes set out above, which were consulted upon with the Company's major investors and representative bodies, will simplify the Company's remuneration policy and align it with best practice. The Group is currently in the process of recruiting a Chief Executive Officer and intends to apply the revised 2014 policy to this appointment.

C Morrison  
Chairman of the Remuneration Committee  
11 September 2013

## Directors' Remuneration Policy

### Remuneration Policy

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

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

The various elements of Executive Directors' remuneration packages for 2014 are summarised overleaf.

### Detailed Remuneration Policy

#### 1. Base Salary

In determining base salaries, the Committee customarily benchmarks salary levels for comparable roles at media companies of a similar size to Centaur and considers matters such as inflation, the individual's responsibilities, the Group's performance and the salary policy throughout the Group as a whole. Salary levels are reviewed annually.

In setting remuneration levels, the pay and employment conditions of employees within the Group are also taken into account. In this regard, the salary of the previous Chief Executive Officer, Geoff Wilmot was increased by 3.5% from 1 July 2012 in line with the guidelines issued for other employees in the Group.

## Directors' Report on Remuneration

### Summary Remuneration Policy Table

	Purpose and link to strategy	Operation	Maximum	Performance targets
BASE SALARY	<ul style="list-style-type: none"> <li>Reflects the value of the individual and their role</li> <li>Reflects skills and experience over time</li> <li>Provides an appropriate level of basic fixed income avoiding excessive risk arising from over reliance on variable income</li> </ul>	<ul style="list-style-type: none"> <li>Reviewed annually, effective 1 October (moved from July to align with wider workforce)</li> <li>Paid in cash on a monthly basis, pensionable</li> <li>Takes periodic account against companies with similar characteristics and sector comparators</li> </ul>	<ul style="list-style-type: none"> <li>Annual increases typically linked to those of the wider workforce</li> </ul>	<ul style="list-style-type: none"> <li>n/a</li> </ul>
ANNUAL BONUS	<ul style="list-style-type: none"> <li>Incentivises annual delivery of financial and strategic goals</li> <li>Maximum bonus only payable for achieving demanding targets</li> </ul>	<ul style="list-style-type: none"> <li>Paid in cash on publication of annual results</li> <li>Not pensionable</li> <li>Deferral introduced for any bonus over 75% of base salary</li> </ul>	<ul style="list-style-type: none"> <li>100% of salary</li> </ul>	<ul style="list-style-type: none"> <li>For 2014: PBTA (60%), and revenue (40%)</li> </ul>
LONG TERM INCENTIVES	<ul style="list-style-type: none"> <li>Aligns to main strategic objectives of delivering profit growth and shareholder return</li> </ul>	<ul style="list-style-type: none"> <li>Annual grant of conditional awards or nil cost options granted under the LTIP with a 3 year vesting period</li> </ul>	<ul style="list-style-type: none"> <li>Awards capped at 100% of salary</li> </ul>	<ul style="list-style-type: none"> <li>50% of award linked to EPS targets, and 50% to TSR</li> </ul>
PENSION	<ul style="list-style-type: none"> <li>Provides competitive retirement benefits</li> <li>Provides an opportunity for Executive Director to contribute to their own retirement plan</li> </ul>	<ul style="list-style-type: none"> <li>Defined contributions made to Executive Director's own pension plans</li> </ul>	<ul style="list-style-type: none"> <li>Company contributes between 9% and 17.5% of salary</li> </ul>	<ul style="list-style-type: none"> <li>n/a</li> </ul>
OTHER BENEFITS	<ul style="list-style-type: none"> <li>Aids retention and recruitment</li> </ul>	<ul style="list-style-type: none"> <li>Company car allowance and the provision of private medical insurance</li> </ul>	<ul style="list-style-type: none"> <li>n/a</li> </ul>	<ul style="list-style-type: none"> <li>n/a</li> </ul>
SHARE OWNERSHIP	<ul style="list-style-type: none"> <li>To provide alignment of interests between Executive Directors and shareholders</li> </ul>	<ul style="list-style-type: none"> <li>Executive Directors are required to build and maintain a specified shareholding in Company shares</li> </ul>	<ul style="list-style-type: none"> <li>100% of salary</li> </ul>	<ul style="list-style-type: none"> <li>n/a</li> </ul>

---

Mark Kerswell's salary was increased by 5% from £220,000 to £231,000 on 1 July 2012 as the Remuneration Committee deems that his skills and experience are of strategic importance for the business. Mark was subsequently appointed as Interim Chief Executive Officer with effect from 15 May 2013 and, in addition to his current salary, he receives a £3,000 per month (or part of month) temporary supplement in recognition of the additional responsibilities, which will continue for as long as he remains in post as Interim Chief Executive Officer.

The Group has changed the annual pay review cycle to 1 October of each year and so the Executive Director salaries will be reviewed on that date.

## **2. Annual Bonus**

The Committee considers it important that a significant proportion of Executive Directors' remuneration be structured so as to link rewards to corporate and individual performance.

Executive Directors are eligible for an annual bonus dependent on the achievement of targets which take account of corporate performance. These targets are reviewed annually and new objectives set by the Committee for each Director at the start of the financial year. Under this scheme, in 2013 the Executive Directors had a maximum bonus opportunity equivalent to 100% of base salary.

The annual bonus scheme for Executive Directors in 2013 was based on adjusted profit before taxation (PBTA), to ensure a strong focus on profit recovery, and because PBTA is the financial measure most commonly used by analysts and investors in assessing the performance of the business. The 2013 PBTA bonus targets were not met and therefore no bonus was paid.

For 2014, the annual bonus plan will continue to be limited to 100% of salary for Executive Directors. However, instead of 100% of the bonus being based on adjusted profit before tax (PBTA), 60% of the bonus will be based on sliding scale PBTA targets, and 40% on sliding scale revenue growth targets. This rebalancing should ensure that the management team focuses on both revenue and earnings growth. In addition, instead of 100% of the bonus being payable in cash, any annual bonus equivalent to more than 75% of basic salary will be paid as Centaur Media plc shares and deferred for 3 years.

## **3. Pension**

There is no Group executive pension scheme. The Group makes a contribution of 9% of salary to Mark Kerswell's individual pension scheme, and prior to the termination of his contract, made contributions of 17.5% of salary to Geoff Wilmot's individual pension scheme. The Group makes contributions of between 3% and 9% of salary for other employees, dependent on their seniority.

## **4. Long term incentive awards**

Following a review of long-term incentive provision and in light of feedback received from investors and representative bodies, the Committee has concluded that the SELTIP, which reached the end of its first 3 year period in 2013, is too complicated and not sufficiently aligned to the long-term.

Therefore, the Committee intends to revert to a conventional long-term incentive policy delivered through the existing Long-Term Incentive Plan (LTIP) which was approved by shareholders at the 2006 AGM. The Board believes that this will satisfactorily link reward with performance and will incentivise key management to deliver long-term shareholder value.

## Directors' Report on Remuneration

---

The Committee will adopt a market consistent annual grant policy whereby Executive Directors will receive LTIP awards over shares with a value equal to 100% of base salary. The first grants under the policy are expected to be made shortly. Reflecting the objective of incentivising long-term earnings growth and total shareholder return:

- 50% of the 2013 LTIP award will be based on sliding scale absolute adjusted earnings per share targets. Absolute, rather than inflation-linked percentage growth targets will be operated for the initial grants given that the low 2012/13 base EPS made setting percentage growth targets difficult, although the Committee will keep this under review for future grants. EPS targets are still in the process of being finalised for these 2013 awards and full disclosure will be provided in the London Stock Exchange announcement which will be published shortly after the awards are granted; and
- 50% of the 2013 LTIP award will be based on relative total shareholder return ("TSR") measured against the constituents of the FTSE SmallCap (excluding investment trusts). 25% of this part of an award will vest for median TSR, increasing pro-rata to 100% vesting for upper quartile TSR over the three years ending 30 June 2016. In addition to the TSR performance condition, the Committee will need to be satisfied that the Company's TSR performance reflects the underlying financial performance of the Company for this part of an award to vest.

The Group operates a Share Incentive Plan which is open to all employees, including Executive Directors, and has a number of legacy long-term incentive arrangements and share option plans. These are described in detail in Note 22 to the Annual Report.

### 5. Clawback

Consistent with best practice, clawback provisions have been introduced into the annual bonus and LTIP rules.

### 6. Share Ownership Guidelines

Shareholding guidelines have been introduced for Executive Directors, who are expected to retain 50% of the net of tax LTIP awards until they have a holding of shares with a value equivalent to 100% of salary.

## Other remuneration matters

### Director's Service Agreements

Mark Kerswell's service agreement is dated 11 October 2011, and Geoff Wilmot's contract was dated 27 February 2004.

Executive Director's contracts have no fixed term of office, have a notice period of 12 months and provide for termination of employment within 14 days with payment in lieu of notice. Where the Company terminates a contract, any damages to which the Executive Director may be entitled shall be calculated in accordance with ordinary common law principles including those relating to mitigation of loss.

Patrick Taylor, Colin Morrison, Christopher Satterthwaite, Robert Boyle and Rebecca Miskin are Non-Executive Directors. The Non-Executive Directors have letters of appointment with the Company, which are for an initial three-year period with an extension for a further three-year period, and provide for a notice period of one month. All existing Directors have chosen to submit to annual re-election at each AGM.

### Non-Executive Directors

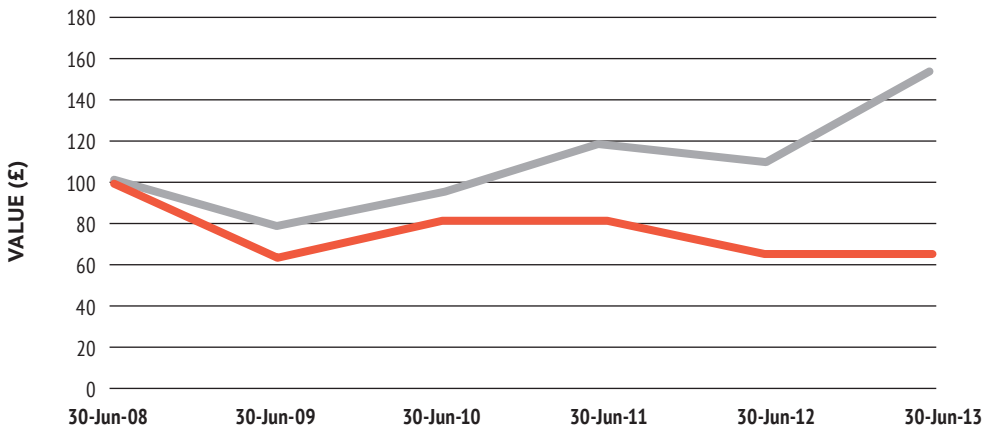
The Non-Executive Directors receive a fee for their services, which is dependent on which committees they serve or whether they act as Chairman of committees, and the reimbursement of incidental expenses. In addition a payment of £1,500 per working day is made in respect of any period during which it is agreed by the Board that the time commitment is significantly longer than envisaged under the terms of the appointment as a result, for example, of a major corporate transaction.



### Total Shareholder Return

The Group's new LTIP will be based on the performance of the FTSE Smallcap (excluding investment trusts). This index is considered to be most representative of the performance of the shares of generally comparable companies. The graph below shows the total shareholder return (TSR) of Centaur Media plc compared to the performance of this index over the last five years.

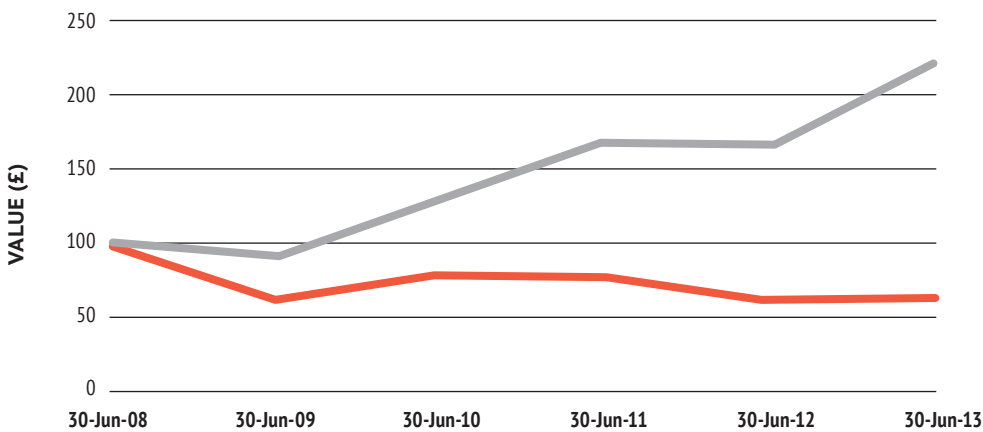
### Total Shareholder Return



This graph shows the value, by 30 June 2013, of £100 invested in Centaur Media plc on 30 June 2008 compared with the value of £100 invested in the FTSE Small Cap Index (excluding Investment Trusts). The other points plotted are the values at intermediate financial year-ends.

— CENTAUR MEDIA  
— FTSE Small Cap (excl. Investment Trusts)

The graph below shows the total shareholder return (TSR) of Centaur Media plc compared to the performance of the FTSE 350 Media index over the last five years. This has been included for comparability with the prior year's report.



This graph shows the value, by 30 June 2013, of £100 invested in Centaur Media plc on 30 June 2008 compared with the value of £100 invested in the FTSE 350 Media Index. The other points plotted are the values at intermediate financial year-ends.

— CENTAUR MEDIA  
— FTSE 350 MEDIA

# Directors' Report on Remuneration

## Annual Report on Remuneration

### Directors' Emoluments (Audited)

The table below provides details of Directors' remuneration from Centaur Media plc for the year ended 30 June 2013.

	Salaries and fees	Termination payments	Bonus	Benefits in Kind <sup>4</sup>	Subtotal	Pension	Car Allowance	Total 2013	Total 2012
<b>Executive</b>									
M H Kerswell <sup>1</sup>	237,000	-	-	2,329	<b>239,329</b>	20,604	-	<b>259,933</b>	261,015
GTD Wilmot <sup>2</sup>	259,169	384,704	-	3,497	<b>647,370</b>	45,354	19,000	<b>711,724</b>	363,321
<b>Non-Executive</b>									
JPE Taylor	80,000	-	-	-	<b>80,000</b>	-	-	<b>80,000</b>	80,000
C Morrison	40,000	-	-	-	<b>40,000</b>	-	-	<b>40,000</b>	40,000
C Satterthwaite	40,000	-	-	-	<b>40,000</b>	-	-	<b>40,000</b>	40,000
R Boyle	35,000	-	-	-	<b>35,000</b>	-	-	<b>35,000</b>	35,000
R Miskin	40,000	-	-	-	<b>40,000</b>	-	-	<b>40,000</b>	40,000
Former Directors <sup>3</sup>	-	-	-	-	-	-	-	-	112,699
	<b>731,169</b>	<b>384,704</b>	<b>-</b>	<b>5,826</b>	<b>1,121,699</b>	<b>65,958</b>	<b>19,000</b>	<b>1,206,657</b>	<b>972,035</b>

### NOTES

- In addition to M H Kerswell's base salary (increased from £220,000 to £231,000 from 1 July 2012); he receives an additional supplement of £3,000 per month (or part of month) to reflect the additional responsibilities with respect to serving as Interim Chief Executive from 15 May 2013. This supplement will continue for as long as he remains the Interim Chief Executive.
- As announced on 15 May 2013, GTD Wilmot stepped down as Chief Executive Officer, and resigned from the board of Centaur Media plc on 24 May 2013. In accordance with the terms of his service agreement, a payment of £384,704 was made, comprising an amount equivalent to 12 months' pay in lieu of notice (i.e. salary, pension, car allowance and private health insurance) and £30,000 in consideration for waiving certain employment rights. No amounts were paid in respect of annual bonus for the year ended 30 June 2013 or in respect of annual bonus for the notice period. No SELTIP award was made for 2013, however 185,137 2011 awards and 116,081 2012 awards vested on the date of departure under the plan rules and remain exercisable for a window of 6 months from the date of departure. The market value of these awards at the date of departure was £103,167. In addition, Mr Wilmot's outstanding vested options under the 2004 Option Plan (587,333) remain exercisable for a 6 month period from the date of departure. These options were underwater at the date of departure.
- M J Lally resigned on 10 October 2011.
- Other benefits for Executive Directors during this year include life assurance, permanent health insurance and medical insurance.

### Directors' interests (Audited)

The Directors holding office during the year to 30 June 2013 are shown on page 39 and their beneficial interests in the Company's share capital are shown on page 35. None of the Directors had any beneficial interest in the shares of other Group companies. The following Directors hold awards under the Company's various legacy incentive arrangements as follows:

Scheme	Date of grant	Earliest exercise date	Expiry date	Exercise price (pence)	Number at 1 July 2012	Granted in year	Lapsed in year ****	Number at 30 June 2013*
<b>MH Kerswell <sup>2</sup></b>								
Retention Plan	30.12.11	30.06.13	31.12.14	-	170,000	-	-	170,000
SELTIP <sup>1</sup>	22.10.12	15.09.13	15.09.22	-	-	173,578	(86,789)	86,789
					170,000	173,578	(86,789)	256,789
<b>GTD Wilmot <sup>3</sup></b>								
2004 Option Plan	9.03.04	9.03.07	31.12.13	100.0	587,333	-	-	587,333
Rollover Plan	9.03.04	9.03.05	9.03.14	41.67	172,777	-	(172,777)	-
2004 Option Plan	29.10.08	30.06.12	29.10.18	51.75	800,000	-	(800,000)	-
SELTIP <sup>1</sup>	15.09.11	15.05.13	31.12.13	-	370,274	-	(185,137)	185,137
SELTIP <sup>1</sup>	22.10.12	15.05.13	15.09.13	-	-	232,162	(116,081)	116,081
					1,930,384	232,162	(1,273,995)	888,551

\* or at date of cessation if earlier

### NOTES

- For financial years 2011 to 2013, the primary long-term incentive arrangement in operation was The Centaur Media plc 2010 Senior Executive Long-Term Incentive Plan (the "SELTIP"). This plan will not be used going forward. The key features of the SELTIP were as follows:
  - At the beginning of the Plan Period of three financial years, participants received an Award of Bonus Units. There was a maximum contribution of 100% of equivalent of salary per annum that could be attributed to the value of a Participant's Award of Bonus Units in respect of any financial year.
  - The Remuneration Committee set the

Threshold Profit at the beginning of each financial year.

- Performance was measured at three Measurement Dates (at the end of each financial year). At each Measurement Date up to 30% of the growth in PBT above a threshold level was converted into restricted shares to create the Bonus Pool.
- At the end of the three year Plan Period 50% of the award of Bonus Units is capable of vesting with the balance of the Bonus Units capable of vesting 12 months later subject to the following conditions:
  - The vesting of all Bonus Units shall be subject to the Participant's continued employment at the relevant dates; and

- 50% of the Bonus Units subject to Awards to Executive Directors are only capable of vesting based on the Company's comparative total shareholder return ("TSR") compared to the constituents of the FTSE Small Cap Index measured over the three year Plan Period. 40% of this part of an award would vest for median TSR increasing pro-rata to 100% vesting for upper quartile TSR over the three years ending 30 June 2013. The inclusion of the TSR performance condition in relation to 50% of the Bonus Units held by Executive Directors ensured alignment of participants' interests with shareholders.

## Directors' Report on Remuneration

Awards of bonus units were made in 2011, 2012 and 2013 as summarised in the following table:

Financial year	Threshold profit	PBTA achieved	Profit growth	SELTIP contribution	Total bonus pool	Bonus pool allocated*	Number of shares awarded in total**	Shares awarded to M.H Kerswell	Shares awarded to GTD Wilmot
2011	£4.0m	£6.5m	£2.5m	20%	£0.4m	£0.4m	711,621	-	370,274****
2012	£6.5m	£8.0m	£1.5m	30%	£0.4m	£0.3m	788,696	173,578	232,162****
2013	£8.0m	£8.6m	£0.6m	30%	£0.1m	£0.1m	***	***	-

### Sharesave (Audited)

The following Directors have been granted options over ordinary shares of 10p each in the Company under the terms of the Centaur UK Sharesave Plan 2008 and 2009:

	Date of grant	Earliest exercise date	Expiry date	Exercise price (pence)	Number at 30 June 2012	Number at 30 June 2013
GTD Wilmot (resigned 24 May 2013)	30.04.09	01.07.12	01.01.13	20.92	43,738	-

GTD Wilmot exercised 43,738 options under the SAYE scheme on 2 July 2012. The market price on the date of exercise was 35.0p.

### NOTES

\*The Remuneration Committee did not allocate the entire bonus pool in 2012 or 2013.

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

\*\*\* The 2013 awards will be converted to restricted shares on 12 September 2013 based on the share price at the close of business on 11 September 2013.

\*\*\*\* 50% of these shares have subsequently lapsed due to failure of the TSR performance condition.

- M H Kerswell exercised 85,000 Retention Plan options on 1 July 2013. The market price on the date of exercise was 34.0p.
- GTD Wilmot resigned as a director on 24 May 2013.
- The market price at 30 June 2013 was 34.25p (2012: 34.69p) and the range during the year was 29.25p to 59.5p (2012: 26.76p to 46.81p). The average market price during the year was 43.59p (2012: 34.82p).

It is intended that the awards will be funded from the employee benefit trust.

---

## Consideration of Matters Relating to Directors Remuneration

### **The Remuneration Committee**

The Board has established a Remuneration Committee with formally delegated duties and responsibilities within written terms of reference prescribed by the Board which are available on the Group's website ([www.centaur.co.uk](http://www.centaur.co.uk)). Colin Morrison chaired the Remuneration Committee during the year, and its other members are Christopher Satterthwaite and Rebecca Miskin. All members of this Committee are independent Non-Executive Directors. The Company Secretary Claire Baty acts as secretary to the Committee. The Chairman, Chief Executive Officer or the Group Human Resources Director may be invited to attend meetings, if the Remuneration Committee considers it appropriate.

### **Assistance to the Committee**

During the year, the Committee appointed external remuneration consultants, New Bridge Street, who do not perform any other services for and has no other connection with the Company. The Committee is free to choose its advisors and is satisfied that New Bridge Street provides advice that is objective and independent.

The Committee received assistance from the Company Secretary and, where requested by the Committee, the Chief Executive Officer and the Group Human Resources Director. The Committee has considered feedback received from major shareholders and considers the reports and recommendations of shareholder representative bodies and corporate governance analysts.

### **Responsibilities and activities of the Committee**

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

The Remuneration Committee meets at least twice each year and met four times in 2013. New Bridge Street attends Committee meetings where needed to provide technical support. The Committee Chair has a standing item on the agenda at each main board meeting which provides the opportunity to update on and raise remuneration matters for discussion by the Board. Minutes of the Committee are circulated to the Board once they have been approved by the Committee.

### **Preparation of This Report**

This Directors' Report on Remuneration has been prepared by the Remuneration Committee in accordance with Directors' Remuneration Report (2008) Regulations, the Listing Rules and the UK Corporate Governance Code relating to Directors' remuneration. While the Company is not formally impacted until next year, the Committee has also sought to early adopt a number of the new requirements on Directors' pay disclosure recently published by the Department for Business, Innovation & Skills in the interests of best practice.

*On behalf of the Board*

C Morrison  
Chairman of the Remuneration Committee  
11 September 2013

# Independent Auditors' Report to the Members of Centaur Media Plc

We have audited the financial statements of Centaur Media plc for the year ended 30 June 2013 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statements of Changes in Equity, Balance Sheets (Consolidated and Company), Cash Flow Statements (Consolidated and Company) and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

## **Respective responsibilities of Directors and auditors**

As explained more fully in the Directors' Responsibilities Statement set out in the Report of the Directors, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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

## **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group's and Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

## **Opinion on financial statements**

*In our opinion:*

- the financial statements give a true and fair view of the state of the Group's and Company's affairs as at 30 June 2013 and of the Group's loss and the Group's and Company's cash flows for the year then ended;
- the Consolidated financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the Company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and, as regards the Consolidated financial statements, Article 4 of the IAS Regulation.



---

## Opinion on other matters prescribed by the Companies Act 2006

*In our opinion:*

- the part of the Directors' Report on Remuneration to be audited has been properly prepared in accordance with the Companies Act 2006;
- the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the information given in the Corporate Governance Report set out earlier with respect to internal control and risk management systems and about share capital structures is consistent with the financial statements.

## Matters on which we are required to report by exception

We have nothing to report in respect of the following:

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

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

Under the Listing Rules we are required to review:

- the Directors' statement, set out earlier, in relation to going concern;
- the parts of the Corporate Governance Report relating to the company's compliance with the nine provisions of the UK Corporate Governance Code specified for our review; and
- certain elements of the report to shareholders by the Board on Directors' remuneration.

Philip Stokes (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London

11 September 2013

# Consolidated Statement of Comprehensive Income

for the year ended 30 June 2013

	Notes	Adjusted Results 2013 £m	Adjusting Items 2013 £m	Statutory Results 2013 £m	Adjusted Results 2012 £m	Adjusting Items 2012 £m	Statutory Results 2012 £m
<b>Revenue</b>	1	72.0	-	72.0	65.6	-	65.6
Net operating expenses	2	(62.2)	(44.7)	(106.9)	(57.0)	(5.3)	(62.3)
<b>Operating profit/(loss)</b>		9.8	(44.7)	(34.9)	8.6	(5.3)	3.3
Finance costs	4	(1.2)	(1.3)	(2.5)	(0.6)	-	(0.6)
<b>Profit/(loss) before tax</b>		8.6	(46.0)	(37.4)	8.0	(5.3)	2.7
Taxation (charge)/credit	6	(2.2)	1.2	(1.0)	(2.2)	0.8	(1.4)
<b>Profit/(loss) for the year attributable to owners of the parent</b>		6.4	(44.8)	(38.4)	5.8	(4.5)	1.3
<b>Total comprehensive income/(loss) attributable to owners of the parent</b>		6.4	(44.8)	(38.4)	5.8	(4.5)	1.3
<b>Earnings/(loss) per share attributable to owners of the parent</b>	7						
Basic		4.5p		(27.3p)	4.2p		0.9p
Fully diluted		4.5p		(26.8p)	4.1p		0.9p

# Consolidated Statement of Changes in Equity

for the year ended 30 June 2013

## Attributable to owners of the parent

	Share capital £m	Own shares £m	Share premium £m	Reserve for shares to be issued £m	Deferred shares £m	Retained earnings £m	Total £m
At 1 July 2011	15.0	(10.3)	0.7	3.3	0.1	115.3	124.1
Profit for the year and total comprehensive income for the year	-	-	-	-	-	1.3	1.3
Transactions with owners:							
Dividends (note 23)	-	-	-	-	-	(2.9)	(2.9)
Share based payments:							
Share options exercised	-	(0.2)	-	-	-	-	(0.2)
Fair value of employee services (note 22)	-	-	-	0.3	-	-	0.3
<b>As at 30 June 2012</b>	<b>15.0</b>	<b>(10.5)</b>	<b>0.7</b>	<b>3.6</b>	<b>0.1</b>	<b>113.7</b>	<b>122.6</b>
Loss for the year and total comprehensive loss for the year	-	-	-	-	-	(38.4)	(38.4)
Transactions with owners:							
Dividends (note 23)	-	-	-	-	-	(3.3)	(3.3)
Share based payments:							
Share options exercised	-	0.4	-	-	-	-	0.4
Fair value of employee services (note 22)	-	-	-	0.3	-	-	0.3
<b>As at 30 June 2013</b>	<b>15.0</b>	<b>(10.1)</b>	<b>0.7</b>	<b>3.9</b>	<b>0.1</b>	<b>72.0</b>	<b>81.6</b>

At 30 June 2013, 7,318,291 (2012: 8,964,507) 10p ordinary shares are held in treasury and 1,693,673 (2012: 1,813,762) 10p ordinary shares are held in an employee benefit trust.

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

The changes to the reserve for shares to be issued during the year ended 30 June 2013 and 30 June 2012 represent the total charge for the year relating to equity-settled share based payment transactions with employees as accounted for under IFRS 2.

# Company Statement of Changes in Equity

for the year ended 30 June 2013

## Attributable to owners of the company

	Share capital £m	Own shares £m	Share premium £m	Reserve for shares to be issued £m	Deferred shares £m	Retained earnings £m	Total £m
At 1 July 2011	15.0	(8.8)	0.7	3.3	0.1	130.7	141.0
Loss for the year	-	-	-	-	-	(1.6)	(1.6)
Transactions with owners:							
Dividends (note 23)	-	-	-	-	-	(2.9)	(2.9)
Share based payments:							
Fair value of employee services (note 22)	-	-	-	0.3	-	-	0.3
<b>As at 30 June 2012</b>	<b>15.0</b>	<b>(8.8)</b>	<b>0.7</b>	<b>3.6</b>	<b>0.1</b>	<b>126.2</b>	<b>136.8</b>
Total comprehensive loss for the year	-	-	-	-	-	(13.8)	(13.8)
Transactions with owners:							
Dividends (note 23)	-	-	-	-	-	(3.3)	(3.3)
Share based payments:							
Share options exercised	-	0.4	-	-	-	-	0.4
Fair value of employee services (note 22)	-	-	-	0.3	-	-	0.3
<b>As at 30 June 2013</b>	<b>15.0</b>	<b>(8.4)</b>	<b>0.7</b>	<b>3.9</b>	<b>0.1</b>	<b>109.1</b>	<b>120.4</b>

The company has taken advantage of the exemption available under section 408 of the Companies Act 2006 and has not presented its own statement of comprehensive income in these financial statements. The parent company's loss amounted to £13.8m (2012: loss of £1.6m)

# Consolidated Balance Sheet

for the year ended 30 June 2013

	Note	2013 £m	2012 £m
<b>Non-current assets</b>			
Goodwill	8	98.9	121.3
Other intangible assets	9	23.8	15.4
Property, plant and equipment	10	2.0	2.3
Deferred income tax assets	20	1.5	0.8
		<b>126.2</b>	<b>139.8</b>
<b>Current assets</b>			
Inventories	12	2.0	1.1
Trade and other receivables	13	16.1	13.5
Cash and cash equivalents	14	3.3	5.3
		<b>21.4</b>	<b>19.9</b>
<b>Total Assets</b>		<b>147.6</b>	<b>159.7</b>
<b>Current liabilities</b>			
Trade and other payables	16	(11.6)	(10.0)
Deferred income	17	(14.3)	(11.3)
Current income tax liabilities	18	(1.4)	(0.8)
Borrowings	15	-	-
Provisions	19	(3.1)	(0.3)
		<b>(30.4)</b>	<b>(22.4)</b>
<b>Net current liabilities</b>		<b>(9.0)</b>	<b>(2.5)</b>
<b>Non-current liabilities</b>			
Borrowings	15	(22.7)	(12.5)
Provisions	19	(9.9)	(1.2)
Deferred income tax liabilities	20	(3.0)	(1.0)
		<b>(35.6)</b>	<b>(14.7)</b>
<b>Net assets</b>		<b>81.6</b>	<b>122.6</b>
<b>Capital and reserves attributable to owners of the parent</b>			
Share capital	21	15.0	15.0
Own shares		(10.1)	(10.5)
Share premium		0.7	0.7
Other reserves		4.0	3.7
Retained earnings		72.0	113.7
<b>Total equity</b>		<b>81.6</b>	<b>122.6</b>

The financial statements on pages 60 to 107 were approved by the Board of Directors on 11 September 2013 and were signed on its behalf by:

M H Kerswell  
Interim Chief Executive Officer

# Company Balance Sheet

for the year ended 30 June 2013

	Note	2013 £m	2012 £m
<b>Non-current assets</b>			
Investments	11	134.0	146.2
		<b>134.0</b>	146.2
<b>Current assets</b>			
Trade and other receivables	13	9.5	3.1
Cash and cash equivalents	14	0.1	-
		<b>9.6</b>	3.1
<b>Total Assets</b>		<b>143.6</b>	149.3
<b>Current liabilities</b>			
Borrowings	15	0.2	0.2
Trade and other payables	16	(0.8)	(0.5)
		<b>(0.6)</b>	(0.3)
<b>Net current assets</b>		<b>9.0</b>	2.8
<b>Non-current liabilities</b>			
Borrowings	15	(22.6)	(12.2)
		<b>(22.6)</b>	(12.2)
<b>Net assets</b>		<b>120.4</b>	136.8
<b>Capital and reserves attributable to owners of the parent</b>			
Share capital	21	15.0	15.0
Own shares		(8.4)	(8.8)
Share premium		0.7	0.7
Other reserves		4.0	3.7
Retained earnings		109.1	126.2
<b>Total equity</b>		<b>120.4</b>	136.8

The financial statements on pages 60 to 107 were approved by the Board of Directors on 11 September 2013 and were signed on its behalf by:

M H Kerswell  
Interim Chief Executive Officer



# Consolidated Cash Flow Statement

for the year ended 30 June 2013

	Note	2013 £m	2012 £m
<b>Cash flows from operating activities</b>			
Cash generated from operations	24	9.3	8.3
Tax paid		(1.3)	-
Net cash generated from operating activities		8.0	8.3
<b>Cash flows from investing activities</b>			
Acquisition of subsidiary	25	(11.4)	(11.3)
Other acquisitions		(0.4)	(0.2)
Deferred consideration of disposal of subsidiary		0.2	0.5
Purchase of property, plant and equipment		(0.3)	(0.3)
Purchase of intangible assets		(4.1)	(1.9)
Net cash flows used in investing activities		(16.0)	(13.2)
<b>Cash flows from financing activities</b>			
Purchase of own shares		-	(0.2)
Exercise of employee share options		0.4	-
Interest paid		(1.1)	(0.4)
Repayment of obligations under finance lease		(0.3)	(0.2)
Dividends paid	23	(3.3)	(2.9)
Proceeds of borrowings	24	10.3	12.5
Finance arrangement fees paid		-	(0.6)
Net cash flows generated from financing activities		6.0	8.2
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(2.0)</b>	<b>3.3</b>
Cash and cash equivalents at 1 July		5.3	2.0
<b>Cash and cash equivalents at 30 June</b>	14	<b>3.3</b>	<b>5.3</b>

# Company Cash Flow Statement

for the year ended 30 June 2013

	Note	2013 £m	2012 £m
<b>Cash flows from operating activities</b>			
Cash used in operating activities	24	(7.3)	(5.1)
<b>Cash flows from financing activities</b>			
Interest paid		-	(0.4)
Exercise of employee benefit trust shares		0.4	-
Finance arrangement fees paid		-	(0.6)
Dividends paid	23	(3.3)	(2.9)
Sale of treasury shares		-	0.1
Proceeds of borrowings	24	10.3	12.5
Net cash flows generated from financing activities		7.4	8.7
<b>Net increase in cash and cash equivalents</b>		0.1	3.6
Cash and cash equivalents at 1 July		-	(3.6)
<b>Cash and cash equivalents at 30 June</b>	14	0.1	-

# Statement of Accounting Policies

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

## Basis of preparation

The consolidated and Company financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and International Financial Reporting Interpretations Committee (IFRIC) and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared on the historical cost basis. The consolidated financial statements have been prepared on a going concern basis. Further detail is included within the Report of the Directors on pages 32 to 37. The functional currency of the Company is pounds sterling (GBP) as that is the currency of the primary economic environment in which the Group operates. These financial statements are presented in pounds sterling (GBP).

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

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

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

The following new standards and amendments to standards are mandatory for the first time for the financial year beginning 1 July 2012.

- IAS 1, 'Financial statement presentation – regarding other comprehensive income' effective for annual periods commencing on or after 1 July 2012 (EU endorsed 5 June 2012). The amendment increases the required level of disclosure within the statement of comprehensive income. The application of the amendment does not have any significant impact on the Group.

(b) New standards, amendments and interpretations that are potentially relevant to the Group issued but not effective for the financial year beginning 1 July

2012 (and in some cases not yet adopted by the EU) and not early adopted:

- IAS 12, 'Income taxes – on deferred tax'.
- IFRS 9, 'Financial instruments'.
- IFRS 10, 'Consolidated financial statements'.
- IFRS 12, 'Disclosures of interests in other entities'.
- IFRS 13, 'Fair value measurement'.
- IAS 27 (Revised 2011), 'Separate financial statements'.
- IAS 28 (revised 2011), 'Investments in associates and joint ventures'.
- Amendments to IAS 32, 'Financial instruments: Presentation – Offsetting Financial assets and financial liabilities'.
- Amendments to IFRS 7, 'Financial instruments: Disclosure – Offsetting financial assets and financial liabilities'.
- Annual improvements to IFRSs 2009-2011.
- Transition guidance (amendments to IFRS 10, IFRS 11 and IFRS 12).
- Recoverable amount disclosures for non-financial assets (Amendments to IAS 36).
- IFRIC 21, 'Levies'.

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

### Presentation of non-statutory measures

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

The following charges were presented as adjusting items:

	Note	2013 £m	2012 £m
Exceptional costs	3	42.4	4.5
Amortisation of acquired intangibles	9	2.3	0.8
Exceptional finance cost	4	1.3	-
		46.0	5.3
Tax relating to adjusting items		(1.2)	(0.8)
Total adjusting items		44.8	4.5

## Statement of Accounting Policies

The principal adjustments are made in respect of:

- Exceptional costs - the Group considers items of income and expenses as exceptional items and excludes them from the adjusted results where the nature of the item, or its size, is likely to be material so as to assist the user of the financial statements to better understand the results of the operations of the Group. Details of exceptional items are shown in note 3.
- Amortisation of acquired intangibles – the Group amortises all intangible assets. The amortisation charge for those intangible assets recognised on the acquisition of a subsidiary are excluded from the adjusted results of the Group so as to assist the user of the financial statements to better understand the results of the operations of the Group. The amortisation of intangible software assets acquired other than through the acquisition of a subsidiary is included in the adjusted results. Details of amortisation of intangibles are shown in note 9.
- Exceptional finance costs – the Group discounts provisions to the net present value where the effects of such discounting are material. The discounting on provisions relating to acquisitions is excluded from adjusted results of the Group so as to assist the user of the financial statements to better understand the results of the operations of the Group. Details of the exceptional finance costs are shown in note 4.

The tax related to adjusting items is the tax effect of the items above that are allowable deductions for tax purposes, calculated using the standard rate of corporation tax.

Reconciliation from operating (loss)/profit to Adjusted EBITDA:

	Note	2013 £m	2012 £m
Operating (loss)/profit		(34.9)	3.3
Adjusting items		44.7	5.3
Adjusted operating profit		9.8	8.6
Depreciation of property, plant and equipment	10	0.6	0.7
Amortisation of software	9	2.3	2.1
Share based payments		0.2	0.3
Adjusted EBITDA		12.9	11.7

### Consolidation

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

A subsidiary is an entity controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to benefit from its activities.

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

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

### Business Combinations

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

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

#### Revenue recognition

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

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

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

#### Foreign currencies

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

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

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;

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

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

#### Investments

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

#### Goodwill

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

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

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

## Statement of Accounting Policies

### Other intangible assets

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

#### Computer Software

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

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

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

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

### Property, plant and equipment

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

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

Residual values, where applicable, are reviewed annually against prevailing market rates at the balance sheet date for equivalent aged assets

and depreciation rates adjusted accordingly on a prospective basis. A review of the estimated useful economic life of each asset is carried out annually to ensure depreciation rates are adequate.

### Impairment of non-financial assets

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

### Taxation including deferred tax

The tax expense represents the sum of the tax currently payable and deferred tax.

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

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

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



### **Inventories**

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

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

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

### **Leases**

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

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

### **Employee benefit cost**

The Group and Company contribute to a defined contribution pension scheme for the benefit of employees. The assets of the scheme are held separately from those of the Group in an independently administered fund. Contributions to defined contribution schemes are charged to the statement of comprehensive income at the time that the related

service is provided. The group has no further payment obligations once the contributions have been paid.

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

### **Share-based payments**

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

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

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

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

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

# Statement of Accounting Policies

## Provisions

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

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

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

## Segmental reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The Board of Executive Directors has been identified as the chief operating decision-maker, responsible for allocating resources and assessing performance of the operating segments. During the year the company announced a refocus of its business into four market-facing divisions: Marketing, Professional, Financial, and Consumer. The operating segments were therefore changed to reflect the way the business is now managed and to better allow the Group to focus on these customers.

## Share capital and share premium

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

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

## Investment in own shares

### (i) Employee Benefit Trust

The Group has established an employee benefit trust, which is a separately administered trust and is funded by loans from Group companies. The Group recognises assets and liabilities of the trust in the consolidated financial statements and shares held by the trust are recorded at cost as a deduction from shareholders' equity.

Consideration received for the sale of shares held by the trust is recognised in reserves.

### (ii) Treasury shares

Where any Group company purchases the Company's equity share capital as treasury shares, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders until the shares are cancelled, reissued or disposed of. Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

## Dividends

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

## Financial instruments

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

### ● Financial assets

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

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

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

---

- **Trade receivables**

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

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

- **Cash and cash equivalents**

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

- **Trade payables**

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

- **Borrowings**

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

- **Derivative financial instruments**

Derivative financial instruments may be used to hedge interest rate and foreign currency exposure where these circumstances arise. Discounts and premiums are charged or credited to the statement of comprehensive income over the life of the asset or liability to which they relate. Derivative

financial assets and liabilities are stated at fair value. Changes to fair value are recognised directly in equity, to the extent that they are effective, with the ineffective portion being recognised in the statement of comprehensive income in the financial period to which it relates. The Group does not hold any derivative financial instruments either for trading purposes or designated as hedges.

### **Key accounting assumptions, estimates and judgements**

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

#### ***i) Impairments***

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

#### ***ii) Contingent consideration***

Contingent consideration related to acquisitions is dependent on the future performance of the acquired businesses. Judgement is required in estimating the magnitude of the contingent consideration and the likelihood of payment. Further detail related to contingent consideration is disclosed in notes 19 and 25.

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

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

# 1

## SEGMENTAL REPORTING

---

The Operating Board of Directors has been identified as the chief operating decision-maker. The Board reviews the Group's internal monthly reporting in order to assess performance and allocate resources. During the year the Group has refocused its business around four market-facing segments to better focus on the customers it serves and the business synergies from this. Management has determined the operating segments based on these four segments, being Marketing, Professional, Financial, and Consumer, and the comparatives have been restated to reflect them.

The basis of measurement used for allocating overheads is the headcount or floor space for each division according to the relevant cost driver.

Corporate costs are allocated to business segments on an appropriate basis depending on the nature of the cost. Segment assets consist primarily of property, plant and equipment, intangible assets including goodwill, inventories and trade receivables. Segment liabilities comprise trade payables, accruals and deferred income.

Corporate assets and liabilities comprise current and deferred tax balances, cash and cash equivalents and borrowings. Capital expenditure comprises additions to property, plant and equipment, intangible assets and goodwill and includes additions resulting from acquisitions through business combinations.

All segments derive revenues from Digital, Print and Events products.

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

Year ended 30 June 2013

	Marketing £m	Professional £m	Financial £m	Consumer £m	Group £m
<b>Revenue</b>	<b>23.8</b>	<b>24.1</b>	<b>13.3</b>	<b>10.8</b>	<b>72.0</b>
Adjusted EBITDA	3.6	5.4	2.2	1.7	12.9
Depreciation of property, plant and equipment	(0.3)	(0.1)	(0.1)	(0.1)	(0.6)
Amortisation of software	(0.7)	(1.4)	(0.1)	(0.1)	(2.3)
Amortisation of acquired intangibles	(1.7)	(0.3)	(0.2)	(0.1)	(2.3)
Impairment of goodwill	(20.8)	(4.2)	(14.2)	-	(39.2)
Exceptional costs	3.9	(6.0)	(0.6)	(0.5)	(3.2)
<b>Segment result</b>	<b>(16.0)</b>	<b>(6.6)</b>	<b>(13.0)</b>	<b>0.9</b>	<b>(34.7)</b>
Share based payments					(0.2)
<b>Operating loss</b>					<b>(34.9)</b>
Finance costs					(2.5)
Loss before tax					(37.4)
Taxation					(1.0)
Loss for the year					(38.4)
Segment assets	50.7	60.0	18.9	13.2	142.8
Corporate assets					4.8
<b>Consolidated total assets</b>					<b>147.6</b>
Segment liabilities	(17.3)	(14.7)	(3.5)	(3.7)	(39.2)
Corporate liabilities					(26.8)
<b>Consolidated total liabilities</b>					<b>(66.0)</b>
<b>Other items</b>					
Capital expenditure	10.6	2.1	0.6	0.2	13.5

## NOTES TO THE FINANCIAL STATEMENTS

# 1

### SEGMENTAL REPORTING *(continued)*

Year ended 30 June 2012	Marketing (restated) £m	Professional (restated) £m	Financial (restated) £m	Consumer (restated) £m	Group £m
<b>Revenue</b>	<b>15.0</b>	<b>24.7</b>	<b>15.6</b>	<b>10.3</b>	<b>65.6</b>
Adjusted EBITDA	2.9	4.3	3.0	1.5	11.7
Depreciation of property, plant and equipment	(0.1)	(0.3)	(0.2)	(0.1)	(0.7)
Amortisation of software	(0.3)	(1.3)	(0.2)	(0.3)	(2.1)
Amortisation of acquired intangibles	(0.2)	(0.3)	(0.2)	(0.1)	(0.8)
Exceptional costs	(1.4)	(2.5)	(0.4)	(0.2)	(4.5)
<b>Segment result</b>	<b>0.9</b>	<b>(0.1)</b>	<b>2.0</b>	<b>0.8</b>	<b>3.6</b>
Share based payments					(0.3)
Operating profit					<b>3.3</b>
Finance costs					(0.6)
Profit before tax					2.7
Taxation					(1.4)
Profit for the year from continuing operations					1.3
Segment assets	45.6	62.6	33.0	12.4	153.6
Corporate assets					6.1
<b>Consolidated total assets</b>					<b>159.7</b>
Segment liabilities	(5.1)	(10.6)	(3.8)	(3.9)	(23.4)
Corporate liabilities					(13.7)
<b>Consolidated total liabilities</b>					<b>(37.1)</b>
<b>Other items</b>					
Capital expenditure	5.3	2.0	1.3	0.5	9.1

---

## Revenue by Geographical Location

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

	2013 £m	2012 £m
United Kingdom	64.3	60.4
Europe (excl. UK)	3.2	2.6
North America	2.8	1.3
Rest of World	1.7	1.3
	<b>72.0</b>	<b>65.6</b>

---

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

	2013 £m	2012 £m
Sale of goods:		
Digital	24.9	19.5
Print	20.4	25.1
Events	26.2	20.5
Other	0.5	0.5
	<b>72.0</b>	<b>65.6</b>

---



# 2

## NET OPERATING EXPENSES

Operating profit is stated after charging/(crediting):

	Notes	Adjusted Results 2013 £m	Adjusting Items 2013 £m	Statutory Results 2013 £m	Adjusted Results 2012 £m	Adjusting Items 2012 £m	Statutory Results 2012 £m
Employee benefit expense	5	26.4	-	26.4	25.2	-	25.2
Depreciation of property, plant and equipment	10	0.6	-	0.6	0.7	-	0.7
Amortisation of intangibles	9	2.3	2.3	4.6	2.1	0.8	2.9
Impairment of goodwill	8	-	39.2	39.2	-	-	-
Exceptional costs	3	-	3.2	3.2	-	4.5	4.5
Operating lease rentals							
Minimum lease payments		2.7	-	2.7	2.4	-	2.4
Repairs and maintenance expenditure on property, plant and equipment		0.1	-	0.1	-	-	-
Trade receivables impairment		-	-	-	0.1	-	0.1
Other operating expenses		30.1	-	30.1	27.0	-	27.0
		62.2	44.7	106.9	57.0	5.3	62.3
Cost of Sales		36.7	-	36.7	35.0	-	35.0
Distribution costs		2.0	-	2.0	2.5	-	2.5
Administrative expenses		23.5	44.7	68.2	19.5	5.3	24.8
		62.2	44.7	106.9	57.0	5.3	62.3

### Services provided by the Company's auditors

	2013 £'000	2012 £'000
Audit fees:		
<b>Fees payable to the Company's auditor for the audit of parent company and consolidated financial statements</b>	30	30
<b>Fees payable to the Company's auditor and its associates for other services:</b>		
The audit of the Company's subsidiaries pursuant to legislation	119	117
<b>Total audit fees</b>	149	147
Audit related assurance services	26	25
Taxation compliance services	43	-
Other taxation advisory services	15	-
Other assurance services	47	47
Corporate finance services	-	201
Other services	-	18
<b>Total non-audit fees</b>	131	291
	280	438

# 3

## EXCEPTIONAL ITEMS

	2013 £m	2012 £m
Restructuring costs		
Redundancies	2.8	1.9
Accelerated amortisation of software	0.2	0.1
Accelerated share based payment charge	0.1	-
Post closure costs	-	0.3
	<b>3.1</b>	<b>2.3</b>
Acquisition related costs	0.7	1.1
Deferred contingent consideration	4.3	1.1
Deferred contingent consideration adjustment	(5.4)	-
Onerous lease provision	0.6	0.3
Profit on disposal	-	(0.3)
Other	(0.1)	-
Exceptional costs (before goodwill impairment)	<b>3.2</b>	<b>4.5</b>
Goodwill impairment	<b>39.2</b>	<b>-</b>
<b>Total</b>	<b>42.4</b>	<b>4.5</b>

Restructuring costs in 2013 comprise redundancy costs of £2.8m and associated costs as a result of on-going restructuring activities as well as accelerated amortisation of software of £0.2m and an accelerated share based payments charge on resignation of a director and an Operating Board member during the year. Costs in 2012 comprised redundancy costs, accelerated amortisation of software and product closure costs on discontinued products.

Acquisition related costs in 2013 comprise the legal and professional fees associated with the acquisition of E-consultancy.com Limited ("Econsultancy"). Acquisition related costs in 2012 comprise the legal and professional fees associated with the acquisition of Investment Platforms Limited ("IPL") in August 2011 (£0.1m), Venture Business Research Limited ("VB Research") in December 2011 (£0.2m) and The Profile Group ("Profile") in February 2012 (£0.2m), plus non-contingent legal and professional fees incurred associated with the acquisition of Econsultancy (£0.5m) and legal and professional fees associated with the refinancing of the Group's banking facilities in February 2012 (£0.1m).

The deferred contingent consideration charged in the year relates to contingent consideration associated with the acquisition of The Forum for Expatriate Management Limited ("FEM") (£3.0m) and of IPL (£0.8m) and VB Research (£0.5m). As these payments are contingent on continued employment, IFRS 3(R) requires that they be recorded through the period from the date of acquisition to the end of the performance period on which the consideration is measured. The amounts charged in 2013 represent the current year portion of the expected total payment, plus an adjustment to earlier periods where the latest information available indicates that the consideration ultimately payable will differ from that which was initially expected.

The deferred contingent consideration adjustment relates to reassessment of the consideration payable for Econsultancy as a result of a downgrade in expected earnings (note 19).

During 2013 Perfect Information relocated to Centaur's offices, resulting in an onerous lease provision of £0.6m being made for the remaining cost of their existing lease (note 19). Costs in 2012 related to the vacation of the Taxbriefs premises.

Impairment of goodwill relates to the write down during the year of goodwill in the Marketing, Professional and Financial segments (note 8).

## NOTES TO THE FINANCIAL STATEMENTS

### 3

#### EXCEPTIONAL ITEMS *(continued)*

---

Other exceptional costs (£0.1m) relate to the unwinding of the discount of the deferred consideration receivable on disposed trading assets.

The profit on disposal during 2012 relates to the disposal of certain Logistics, Supply Chain and Corporate Services products. The gain of £0.3m recognised in relation to these disposals represents the net present value of the consideration receivable from the sales (£1.1m), less the net book value of intangible assets disposed (£0.6m - disclosed as held for sale in 2011) and legal, professional and other costs of disposal (£0.2m).

### 4

#### FINANCE COSTS

---

	2013 £m	2012 £m
Interest payable on revolving credit facility	0.8	0.3
Commitment fees and amortisation of arrangement fee in respect of revolving credit facility	0.3	0.2
Finance lease interest	0.1	0.1
Total interest expense	1.2	0.6
Unwinding of discount on provisions (included in adjusting items)	1.3	-
	2.5	0.6

---

# 5

## DIRECTORS AND EMPLOYEES

	2013 Group £m	2012 Group £m	2013 Company £m	2012 Company £m
Wages and salaries	22.6	21.7	0.8	0.8
Social security costs	2.9	2.7	0.1	0.1
Other pension costs (note 28)	0.6	0.5	0.1	0.1
Equity settled share-based payments (note 22)	0.3	0.3	-	0.1
	<b>26.4</b>	<b>25.2</b>	<b>1.0</b>	<b>1.1</b>
Exceptional redundancy costs (note 3)	2.8	1.9	-	-
	<b>29.2</b>	<b>27.1</b>	<b>1.0</b>	<b>1.1</b>

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

	2013 Group Number	2012 Group Number (as restated)*
Marketing	165	84
Professional	135	131
Financial	67	92
Consumer	58	48
Central	168	181
	<b>593</b>	<b>536</b>

\*see note 1

### Key management compensation

	2013 £m	2012 £m
Salaries and short term employment benefits	1.2	1.2
Termination benefits	0.7	-
Post employment benefits	0.1	0.1
Share based payments	0.2	0.2
	<b>2.2</b>	<b>1.5</b>

Details of Directors' remuneration are included in the Directors' Report on Remuneration on page 54.

# 6

## TAXATION

### Analysis of charge in year

	2013 £m	2012 £m
<b>Current tax</b>		
Current year	1.3	1.3
Adjustment in respect of prior year	0.4	0.4
	1.7	1.7
<b>Deferred tax (note 20)</b>		
Origination and reversal of temporary differences	(0.5)	0.1
Adjustment in respect of prior year	(0.2)	(0.4)
	(0.7)	(0.3)
<b>Taxation</b>	<b>1.0</b>	<b>1.4</b>

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

	2013 £m	2012 £m
(Loss)/profit before tax	(37.4)	2.7
Tax at the UK rate of corporation tax of 23.75% (2012: 25.5%)	(8.9)	0.7
<b>Effects of:</b>		
Expenses not deductible for tax purposes	0.4	1.0
Goodwill impairment not deductible	9.3	-
Effects of changes in tax rate on deferred tax balances	-	(0.3)
Utilisation of tax losses brought forward	-	(0.1)
Adjustments in respect of prior year	0.2	-
Deferred tax charge on share based payments taken to the statement of comprehensive income	-	0.1
	1.0	1.4

The Finance Act 2012 included legislation to reduce the main rate of corporation tax from 24% to 23% from 1 April 2013. Accordingly the company's profits for this accounting period are taxed at a rate of 23.75%. In addition, legislation to reduce the main rate of corporation tax from 23% to 21% from 1 April 2014 and from 21% to 20% from 1 April 2015 was included in the Finance Act 2013. These further changes had not been substantively enacted at the balance sheet date and, therefore, are not included in these financial statements.

There will be no material effect on the deferred tax liability or the tax charge resulting from the changes to be enacted in the Finance Act 2013.

# 7

## EARNINGS PER SHARE

Basic (loss)/earnings per share (LPS/EPS) is calculated by dividing the (loss)/earnings attributable to ordinary shareholders by the weighted average number of shares in issue during the year. 1,693,673 (2012: 1,813,762) shares held in the employee benefit trust and 7,318,291 (2012: 8,964,507) shares held in treasury have been excluded in arriving at the weighted average number of shares.

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

An alternative measure of adjusted earnings per share has been provided as the Directors believe that this measure is more reflective of the on-going trading of the Group.

	2013 (Loss)/earnings attributable to owners of the parent £m	2013 Weighted average number of shares millions	2013 Earnings per share Pence	2012 (Loss)/earnings attributable to owners of the parent £m	2012 Weighted average number of shares millions	2012 Earnings per share Pence
<b>Basic</b>	<b>(38.4)</b>	<b>140.9</b>	<b>(27.3)</b>	1.3	139.3	0.9
<b>Effect of dilutive securities</b>						
Options	-	2.3	-	-	2.2	-
<b>Diluted</b>	<b>(38.4)</b>	<b>143.2</b>	<b>(26.8)</b>	1.3	141.5	0.9
<b>Adjusted</b>						
Basic	(38.4)	140.9	(27.3)	1.3	139.3	0.9
Amortisation of acquired intangibles (excluding software) (note 9)	2.3	-	1.6	0.8	-	0.6
Exceptional finance costs (note 4)	1.3	-	0.9	-	-	-
Exceptional costs (note 3)	42.4	-	30.2	4.5	-	3.2
Tax effect of above adjustments	(1.2)	-	(0.9)	(0.8)	-	(0.5)
<b>Adjusted</b>	<b>6.4</b>	<b>140.9</b>	<b>4.5</b>	5.8	139.3	4.2
<b>Effect of dilutive securities</b>						
Options	-	2.3	-	-	2.2	-
<b>Diluted adjusted</b>	<b>6.4</b>	<b>143.2</b>	<b>4.5</b>	5.8	141.5	4.1

## NOTES TO THE FINANCIAL STATEMENTS

# 8

## GOODWILL

	Note	£m
<b>Cost</b>		
At 1 July 2011		142.0
Additions - acquisition of subsidiaries		5.8
Additions - other acquisitions		0.2
FEM adjustment		(0.8)
At 1 July 2012		147.2
Additions - acquisition of subsidiaries	25	16.7
Additions - other		0.1
<b>At 30 June 2013</b>		<b>164.0</b>
<b>Accumulated impairment</b>		
At 1 July 2011 and 2012		25.9
Charge for the year		39.2
<b>At 30 June 2013</b>		<b>65.1</b>
<b>Net book amount</b>		
At 30 June 2013		98.9
At 30 June 2012		121.3
At 1 July 2011		116.1

Additions to goodwill arose on the acquisition of Econsultancy in July 2012 (Note 25). Additions from other acquisitions in 2013 arose from the purchase of an additional 0.71% of the share capital of Perfect Information for £0.1m in November 2012.

Additions in 2012 arose from the acquisitions made during the year (Note 25). Other acquisitions related to the purchase of 0.71% of additional share capital in Perfect Information. The FEM adjustment related to an adjustment to acquisition accounting on the 2011 acquisition to recognise the deferred consideration as post acquisition remuneration consistent with IFRS 3 (R).



### Goodwill by segment

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

Goodwill is allocated to segments as follows:

	Marketing £m	Professional £m	Financial £m	Consumer £m	Total £m
<b>At 30 June 2013</b>	<b>36.7</b>	<b>42.4</b>	<b>12.3</b>	<b>7.5</b>	<b>98.9</b>
At 30 June 2012 (as restated)*	40.9	46.5	26.4	7.5	121.3

\*see note 1

### Impairment testing of goodwill and acquired intangible assets

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

The Group estimates the value-in-use of its CGUs using a discounted cash flow model, which adjusts the cash flows for risks associated with the assets and discounts these using a pre-tax rate of 12.6% (2012: 11.9%). The discount rate used is consistent with the Group's weighted average cost of capital and is used across all segments.

The key assumptions used in calculating value-in-use are revenue growth, margin, adjusted EBITDA, discount rate and the terminal growth rate. The Group has used formally approved forecasts for the first three years of the value-in-use calculation, and applied a terminal growth rate of 2.25% (2012: 2.25%). This timescale and the terminal growth rate are both considered appropriate given the cyclical nature of the Group's revenues.

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

At 30 June 2013, before impairment testing, goodwill of £57.5m, £46.6m and £26.4m was allocated to the Marketing, Professional and Financial segments respectively. These segments have been affected during the year by the weakness in print advertising sales and also the reduction in expectations for overseas operations and as a result the Group has revised its cash flow forecasts for these groups of CGUs. The Marketing, Professional and Financial segments have therefore been reduced to their respective recoverable amount through recognition of an impairment loss against goodwill of £20.9m, £4.2m and £14.1m respectively.

For the remaining segment, Consumer, the value-in-use calculations comfortably exceed the carrying values in the sensitivity scenarios.

Following the impairments recorded, a 0.5% increase in WACC would result in further impairment of £1.9m, £0.6m, and £2.5m in Marketing, Professional and Financial respectively. No impairment would occur in Consumer. A 5% decrease in the EBITDA assumption used in the model in years 1-5 would result in further impairment of £2.2m, £0.9m and £2.9m across Marketing, Professional and Financial respectively. No impairment would occur in Consumer.

9

**OTHER TANGIBLE ASSETS**

	Computer software £m	Brands and publishing rights £m	Customer relationships £m	Websites and content £m	Non-compete arrangements £m	Total £m
<b>Cost</b>						
At 1 July 2011	13.0	9.9	4.2	0.4	0.5	28.0
Additions - business combinations	-	1.0	4.4	1.1	-	6.5
Additions - separately acquired	1.7	0.1	-	-	-	1.8
Additions - internally generated	0.3	-	-	-	-	0.3
Disposals	(0.2)	(5.4)	(2.6)	-	-	(8.2)
At 30 June 2012	14.8	5.6	6.0	1.5	0.5	28.4
Additions - business combinations	0.3	-	5.6	3.2	-	9.1
Additions - separately acquired	3.5	-	-	-	-	3.5
Additions - internally generated	0.6	-	-	-	-	0.6
<b>At 30 June 2013</b>	<b>19.2</b>	<b>5.6</b>	<b>11.6</b>	<b>4.7</b>	<b>0.5</b>	<b>41.6</b>
<b>Accumulated amortisation</b>						
At 1 July 2011	8.1	6.0	3.2	0.4	0.5	18.2
Amortisation charge for the year	2.1	0.2	0.5	0.1	-	2.9
Accelerated amortisation (note 3)	0.1	-	-	-	-	0.1
Disposals	(0.2)	(5.4)	(2.6)	-	-	(8.2)
At 30 June 2012	10.1	0.8	1.1	0.5	0.5	13.0
Accelerated amortisation (note 3)	0.2	-	-	-	-	0.2
Amortisation charge for the year	2.3	0.3	1.2	0.8	-	4.6
<b>At 30 June 2013</b>	<b>12.6</b>	<b>1.1</b>	<b>2.3</b>	<b>1.3</b>	<b>0.5</b>	<b>17.8</b>
<b>Net Book value at 30 June 2013</b>	<b>6.6</b>	<b>4.5</b>	<b>9.3</b>	<b>3.4</b>	<b>-</b>	<b>23.8</b>
Net Book value at 30 June 2012	4.7	4.8	4.9	1.0	-	15.4
Net Book value at 1 July 2011	4.9	3.9	1.0	-	-	9.8

Computer software capitalised in 2013 and 2012 principally relates to the development of software used in websites and digital products, and also to the development of new products in various segments.

The additions to customer relationships and websites and content in 2013 relate to the acquisition of Econsultancy (see note 25).

The Company has no intangible assets (2012: £nil).

# 10

## PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements £m	Fixtures and fittings £m	Computer equipment £m	Total £m
<b>Cost</b>				
At 1 July 2011	3.5	3.0	1.8	8.3
Additions	0.1	0.1	0.2	0.4
Additions - business combinations	-	-	0.1	0.1
At 30 June 2012	3.6	3.1	2.1	8.8
Additions	-	0.1	0.2	0.3
Disposals	-	(0.1)	(0.5)	(0.6)
<b>At 30 June 2013</b>	<b>3.6</b>	<b>3.1</b>	<b>1.8</b>	<b>8.5</b>
<b>Accumulated depreciation</b>				
At 1 July 2011	2.4	1.9	1.5	5.8
Depreciation charge for the year	0.3	0.3	0.1	0.7
At 30 June 2012	2.7	2.2	1.6	6.5
Depreciation charge for the year	0.2	0.2	0.2	0.6
Eliminated on disposal	-	(0.1)	(0.5)	(0.6)
<b>At 30 June 2013</b>	<b>2.9</b>	<b>2.3</b>	<b>1.3</b>	<b>6.5</b>
<b>Net Book value at 30 June 2013</b>	<b>0.7</b>	<b>0.8</b>	<b>0.5</b>	<b>2.0</b>
Net Book value at 30 June 2012	0.9	0.9	0.5	2.3
Net Book value at 1 July 2011	1.1	1.1	0.3	2.5

Included in fixtures and fittings are assets purchased under finance leases with a cost of £0.8m (2012: £0.8m), accumulated depreciation of £0.4m (2012: £0.3m) and net book value of £0.4m (2012: £0.5m).

The Company has no property, plant and equipment (2012: £nil).

## NOTES TO THE FINANCIAL STATEMENTS

# 11

## INVESTMENTS

	<b>£m</b>
<b>Cost</b>	
At 1 July 2011, 2012 and 30 June 2013	146.2
<b>Accumulated impairment</b>	
At 1 July 2011 and 2012	-
Charge for the year	12.2
At 30 June 2013	12.2
<b>Net book value at 30 June 2013</b>	<b>134.0</b>
Net book value at 30 June 2011 and 2012	146.2

The following table shows the principal trading subsidiary undertakings of the Company as at 30 June 2013. A full list of subsidiary undertakings will be provided with the Company's next Annual return as at 30 October 2013 which will be available at Companies House.

Name	Proportion of ordinary shares held and voting %	Principal activities	Country of incorporation
Centaur Communications Limited <sup>1</sup>	100.00	Holding company and agency services	United Kingdom
Centaur Consumer Exhibitions Limited	100.00	Exhibitions	United Kingdom
Chiron Communications Limited	100.00	Digital and print publishing	United Kingdom
Ascent Publishing Limited	100.00	Digital and print publishing	United Kingdom
Perfect Information Limited	98.11	Financial information services	United Kingdom
Pro-Talk Limited	100.00	Digital publishing	United Kingdom
Taxbriefs Holdings Limited	100.00	Holding company	United Kingdom
Taxbriefs Limited	100.00	Digital and print publishing	United Kingdom
The Forum for Expatriate Management Limited	100.00	Events and information	United Kingdom
The Forum for Expatriate Management Inc	100.00	Events and information	United States
Investment Platforms Limited	100.00	Research data and analysis	United Kingdom
Venture Business Research Limited	100.00	Research data and analysis	United Kingdom
The Profile Group (UK) Limited	100.00	Digital information	United Kingdom
E-consultancy.com Limited	100.00	Digital information, training and events	United Kingdom

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

The consolidated financial statements incorporate the financial statements of all entities controlled by the Company at 30 June each year.

The proportion held by the Group of the share capital of Perfect Information increased in FY13 from 97.40% to 98.11% following the purchase of an additional 0.71% from a minority shareholder (note 8).

The non-controlling interest has not been recognised by the Group in relation to Perfect Information as the minority share of the company's net assets as at 30 June 2013 was not material for disclosure in these financial statements.

# 12

## INVENTORIES

	2013 Group £m	2012 Group £m
Work in progress	2.0	1.1

The company had no inventory at 30 June 2013 (2012: £nil).

# 13

## TRADE AND OTHER RECEIVABLES

	2013 Group £m	2012 Group £m	2013 Company £m	2012 Company £m
<b>Amounts falling due within one year</b>				
Trade receivables	11.2	9.5	-	-
Less: provision for impairment of receivables	(0.2)	(0.2)	-	-
Trade receivables - net	11.0	9.3	-	-
Receivables from subsidiaries	-	-	9.2	2.8
Other receivables	1.7	1.4	0.3	0.3
Prepayments and accrued income	3.4	2.8	-	-
	<b>16.1</b>	<b>13.5</b>	<b>9.5</b>	<b>3.1</b>

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

	2013 Gross £m	2013 Provision £m	2012 Gross £m	2012 Provision £m
Relating to future revenues	2.3	-	2.6	-
Current	7.2	-	4.1	-
31-60 days	0.7	-	1.6	-
61-90 days	0.5	-	0.6	-
Over 90 days	0.5	(0.2)	0.6	(0.2)
	<b>11.2</b>	<b>(0.2)</b>	<b>9.5</b>	<b>(0.2)</b>

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

# 13

## TRADE AND OTHER RECEIVABLES *(continued)*

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

	2013 Group £m	2012 Group £m
At 1 July	0.2	0.4
Utilised	(0.2)	(0.3)
Additional provision charged to the statement of comprehensive income	0.2	0.1
At 30 June	0.2	0.2

The Group's policy requires customers to pay in accordance with agreed payment terms, which are generally 30 days from the date of invoice or, in the case of event-related revenue, 30 days before the event. All credit and recovery risk associated with trade receivables has been provided for in the balance sheet. The Group's policy for recognising an impairment loss is given in the statement of accounting policies. Impairment losses are taken through administrative expenses in the Statement of comprehensive income.

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

# 14

## CASH AND CASH EQUIVALENTS

	2013 Group £m	2012 Group £m	2013 Company £m	2012 Company £m
Cash at bank and in hand	3.3	5.3	0.1	-

# 15

## BORROWINGS

	2013 Group £m	2012 Group £m	2013 Company £m	2012 Company £m
<b>Current liabilities</b>				
Finance lease payables	0.2	0.2	-	-
Arrangement fee in respect of revolving credit facility	(0.2)	(0.2)	(0.2)	(0.2)
	-	-	(0.2)	(0.2)
<b>Non-current liabilities</b>				
Finance lease payables	0.1	0.3	-	-
Arrangement fee in respect of revolving credit facility	(0.2)	(0.3)	(0.2)	(0.3)
Revolving credit facility	22.8	12.5	22.8	12.5
	22.7	12.5	22.6	12.2

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

### Finance lease payables

Lease payables are secured as the rights to the leased assets revert to the lessor in the event of default.

	2013 £m	2012 £m
Gross finance lease liabilities - minimum lease payments		
No later than 1 year	0.2	0.3
Later than 1 year and no later than 5 years	0.1	0.3
	0.3	0.6
Future finance charges on finance leases	-	(0.1)
Present value of finance lease liabilities	0.3	0.5

The present value of finance lease liabilities is as follows:

	2013 £m	2012 £m
No later than 1 year	0.2	0.2
Later than 1 year and no later than 5 years	0.1	0.3
Present value of finance lease liabilities	0.3	0.5

The finance lease relates to office equipment purchased in 2010.



# 16

## TRADE AND OTHER PAYABLES

	2013 Group £m	2012 Group £m	2013 Company £m	2012 Company £m
Trade payables	2.2	1.1	-	-
Payables to subsidiaries	-	-	0.4	0.3
Social security and other taxes	2.9	2.8	0.1	0.1
Other payables	0.8	0.1	-	-
Accruals	5.7	6.0	0.3	0.1
	<b>11.6</b>	<b>10.0</b>	<b>0.8</b>	<b>0.5</b>

Payables to subsidiaries are unsecured, have no fixed date of repayment and bear interest at an annual rate of 2.11% (2012: 2.11%).

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

# 17

## DEFERRED INCOME

	2013 £m	2012 £m
Deferred income	14.3	11.3

# 18

## CURRENT TAX LIABILITIES

	2013 £m	2012 £m
Corporation tax	1.4	0.8

# 19

## PROVISIONS

	Deferred consideration £m	Onerous lease £m	Total £m
At 1 July 2012	1.2	0.3	1.5
Utilised during the year	(0.2)	(0.6)	(0.8)
Charged to statement of comprehensive income during the year	4.3	0.6	4.9
Released during the year	(5.4)	(0.1)	(5.5)
Unwinding of discount	1.3	-	1.3
Arising on acquisitions (note 25)	11.6	-	11.6
<b>At 30 June 2013</b>	<b>12.8</b>	<b>0.2</b>	<b>13.0</b>
Current	3.0	0.1	3.1
Non-current	9.8	0.1	9.9
<b>Total</b>	<b>12.8</b>	<b>0.2</b>	<b>13.0</b>

### Deferred Consideration

Deferred consideration relates to amounts payable for the acquisitions of FEM, IPL, VBR and Econsultancy.

The amount of deferred contingent consideration payable with respect to the acquisition of FEM was based on the profits generated by FEM in FY13 (the performance period). £0.2m (2012: £nil) was advanced during the year. The balance is payable during FY14. The amount of deferred contingent consideration payable with respect to the acquisition of IPL is dependent on the profits generated by IPL in FY14 (the performance period), subject to a maximum earn out payment of £4.2m. The amount of deferred contingent consideration payable with respect to the acquisition of VBR is dependent on the profits generated by VBR in FY15 (the performance period), subject to a maximum earn out payment of £5.0m. In all cases, the amount provided is dependent on continued employment of the former owners of the business and is treated as post-acquisition remuneration accruing over the period post-acquisition to the end of the performance period. All amounts represent the Directors' best estimate of the amount to be paid at the balance sheet date.

Amounts arising on acquisition relate to deferred consideration payable with respect to the acquisition of Econsultancy. The amount payable is dependent on the profits generated by Econsultancy in the 12 months ended 31 December 2015 (the performance period), subject to a maximum of £38.0m. The forecast amount has been discounted to its present value. During the year the directors best estimate of the deferred consideration payable was revised downwards and the excess provision of £5.4m released to the statement of comprehensive income.

### Onerous Lease

The onerous lease provision relates to premises that are no longer occupied following the transfer of staff to existing group premises. The leases are due to expire during the years ended 2014 and 2015.

# 20

## DEFERRED INCOME TAX

	Accelerated capital allowances £m	Other temporary differences £m	Tax losses £m	Total £m
Net asset/(liability) at 1 July 2011	0.5	(1.0)	-	(0.5)
Recognised in the statement of comprehensive income	-	-	0.3	0.3
Net asset/(liability) at 1 July 2012	0.5	(1.0)	0.3	(0.2)
Acquisition of subsidiary (note 25)	-	(2.0)	-	(2.0)
Recognised in the statement of comprehensive income	0.5	-	0.2	0.7
<b>Net asset/(liability) at 30 June 2013</b>	<b>1.0</b>	<b>(3.0)</b>	<b>0.5</b>	<b>(1.5)</b>

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

	2013 Group £m	2012 Group £m
Deferred tax asset	1.5	0.8
Deferred tax liabilities	(3.0)	(1.0)
<b>Total</b>	<b>(1.5)</b>	<b>(0.2)</b>

At the balance sheet date, the Group has unused tax losses of £1.6m (2012: £1.6m) available for offset against future profits. Deferred tax assets have been recognised in respect of all such tax losses and other temporary differences giving rise to deferred tax assets where it is considered probable based on future budgets that there will be future taxable profits against which these assets will be recovered.

# 21

## SHARE CAPITAL

	2013 Group and company £m	2012 Group and company £m
<b>Authorised</b>		
200,000,000 (2012: 200,000,000) ordinary shares of 10p each	20.0	20.0
Issued and fully paid		
<b>At 30 June 2013: 150,207,960 (30 June 2012: 150,207,960)</b>	<b>15.0</b>	<b>15.0</b>

### Potential issue of ordinary shares

Certain senior executives hold options to subscribe for shares in the Company at prices ranging from 41.67p to 100.00p under the Share Option plan and the Rollover plan. No options were exercised under these plans during 2013 or 2012. The majority of the 2004 options were cancelled during 2011 and Retention plan options were issued - refer to note 22 for more details.

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

A Senior Executive Long-Term Incentive Plan (SELTIP) was launched in 2010 and restricted shares have been awarded under this plan in 2013 and 2012 as detailed in note 22.

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

Year of grant	Plan	Exercise Price Pence	Exercise period	2013 Number of potential issues of shares	2012 Number of potential issues of shares
30 June 2004	Rollover options	41.7	10 March 2005 to 9 March 2014	-	172,777
30 June 2004	Rollover options	57.9	10 March 2005 to 9 March 2014	-	26,743
30 June 2004	Share Option plan	100.0	10 March 2005 to 9 March 2014	587,333	805,010
30 June 2008	Sharesave plan	64.7	1 June 2013 to 1 December 2013	29,678	34,708
30 June 2009	Share Option plan	51.8	29 September 2012 to 29 October 2018	-	2,290,000
30 June 2009	Sharesave plan	20.9	1 July 2012 to 1 January 2013	-	1,383,147
30 June 2009	Sharesave plan	20.9	1 July 2014 to 1 January 2015	564,051	997,938
30 June 2010	Sharesave plan	41.2	1 July 2013 to 1 January 2014	83,618	138,189
30 June 2010	Sharesave plan	41.2	1 July 2015 to 1 January 2016	18,098	33,933
30 June 2012	SELTIP	-	16 September 2014 to 15 September 2021	526,484	711,621
30 June 2013	SELTIP	-	16 September 2014 to 15 September 2021	585,826	-
				<b>2,395,088</b>	<b>6,594,066</b>

The Retention plan as referred to in note 22 will not result in the issue of any ordinary shares as this plan is not approved by shareholders. The awards will be settled from the shares held in the employee benefit trust.

## 22

### SHARE BASED PAYMENTS

---

The Group operates a number of share based payment schemes.

#### **Rollover plan**

Centaur Media plc Executive Directors and certain senior employees elected to rollover existing (“old”) Centaur Communications Limited share options into new “rollover” share options in Centaur Media plc. The options were exchanged for options each at various exercise prices in Centaur Media plc. Rollover option holders have been entitled to exercise the former Centaur Communications Limited options from 10 March 2005 and are excluded from any performance conditions.

#### **Share Option Plan**

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

The Committee had previously granted share options in 2004 under the Share option plan to members of senior management. The Board’s objective in granting options was to increase shareholder value through growth in earnings. All these options can now be exercised as the corporate performance targets relating to them have been met. Details of these targets were set out in the 2008 Report. In October 2008 share options were granted to certain Directors and key members of management. The options granted were exercisable upon the achievement of certain adjusted EPS targets in respect of the financial year ending 30 June 2012 and could not be re-tested. These EPS targets were:

- 8.7p - 10% vesting
- 8.9p - 20% vesting
- 9.2p - 30% vesting
- 9.4p - 50% vesting
- 9.7p - 75% vesting
- 10.0p - 100% vesting

These targets were not met so the share options granted in October 2008 did not vest.

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

#### **Retention Plan**

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

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

The Retention Plan has not been approved by shareholders. Awards will be satisfied using shares held in the Employee Benefit Trust.

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

The Centaur Media Plc 2010 Senior Executive Long-Term Incentive Plan (the "SELTIP") was introduced during 2011. The plan is described on page 54 within the Directors' Report on Remuneration.

Awards of bonus units were made in 2011, 2012 and 2013 as summarised in the following table:

Financial Year	Threshold profit	PBTA achieved	Profit growth	SELTIP contribution	Total bonus pool	Bonus pool allocated*	Number of shares awarded in total**
2011	£4.0m	£6.5m	£2.5m	20%	£0.4m	£0.4m	711,621
2012	£6.5m	£8.0m	£1.5m	30%	£0.4m	£0.3m	788,696
2013	£8.0m	£8.6m	£0.6m	30%	£0.1m	£0.1m	***

\*The Remuneration Committee did not allocate the entire bonus pool in 2012 or 2013.

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

\*\*\* The 2013 awards will be converted to restricted shares on 12 September 2013 based on the share price at the close of business on 11 September 2013.

#### Share Incentive Plan

The Share Incentive Plan is open to all employees who have been employed by the Group for more than 12 months. Employees may invest up to £1,500 per annum (or 10% of their salary if less) in shares in the Company which are held in trust and can be withdrawn with tax paid at any time, or tax-free after five years. The company matches the contribution with a ratio of 1 share for every 2 purchased. Other than continuing employment, there are no other performance conditions attached to the plan. The Executive Directors are eligible to participate in the Share Incentive Plan, as are all employees of the Group. The Share Incentive Plan is an HMRC approved plan.

#### ShareSave Plan

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

# 22

## SHARE BASED PAYMENTS *(continued)*

At 30 June 2013, the following options were outstanding over the shares of Centaur Media plc in the above plans (excluding the ShareSave Plan):

Plan	Exercise price Pence	Number	2013 Contractual remaining life years	Number	2012 Contractual remaining life years
Rollover plan	41.67	-	0.7	172,777	1.7
Rollover plan	57.87	-	0.7	26,743	1.7
Share option plan	100.00	587,333	0.7	805,010	1.7
Share option plan	51.75	-	5.3	2,290,000	6.3
Retention plan	-	281,565	1.0	398,321	2.0
Retention plan	-	170,000	1.5	170,000	2.5
SELTIP 2011	-	526,484	8.2	711,621	9.2
SELTIP 2012	-	585,826	8.2	-	-
		<b>2,151,208</b>	<b>4.6</b>	<b>4,574,472</b>	<b>5.1</b>

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

	Number	2013 Weighted average exercise price Pence	Number	2012 Weighted average exercise price Pence
Outstanding at 1 July	4,574,472	45.42	5,015,929	86.81
Exercised during the year	(86,755)	-	(189,738)	-
Granted during the year	788,696	-	1,101,471	-
Cancelled in the year	-	-	(219,850)	-
Forfeited during the year	(3,125,205)	(47.68)	(1,133,340)	(52.82)
<b>Outstanding at 30 June</b>	<b>2,151,208</b>	<b>27.30</b>	<b>4,574,472</b>	<b>45.42</b>
<b>Exercisable at 30 June</b>	<b>587,333</b>	<b>100.00</b>	<b>1,004,530</b>	<b>88.85</b>

The weighted average share price at the date of exercise was 44.1p (2012: 39.6p)

### ShareSave Plan

The following ShareSave Plan awards were outstanding at 30 June 2013:

Plan	Number	2013 Contractual remaining life years	Number	2012 Contractual remaining life years
2008 5 year plan	29,678	0.42	34,708	1.42
2009 3 year plan	-	-	1,383,147	0.51
2009 5 year plan	564,051	1.51	997,938	2.51
2010 3 year plan	83,618	0.51	138,189	1.51
2010 5 year plan	18,098	2.50	33,933	3.50
	<b>695,445</b>	<b>1.66</b>	<b>2,587,915</b>	<b>1.66</b>



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

	2013 Number	2013 Weighted average exercise price Pence	2012 Number	2012 Weighted average exercise price Pence
Outstanding at 1 July	2,587,915	22.86	3,346,202	23.17
Exercised during the year	(1,646,216)	(21.06)	(331,124)	(20.92)
Forfeited during the year	(246,254)	(26.67)	(427,163)	(26.82)
<b>Outstanding at 30 June</b>	<b>695,445</b>	<b>25.76</b>	<b>2,587,915</b>	<b>22.86</b>
<b>Exercisable at 30 June</b>	-	-	-	-

The weighted average share price at the date of exercise was 36.5p (2012: 36.5p).

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

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

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

For the SELTIP, as grants of restricted shares have been made during the year, fair values with respect to the 2012 tranche of awards have been finalised in 2013. The estimated charge recognised in 2012 with respect to this award has been adjusted in 2013 alongside the recognition of the current year's expense for this award to reflect the finalisation of the fair values. As restricted shares have not yet been granted with respect to the 2013 tranche of awards under this scheme, the fair valuation has been estimated based on the latest available information. The resulting share-based payment expense is being recognised from the start of the performance period (1 July 2012) to the end of the vesting period.

The total charge for 2013 relating to employee share based payment plans was £0.3m (2012: £0.3m), all of which related to equity-settled share based payment transactions.

## 23

### DIVIDENDS

---

#### Equity dividends

	2013 £m	2012 £m
Final dividend paid for 2012: 1.5p per 10p ordinary share	2.1	-
Final dividend paid for 2011: 1.3p per 10p ordinary share	-	1.8
Interim dividend paid for 2013: 0.825p per 10p ordinary share	1.2	-
Interim dividend paid for 2012: 0.75p per 10p ordinary share	-	1.1
	<b>3.3</b>	<b>2.9</b>

---

A final dividend of £2.0m (1.575p per share) is proposed by the Directors and, subject to shareholder approval at the Annual General Meeting, will be paid on 6 December 2013.

# 24

## NOTES TO THE CASH FLOW STATEMENT

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

	2013 Group £m	2012 Group £m	2013 Company £m	2012 Company £m
(Loss)/profit for the year	(38.4)	1.3	(13.8)	(1.6)
Adjustments for:				
Tax	1.0	1.4	-	-
Depreciation	0.6	0.7	-	-
Amortisation of intangibles	4.6	2.9	-	-
Accelerated amortisation of software (included within exceptional costs)	0.2	0.1	-	-
Impairment of goodwill (included within in exceptionals)	39.2	-	12.2	-
IFRS 3 ('R) earn-out (included within exceptional costs)	4.3	1.1	-	-
Earnout Provision release (included within exceptional costs)	(5.4)	-	-	-
Interest expense	1.2	0.6	-	0.3
IAS 39 discounting unwind	1.3	-	-	-
Share option charge	0.3	0.3	0.1	0.1
Profit on disposal	-	(0.3)	-	-
Changes in working capital (excluding effects of acquisitions and disposals of subsidiaries)				
(Increase)/decrease in inventories	(0.9)	0.2	-	-
(Increase)/decrease in trade and other receivables	(0.8)	2.9	(6.0)	(1.3)
Increase/(decrease) in trade and other payables	0.4	(3.6)	0.2	(2.6)
Increase in deferred income	1.8	0.5	-	-
(Decrease)/increase in provisions	(0.1)	0.2	-	-
Cash generated from/(used in) operating activities	9.3	8.3	(7.3)	(5.1)

### Analysis of changes in net debt

Group	Note	At 1 July 2012 £m	Cash flow	At 30 June 2013 £m
Cash and cash equivalents	14	5.3	(2.0)	3.3
Borrowings	15	(12.5)	(10.3)	(22.8)
Net debt		(7.2)	(12.3)	(19.5)

Company	Note	At 1 July 2012 £m	Cash flow	At 30 June 2013 £m
Borrowings	15	(12.5)	(10.3)	(22.8)

# 25

## ACQUISITIONS

### Subsidiaries acquired

	Date of acquisition	Proportion of voting equity interest acquired
<b>Year-ended 30 June 2013</b>		
E-consultancy.com Limited	11.07.2012	100%
<b>Year-ended 30 June 2012</b>		
Investment Platform Limited (IPL)	19.08.2011	100%
Venture Business Research Limited (VBR)	08.12.2011	100%
The Profile Group (UK) Limited (Profile)	20.02.2012	100%

On 11 July 2012, the Group acquired the entire issued share capital of E-consultancy.com Limited ("Econsultancy") a business which provides information, training and events to digital marketing businesses in the UK, USA, Middle East and Far East and will complement the Group's Marketing division. Initial cash consideration of £11.9m was paid on completion of the acquisition, net of a working capital adjustment of £0.1m. Deferred consideration is payable based on 7.5 times the Econsultancy's EBITDA for the year ending December 2015, subject to a maximum total consideration (including the initial cash consideration) of £50.0m. Initial forecasts indicated that the deferred consideration payment would be approximately £18.0m which, after discounting, was initially recognised at a fair value of £11.6m. As a result of post-acquisition trading, this was downgraded to an expected deferred consideration payment of £10.5m, discounted to £7.6m. The change in provision has been recognised in the Statement of Comprehensive Income in accordance with IFRS 3 (R).

The amounts recognised in respect of the identifiable assets acquired and liabilities assumed are as set out in the table below. The provisional fair values disclosed in the Group's half year results have been amended to reflect a £2.0m deferred tax liability in relation to the intangible assets. This has resulted in a corresponding increase to goodwill.

	2013 £m
Identifiable intangible fixed assets	9.1
Cash and cash equivalents	0.5
Trade and other receivables	2.0
Trade and other payables	(2.8)
Deferred tax liability	(2.0)
<b>Total identifiable net assets</b>	<b>6.8</b>
Goodwill	16.7
<b>Total consideration</b>	<b>23.5</b>
Satisfied by:	
Cash consideration	11.9
Contingent consideration	11.6
<b>Total consideration transferred</b>	<b>23.5</b>
Net cash outflow arising on acquisition	
Cash consideration	11.9
Less: cash and cash equivalents acquired	(0.5)
	<b>11.4</b>

---

Acquisition-related costs amounting to £0.7m have been excluded from the consideration and recognised as an expense in the current year as an exceptional cost within the net operating expenses line item on the consolidated statement of comprehensive income.

Goodwill arose on the acquisition in relation to the benefit of the assembled workforce and expected operating synergies. These benefits are not recognised separately from goodwill as they do not meet the recognition criteria for identifiable assets.

The goodwill arising on the acquisition has been allocated to the Marketing segment, as that segment is expected to benefit from the synergies of the business combination.

Econsultancy contributed £9.3m to revenue and £1.0m to the Group's profit for the period between the acquisition and the balance sheet date.

The business combination was effective from 11 July 2012, therefore the Group revenue of £72.0m and EBITDA of £12.9m would not be materially different had the combination taken place at 1 July 2012.

During the year-ended 30 June 2012 the Group acquired the entire issued share capital of Investment Platform Limited (IPL), Venture Business Research Limited (VBR) and The Profile Group (UK) Limited (Profile). There have been no changes to the fair values recognised the financial statements for the year then ended.

# 26

## FINANCIAL INSTRUMENTS

Subsidiaries acquired	2013 £m	2012 £m
<b>Financial assets</b>		
Cash and bank balances	3.3	5.3
Loans and receivables	12.7	10.7
	<b>16.0</b>	<b>16.0</b>
<b>Financial liabilities</b>		
Amortised cost	31.8	20.2

The Group's activities expose it to a variety of financial risks: currency risk, interest rate risk, credit risk, liquidity risk and capital risk. The following note describes the role that financial instruments have had during the year ended 30 June 2013 in the management of the Group's financial risks.

### Currency risk

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

### Interest rate risk

The Group has no significant interest-bearing assets but is exposed to interest rate risk as it borrows funds at floating interest rates. In accordance with Group policy, this risk may be managed by the use of interest rate swap contracts as cash flow hedges. Hedging activities are evaluated regularly to align interest rate views and risk appetite with the hedging requirements of the Group's revolving credit facility. The Group did not enter into any hedging transactions during the year (2012: none) and, as at 30 June 2013, the only floating rate to which the Group is exposed was LIBOR.

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

### Credit risk

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

### Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. Throughout the year-ended 30 June 2013, and for the foreseeable future, the Group is expected to be in a net borrowings position. The Group manages liquidity risk by maintaining adequate reserves and working capital credit facilities, and by continuously monitoring forecast and actual cash flows. A summary of the undrawn facilities the Group has at its disposal to further reduce liquidity risk is shown below. The total facility available reduces by £2.5m each year until it reaches £30.0m during the year to 30 June 2016.

	2013 £m	2012 £m
<b>Expiring later than one year and less than 5 years</b>		
Loan Facility	14.1	27.5

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

	Book value £m	Fair value £m	Less than 1 year £m	2-5 years £m
<b>At 30 June 2013</b>				
Financial liabilities				
Variable interest rate instruments	22.8	22.8	-	22.8
Fixed interest rate instruments	0.3	0.3	0.2	0.1
	23.1	23.1	0.2	22.9
<b>At 30 June 2012</b>				
Financial liabilities				
Variable interest rate instruments	12.5	12.5	-	12.5
Fixed interest rate instruments	0.5	0.5	0.2	0.3
	13.0	13.0	0.2	12.8

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

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

#### Capital risk

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

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

The Group continues to benefit from its banking facilities agreed during 2012 which features both a working capital facility, to assist in managing the Group's liquidity risk, and an acquisition facility, to support the Group's acquisition strategy. The facility, available for a period of 4 years, allows for a maximum drawdown of £40.0m, £30.0m of which can be utilised for funding acquisition activity and £10.0m of which can be utilised for working capital purposes. Interest is calculated on LIBOR plus a margin dependent on the level of outstanding drawdowns, which is re-measured quarterly in line with covenant testing.

The Group's borrowings are subject to financial covenants tested quarterly. At 30 June 2013 all of these covenants were achieved.

# 27

## OPERATING LEASE COMMITMENTS - MINIMUM LEASE PAYMENTS

Commitments under non-cancellable operating leases payable	2013 £m	2012 £m
Within 1 year	2.7	2.4
Later than one year and less than 5 years	3.6	4.9
After 5 years	1.0	0.9
	<b>7.3</b>	<b>8.2</b>

Commitments receivable under non-cancellable subleases		
Within 1 year	0.6	0.6
Later than one year and less than 5 years	-	0.6
After 5 years	-	-
	<b>0.6</b>	<b>1.2</b>

# 28

## PENSION SCHEMES

The Group contributes to individual and collective money purchase pension schemes in respect of Directors and employees once they have completed the requisite period of service. The charge for the year in respect of these pension schemes, which are defined contribution schemes, is shown in note 5. Included within other payables is an amount of £0.1m (2012: £0.1m) payable in respect of the money purchase pension schemes.



# 29

## RELATED PARTY TRANSACTIONS

### Group

Key management compensation is disclosed in note 5.

As at 30 June 2013, the Group was owed a total of £45,000 by GP Simidian, a director of Perfect Information Limited, (2012: £62,000 owed by GP Simidian and MJP McLaren) arising from unpaid share subscriptions relating to their minority shareholding in that company.

There were no other material related party transactions.

### Company

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

	2013 £m	2012 £m
Recharge of administrative expenses	0.1	0.1
Interest payable	0.3	0.3
	<b>0.4</b>	<b>0.4</b>

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

### Audit Exemption

For the year-ended 30 June 2013 the Company has provided a guarantee pursuant to sections 479A-C of the Companies Act 2006 over the liabilities of the following subsidiaries and as such they are exempt from the requirements of the Act relating to the audit of individual accounts for this financial year.

Name	Company Number	Outstanding liabilities
Centaur Communications Limited	01595235	15.8
Centaur Consumer Exhibitions Limited	07276298	2.3
Chiron Communications Limited	01081808	3.1
Ascent Publishing Limited	02561341	1.3
Pro-Talk Limited	03939119	-
Taxbriefs Holdings Limited	03572069	-
Taxbriefs Limited	01247331	0.4
Investment Platforms Limited	06439194	0.7
Venture Business Research Limited	05663936	0.2
The Profile Group (UK) Limited	05243851	1.3
Mayfield Publishing Limited	02034820	0.4
Your Business Magazine Limited	01707331	4.1
Moorgate Nominees Limited	00233730	-
Synergy Software Solutions Limited	02652312	-
Synergy Real Time Systems Limited	02652315	-
Perfect Information (Asia Pacific) Limited	728013	-
Synsoft Group Limited	02652471	-
Synergy Software Limited	02095108	-
Centaur Publishing Limited	02752562	-
The Awareness Group Limited	04301840	-
Marketing Week Communications Limited	03119804	-

