21 July 2020

Centaur Media Plc

Interim results for the 6 months ended 30 June 2020

Decisive action taken to mitigate the impact of COVID-19

Strong balance sheet with cash balance of over £8m and substantial undrawn borrowing facilities

Centaur Media, an international provider of business intelligence and specialist consultancy, is pleased to present its interim results for the 6 months ended 30 June 2020.

Financial Highlights

£m	HY 2020	HY 2019	% Change
Statutory revenue	**17.7**	24.1	(27)
Adjusted[1] EBITDA	**1.0**	1.2	(17)
Adjusted[1] operating loss	**(1.1)**	(1.3)	15
Group statutory profit/(loss) after taxation	**(13.9)**	6.0	-

- Encouraging start to 2020 prior to onset of COVID-19
- Reported revenues fell by 27% to £17.7m due to the impact of COVID-19 (decline of 18% on an underlying[2] basis)
- Group adjusted[1] EBITDA decreased from £1.2m in HY 2019 to £1.0m
- Lost margin from revenue fall substantially mitigated by savings from 2019 and further tightened cost control
- Goodwill impairment of £11.0m relating to MarketMakers
- Cash of £8.4m at 30 June 2020
- Bank facility renegotiated to provide up to £10m of borrowings with waived covenant tests to 30 September 2021

Prior to the onset of COVID-19, Centaur performed well in the initial months of 2020, building on the momentum from a strong Q4 2019, and was on track to achieve the revenue growth set out under its Margin Acceleration Plan 2022 (MAP22) in addition to the benefit of 2019 cost savings. As Centaur began to feel the impact of the pandemic from March, we took immediate action to mitigate the effects on our clients and our business, protect the health and safety of our employees and customers, and ensure Centaur's long-term financial security.

The lower revenue resulted in the reduction of £5.3m of gross profit, mainly arising from MarketMakers (£2.4m), Econsultancy (£1.1m), the closure in 2019 of Marketing Week Live (£0.5m) and the loss of advertising and events at The Lawyer (£1.1m). These losses were partially offset by an improved contribution from the Mini-MBA of £0.4m, one of several examples of revenue generation from creating new online offerings.

As previously reported, we made significant divisional and central cost savings during 2019 and the benefit of these have flowed through to the 2020 HY results. As the COVID-19 impact deepened, we also moved decisively to tighten our cost control with measures that included halting recruitment, furloughing approximately 25% of our workforce, reducing Board and senior management remuneration and decreasing marketing expenditure. These steps, together with the previously announced 2019 overhead reductions, mitigated almost all the margin impact from lost revenue in H1 2020. In addition, and as expected, there was the loss of £1.0m of other income (from transitional service agreements relating to our 2019 disposals and rental income from subletting floors in our previous office).

Centaur remains financially strong with £8.4m in cash as at 30 June 2020, and access to a further £10m of lending on which leverage/interest cover covenant tests have been waived until September 2021.

Strategic and operational highlights

We have been encouraged by the resilient performance of some of our brands, demonstrating the benefit from Centaur's investment in digital transformation in recent years. During the half, our teams moved quickly to adapt some of our training and events to an online format, allowing us to maintain relationships and sales of our services.

However, the enforced closure of large parts of the UK economy, had a severe impact on our Q2 revenues, particularly at MarketMakers and in our recruitment advertising. On an underlying[2] basis, revenue for the half year decreased by 20% in Xeim to £15.0m and by 10% to £2.7m in The Lawyer. This comparison adjusts for the sale of Venture Business Research, last year's closure of Marketing Week Live and the postponement of legal events to the second half of 2020.

At Xeim, Mini-MBA continues to perform well with year-on-year revenue and delegate numbers more than doubling, reflecting strong demand for its online courses, including new bespoke offerings. Influencer Intelligence has reported flat revenues for the half year which reflects a satisfactory performance in the context of COVID-19. It achieved good revenue growth in Q1 which was offset by a significant fall in Q2 renewals resulting from many of its customers in the fashion and retail sectors struggling.

Thanks to the strength of our digital capabilities, we were able to move many of our face-to-face training sessions online. We also plan to hold online versions of several of our flagship events, including The Festival of Marketing, The Lawyer Awards and The Lawyer General Counsel Summit. However, the online format is expected to lead to a significant reduction in event revenues as we will not benefit from delegate or table sales.

MarketMakers experienced a sharp fall in revenue as several major customers were hit by disruption in their own markets and therefore cancelled their spending. In addition, a substantial proportion of its SME telemarketing business has not renewed. Management is restructuring MarketMakers to make it a smaller business, focused upon the Really B2B marketing agency. This is expected to lead to the loss of about 130 roles in July (approximately half of the total employees) and it is likely that further restructuring will be required. The reduced size and profitability of the business, as well as the structural weakness in the outbound telesales market, has required Centaur to make an impairment charge of £11.0m against the value of its assets, which represents the full goodwill on acquisition of MarketMakers.

Econsultancy also felt the impact from reduced levels of customer spend following the onset of the pandemic. In response, the brand has embraced online training and continued to reduce fixed costs.

The Lawyer continues to attract strong renewal income from leading international law firms with the 2020 renewal season largely complete and delivering a year-on-year renewal rate of 106%. It was recently named Business Information Product of the Year at the PPA Awards, where the judges said The Lawyer was “an innovative and commercially successful product with a very smart, clear strategy”. Litigation Tracker, launched in January 2019, has also continued to perform robustly, and will introduce further platform enhancements before the end of the year. The strength of The Lawyer’s subscription business, resulting in a 13% increase in premium revenue, helped to partly offset a 36% fall in its advertising revenues as the recruitment market shut down during the pandemic.

In addition to the restructuring at MarketMakers, there have been a small number of job losses at our London office. Together, these measures have resulted in an exceptional restructuring charge of £0.6m. This excludes any further restructuring costs that may be required at MarketMakers.

Dividends

As previously announced, the Board is adopting a prudent approach to shareholder distributions and will not declare an interim dividend payment for the half year. The Board will determine the timing for the resumption of dividends once the broader market situation and the impact of COVID-19 on its business and its cashflow becomes clearer.

Outlook

Due to the pandemic, Centaur is reviewing the targets for its MAP22 plan and will provide an update when we have greater clarity on future trading. At present, we have little visibility beyond Q3 and the full year outturn will depend on the performances of the Festival of Marketing and The Lawyer Awards. With the short-term outlook for face-to-face events remaining uncertain due to government and client companies' restrictions on travel and meetings, and concern for the safety of our employees, the new online format for our second-half events makes forecasting difficult. For our other business lines, the effect of COVID-19 is likely to result in some customers delaying purchasing decisions as the economic and business outlook remains uncertain.

We will provide guidance as soon as we have a clearer view of trading over the balance of 2020. Over the medium and longer term, we would expect the contraction of our cost base achieved in 2019, together with further reductions undertaken in the context of COVID-19, to result in a more streamlined and resilient business. This will allow Centaur to capitalise on future opportunities and deliver significantly improved margins.

Swag Mukerji, Chief Executive Officer, commented:

“We had a good start to the year and were on track with our MAP22 plans. Following the onset of the pandemic, we took swift action to restructure the business, reduce our cost base and obtain bank covenant waivers so that we remain financially strong.

In the context of market conditions and the ongoing uncertainty, we continue to be encouraged by the performance of a number of our key brands where we adapted our offering as we went into lockdown. The profit margin shortfall arising from the revenue reduction was substantially mitigated by the flow through of 2019 cost reductions as well as further cost savings we have implemented this year.

With that in mind, we are confident that Centaur will emerge from 2020 a more resilient business well-positioned to take advantage of future opportunities. I would like to thank our customers and our employees for the tremendous energy and flexibility they have shown in these difficult times."

[1] Adjusted EBITDA is adjusted operating profit before depreciation and amortisation on a post-IFRS 16 basis. Adjusting items are detailed in note 4 of this Interim Report.
[2] Underlying revenues exclude the impact of Venture Business Research which was sold in the first half of 2019, Marketing Week Live which was closed in the first half of 2019, and events in The Lawyer which took place in H1 2019, but have been moved to H2 in 2020 due to the pandemic.

Enquiries

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Overview of Group Performance

The performance of the Group has been impacted by the COVID-19 pandemic, especially in relation to our live events and MarketMakers businesses. We have postponed six events run by The Lawyer into the second half of 2020 and MarketMakers has seen a significant fall in revenue as several of its larger customers were hit by disruption in their own markets.

Due to our strong digital capabilities, we have been able to move many of our face-to-face training sessions online and plan to hold online or hybrid versions of some of our flagship events including The Festival of Marketing, The Lawyer Awards and The Lawyer General Counsel Summit. This digital capability has, and will, allow us to protect a proportion of these important revenue streams for the duration of the pandemic.

The Mini-MBA has continued to perform strongly with year-on-year revenue growth of 101%. Overall premium content revenues have held up well across the Group with a renewal rate of 106% in The Lawyer. Influencer Intelligence and Econsultancy subscriptions were showing good year-on-year growth in billings prior to COVID-19 but have since seen reduced demand leaving revenue flat for Influencer Intelligence and down 17% for Econsultancy. As would be expected in a downturn, Marketing and Advertising Solutions revenues have fallen during the period, especially relating to recruitment advertising.

The Group took decisive action at the start of the pandemic with recruitment frozen, approximately 25% of employees put on the government's furlough scheme, a reduction in board and senior management remuneration and a reduction in discretionary spend. We have also announced a significant restructuring of the MarketMakers business. The Group's balance sheet remains strong with closing cash of £8.4m. On the back of our strong balance sheet, the Group has access to a further £10m of lending on which leverage/interest cover covenant tests have been waived until September 2021. This is a temporary reduction of the Group's limit available under its £25m revolving credit facility signed in 2018. The Group has the right to re-instate the £25m limit with applicable full covenant testing at any time.

Trading Summary

	Six months ended 30 June 2020 Unaudited	Six months ended 30 June 2019 Unaudited	Reported movement %
Revenue (£m)	**17.7**	24.1	(27)
Other operating income (£m)	**-**	1.0	(100)
Adjusted[2] operating loss (£m)	**(1.1)**	(1.3)	15
Adjusted[2] loss before tax (£m)	**(1.3)**	(1.4)	7
Statutory operating loss (£m)	**(14.4)**	(4.6)	(213)
(Loss)/profit for the period from discontinued operations (£m)	**(0.1)**	2.2	-
Group statutory (loss)/profit after tax (£m)	**(13.9)**	6.0	-
Adjusted[2] diluted EPS from continuing operations (pence)	**(0.6)**	(0.9)	33
Adjusted[2] diluted EPS from discontinued operations (pence)	**-**	1.5	(100)
Ordinary dividend per share (pence)	**-**	1.5	(100)
Special dividend per share (pence)	**-**	2.0	(100)
Total dividend per share (pence)	**-**	3.5	(100)
Adjusted operating cash flow[3] (£m)	**3.2**	2.6	23
Cash conversion[4]	**N/A**	74%	

The Group is unable to provide a calculated cash conversion number for H1 2020 as Adjusted EBITDA excluding the impact of IFRS 16 is nil. Cash collection has remained strong and the Group has a sizeable cash balance.

Reported revenue fell 27% year-on-year with Xeim reported revenue falling (24%) and The Lawyer revenue falling (39%). Underlying[1] group revenue fell 18% year-on-year with Xeim showing decline of 20% and The Lawyer 10%.

Due to the COVID-19 pandemic, The Lawyer postponed a series of events to the second half of 2020. In 2019 these events recorded revenue of £1.3m. In H1 2019 the Group also disposed of Venture Business Research ("VBR"). These events, and the revenues of VBR have been excluded from the underlying[1] revenue calculations of The Lawyer presented within this report. In Xeim, underlying[1] revenue for 2019 excludes the impact of Marketing Week Live which was closed in that year.

The adjusted[2] operating loss was £1.1m (2019: loss of £1.3m) which, despite the impact of COVID-19, still represents a year-on-year improvement due to the significantly lower cost base of the business following the 2019 overhead reduction plan.

Following declines in revenue in its telemarketing business, MarketMakers has been restructured and the Group has recognised the full impairment of its goodwill of £11.0m. In addition to the restructuring at MarketMakers, there have been a small number of job losses at our London office. Together, these measures have resulted in an exceptional restructuring charge of £0.6m.

Cash decreased from £9.3m at the end of 2019 to £8.4m at the end of June. Cash performance was strong in the period and cash collection has performed well. In the period, the Group generated £3.2m (pre IFRS 16) of cash from operating activities and paid out £3.4m pertaining to exceptional costs related to the 2019 disposal and redundancy programme that were accrued at the end of 2019.

	Six months ended 30 June (unaudited)	
	2020	2019
	£m	£m
Adjusted[2] operating (loss)/profit	**(1.1)**	1.6
Depreciation and amortisation pre IFRS 16	**1.1**	1.9
Movement in working capital pre IFRS 16	**3.2**	(0.9)
Adjusted operating cash flow[3]	**3.2**	2.6
Capital expenditure	**(0.6)**	(0.4)
Cash impact of exceptional items	**(3.4)**	(0.7)
Taxation	**-**	(0.3)
Interest and finance leases pre IFRS 16	**-**	(0.1)
Free cash flow	**(0.8)**	1.1
Acquisitions	**-**	(0.1)
Disposals	**(0.1)**	16.0
Dividends	**-**	(2.1)
Share buybacks	**-**	(0.6)
(Decrease)/increase in net cash	**(0.9)**	14.3
Opening net cash	**9.3**	0.1
Closing net cash	**8.4**	14.4

Adjusted[2] diluted EPS for the reporting period was (0.6)p. In 2019, we reported (0.9)p from continuing operations and 1.5p from discontinued operations. Diluted EPS for the reporting period on a statutory basis was (9.6)p. In 2019, we reported 3.9p with (2.9)p from continuing operations and 6.8p from discontinued operations. There was no impact from discontinued operations on EPS in 2020.

Segmental Review

Revenue and adjusted[2] operating loss for the six months ended 30 June, together with reported and underlying[1] growth rates across each segment, are set out below.

	Xeim	**The Lawyer**	**Total**	Xeim	The Lawyer	Total
	2020	**2020**	**2020**	2019	2019	2019
	£m	**£m**	**£m**	£m	£m	£m
Underlying revenue						
Premium Content	**5.1**	**1.8**	**6.9**	5.5	1.6	7.1
Marketing Services	**1.5**	**-**	**1.5**	2.0	-	2.0
Training and Advisory	**3.1**	**-**	**3.1**	3.5	-	3.5
Events	**0.3**	**-**	**0.3**	0.4	-	0.4
Marketing and Advertising Solutions	**1.8**	**0.9**	**2.7**	2.3	1.4	3.7
Telemarketing Services	**3.2**	**-**	**3.2**	5.0	-	5.0
Total underlying revenue	**15.0**	**2.7**	**17.7**	18.7	3.0	21.7
Underlying revenue decline (%)	***(20)***	***(10)***	***(18)***			
Revenue from closed or deferred events and disposals	**-**	**-**	**-**	1.0	1.4	2.4
Total statutory revenue	**15.0**	**2.7**	**17.7**	19.7	4.4	24.1
Statutory revenue decline (%)	***(24)***	***(39)***	***(27)***			

The table below reconciles the adjusted operating profit/(loss) for each segment to the adjusted EBITDA:

	Xeim	**The Lawyer**	**Central**	**Total**	Xeim	The Lawyer	Central	Total
	2020	**2020**	**2020**	**2020**	2019	2019	2019	2019
	£m	**£m**	**£m**	**£m**	£m	£m	£m	£m
Revenue	**15.0**	**2.7**	**-**	**17.7**	19.7	4.4	-	24.1
Other income	**-**	**-**	**-**	**-**	-	-	1.0	1.0
Operating costs	**(14.3)**	**(2.4)**	**(2.1)**	**(18.8)**	(18.2)	(3.1)	(5.1)	(26.4)
Adjusted operating profit/(loss)	**0.7**	**0.3**	**(2.1)**	**(1.1)**	1.5	1.3	(4.1)	(1.3)
Adjusted operating margin	***5%***	***11%***	**-**	**-**	*8%*	*30%*	-	-
Depreciation and amortisation	**1.4**	**0.3**	**0.4**	**2.1**	1.4	0.4	0.7	2.5
Adjusted EBITDA (post-IFRS 16)	**2.1**	**0.6**	**(1.7)**	**1.0**	2.9	1.7	(3.4)	1.2
Adjusted EBITDA margin (post-IFRS 16)	***14%***	***22%***	**-**	***6%***	*15%*	*39%*	-	*5%*
Adjusted EBITDA (pre-IFRS 16)	***1.4***	***0.5***	**(1.9)**	**-**	2.1	1.5	(3.4)	0.2
Adjusted EBITDA margin (pre-IFRS 16)	***9%***	***19%***	**-**	**-**	*11%*	34%	-	1%

Xeim

Xeim reports a decrease in statutory and underlying revenue of 24% and 20% respectively. There are no adjustments to underlying revenue for Xeim in 2020. Xeim's underlying revenue for 2019 excludes the impact of Marketing Week Live which ran for the last time in 2019.

Strong performance in the Mini-MBA has been offset by falling telemarketing revenues at MarketMakers, lower training revenues in Econsultancy and declines in advertising revenue.

Adjusted EBITDA has fallen £0.8m to £2.1m. Despite a fall in revenue of £4.7m, Xeim has managed its cost base such that the impact on the bottom line has been limited.

Xeim contains four key brands – Marketing Week, Econsultancy, MarketMakers and Influencer Intelligence.

Marketing Week reported strong revenue growth in H1 2020 on the back of an excellent performance from the Mini-MBA which saw delegate growth of 103% from 2019. Marketing Week also moved behind a paywall in 2019 and we saw continued growth in subscription numbers through the first half of 2020.

Econsultancy had a challenging period with training revenue down significantly as corporates cut back on face-to-face training programmes. We have moved quickly to introduce increased online training capability and expect that this will mitigate against further declines in training revenue. Premium content has also fallen as corporates have cut back on discretionary marketing related spend.

MarketMakers has been the hardest hit part of the Group with telemarketing sales down 37% as several large clients have cut spend significantly. A major restructuring of the business has taken place with approximately 130 employees to leave the business at the end of July and a revised focus on marketing services through Really B2B. It is likely that further restructuring will be required.

Influencer Intelligence has reported flat revenues for the half year which reflects a satisfactory performance in the context of COVID-19. Billings were above the prior year by 13% in the first two months of 2020, although since the start of the COVID-19 pandemic renewals and new business have dropped.

Across Xeim as a whole marketing and advertising solutions revenue fell 22% against 2019.

The Lawyer

The Lawyer's events business has been significantly impacted in the first half of 2020 with six events being delayed into the second half of 2020. Excluding the impact of timing of events and the disposal of VBR in H1 2019, underlying revenue is down 10%. A decline in marketing solutions and recruitment advertising revenue of 36% is partially offset by good growth in premium content revenue arising from a year-on-year renewal rate of 106% - all magic circle law firms have renewed their subscriptions during the period.

Adjusted EBITDA has fallen 65% from £1.7m to £0.6m. The Lawyer has been impacted more than Xeim in a reduction in reported revenue due to the deferral of events to the second half. Strong cost control and reduction has, like Xeim, reduced the impact on the bottom line.

Dividends

On 27th May 2020, the Group announced that it was suspending payment of the final 0.5p dividend relating to the 2019 financial year in order to preserve cash during the COVID-19 pandemic. Due to continued uncertainty from the pandemic the Board currently does not believe it is prudent to declare an interim dividend for 2020. The Board will keep the situation under review and determine the timing for resumption of dividends once the longer-term impact on the Group's cashflow has become clearer.

Balance Sheet

The balance sheet of the Group remains strong with good levels of cash. Although days sales outstanding has increased marginally, cash collection has remained healthy and we continue to closely monitor the risk of exposure to bad debt.

Goodwill decreased by £11.0m in the period resulting from the impairment to MarketMakers following its restructure as discussed earlier in this report.

Outlook

Due to the pandemic, Centaur is reviewing the targets for its MAP22 plan and will provide an update when we have greater clarity on future trading. At present, we have little visibility beyond Q3 and, in particular, the new online format for Festival of Marketing and our other second-half events makes forecasting difficult. We will provide guidance as soon as we have a clearer view of trading over the balance of 2020.

Principal Risks and Uncertainties

- The world economy has been severely impacted by the COVID-19 pandemic and UK GDP fell 20.2% in April 2020 against March 2020. This, combined with the end of the transition deal with the EU at the end of 2020, has significantly increased the Group's sensitivity to UK / sector economic conditions. The Board considers this risk to have increased since December 2019.

- Failure to deliver a high growth performance culture. Centaur's success depends on growing the business and completing the MAP22 strategy. In order to do this, it depends in large part on its ability to recruit, motivate and retain highly experienced and qualified employees in the face of often intense competition from other companies, especially true in London. The Board considers this risk to have remained the same since December 2019.

- Fraudulent or accidental breach of our security, or ineffective operation of IT and data management systems leads to loss, theft or misuse of personal data or confidential information or other breach of data protection requirements. The Board considers this risk to be broadly the same as for the prior year.

- Regulatory: GDPR, PECR and other similar legislation involve strict requirements regarding how Centaur handles personal data, including that of customers and the risk of a fine from the ICO, third-party claims (e.g. from customers) as well as reputational damage if we do not comply. The Board considers this risk to be broadly the same as for the prior year.

- Serious systems failure (affecting core systems and multiple products or functions) or breach of IT network security (either as a result of a deliberate cyber-attack or unintentional event). The Board considers this risk to be broadly the same as for the prior year.

Forward Looking Statements

Certain statements in this interim report are forward looking. Although the Group believes that the expectations reflected in these forward-looking statements are reasonable, it can give no assurance that these expectations will prove to have been correct. Because these statements involve risks and uncertainties, actual results may differ materially from those expressed or implied by these forward-looking statements. It undertakes no obligation to update any forward-looking statements whether as a result of new information, future events or otherwise.

Statement of Directors' Responsibilities

The Directors confirm that this consolidated interim financial information has been prepared in accordance with IAS 34 as adopted by the European Union, and that the interim management report herein includes a fair review of the information required by DTR 4.2.7 and DTR 4.2.8, namely:

- An indication of important events that have occurred during the period and their impact on the condensed interim financial statements, and a description of the principal risks and uncertainties for the remaining period of the financial year; and

- Material related party transactions in the period and any material changes in the related party transactions described in the last annual report.

The Directors of Centaur Media Plc are listed in the Centaur Media Plc Annual Report for the year ended 31 December 2019. On 5th February Carol Hosey joined the board as a non-executive director, replacing Colin Jones as Chair of the Remuneration Committee; Carole also sits on the Nomination and Audit Committees. On 1st March, Leslie-Ann Reid joined the Board as a non-executive director and replaced Robert Boyle as Chair of the Audit Committee on 31st March 2020. Robert Boyle and Rebecca Miskin, members of the Audit, Nomination and Remuneration committees, retired on 31st March.

A list of current directors is maintained on the Centaur Media Plc website.

Going Concern

In assessing the going concern status, the Directors considered the Group's activities, the financial position of the Group and their identification of any material uncertainties including the impact of the current COVID-19 pandemic and the principal risks to the Group. The Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for at least 12 months from the date of this report and for this reason, they continue to adopt the going concern basis in preparing the interim financial statements. See the going concern section in the accounting policies on pages 21 to 22 for further details.

Related Party Transactions

Besides the changes to the Board structure noted above, there have been no further changes to the reported related parties or nature of transactions with them as set out in the Annual Report for the year ended 31 December 2019.

The interim report was approved by the Board of Directors and authorised for issue on 20 July 2020 and signed on behalf of the Board by:

Swag Mukerji, Chief Executive Officer

Notes:

(a) The maintenance and integrity of the Centaur Media plc website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the interim financial statements since they were initially presented on the website.

(b) Legislation in the United Kingdom governing the preparation and dissemination of interim financial statements may differ from legislation in other jurisdictions.

Footnotes:

[1] Underlying revenues exclude the impact of Venture Business Research which was sold in the first half of 2019, Marketing Week Live which was closed in 2019, and The Lawyer GC Summit, The Lawyer In-House Financial Services Conference, The Lawyer 100, The Marketing Leadership Summit and The European Lawyer Awards all of which took place in H1 2019, but have been moved to H2 in 2020 due to the COVID-19 pandemic.

[2] Adjusted results exclude adjusting items, as detailed in note 4 of this Interim Report.

[3] For reconciliation of adjusted operating cashflow see page 24 of this Interim Report.

[4] Cash conversion is calculated as adjusted operating cashflow / adjusting operating profit excluding depreciation and amortisation charges on a pre-IFRS 16 basis. The 2019 comparative has also been restated to a pre-IFRS 16 basis

Independent review report to Centaur Media Plc

Report on the condensed consolidated interim financial statements

Our conclusion

We have reviewed Centaur Media Plc's condensed consolidated interim financial statements (the "interim financial statements") in the Interim Report of Centaur Media Plc for the 6 month period ended 30 June 2020. Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

What we have reviewed

The interim financial statements comprise:

- the consolidated statement of financial position as at 30 June 2020;
- the consolidated statement of comprehensive income for the period then ended;
- the consolidated cash flow statement for the period then ended;
- the consolidated statement of changes in equity for the period then ended; and
- the explanatory notes to the condensed consolidated interim financial statements.

The interim financial statements included in the Interim Report have been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

As disclosed in note 1 to the interim financial statements, the financial reporting framework that has been applied in the preparation of the full annual financial statements of the Group is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Responsibilities for the interim financial statements and the review

Our responsibilities and those of the directors

The Interim Report, including the interim financial statements, is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the Interim Report in accordance with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

Our responsibility is to express a conclusion on the interim financial statements in the Interim Report based on our review. This report, including the conclusion, has been prepared for and only for the company for the purpose of complying with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and for no other purpose. We do not, in giving this conclusion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What a review of interim financial statements involves

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We have read the other information contained in the Interim Report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim financial statements.

PricewaterhouseCoopers LLP
Chartered Accountants
London
20 July 2020

Consolidated Statement of Comprehensive Income for the six months ended 30 June 2020

	Note	Six months ended 30 June (Unaudited)					
		Adjusted results[1] 2020 £m	**Adjusting items[1] 2020 £m**	**Statutory results 2020 £m**	Adjusted results[1] 2019 £m	Adjusting items[1] 2019 £m	Statutory results 2019 £m
Continuing operations							
Revenue	2	**17.7**	**-**	**17.7**	24.1	-	24.1
Other operating income	2	**-**	**-**	**-**	1.0	-	1.0
Net operating expenses	3	**(18.8)**	**(13.3)**	**(32.1)**	(26.4)	(3.3)	(29.7)
Operating loss		**(1.1)**	**(13.3)**	**(14.4)**	(1.3)	(3.3)	(4.6)
Finance costs		**(0.2)**	**-**	**(0.2)**	(0.1)	-	(0.1)
Loss before tax		**(1.3)**	**(13.3)**	**(14.6)**	(1.4)	(3.3)	(4.7)
Taxation	5	**0.5**	**0.3**	**0.8**	0.2	0.3	0.5
Loss for the period from continuing operations		**(0.8)**	**(13.0)**	**(13.8)**	(1.2)	(3.0)	(4.2)
Discontinued operations							
(Loss) / profit for the period from discontinued operations	6	**(0.1)**	**-**	**(0.1)**	2.2	8.0	10.2
(Loss) / profit for the period attributable to owners of the parent		**(0.9)**	**(13.0)**	**(13.9)**	1.0	5.0	6.0
Total comprehensive (loss) / income attributable to owners of the parent		**(0.9)**	**(13.0)**	**(13.9)**	1.0	5.0	6.0
(Loss) / earnings per share attributable to owners of the parent	7						
Basic from continuing operations		**(0.6p)**	**(9.0p)**	**(9.6p)**	(0.9p)	(2.0p)	(2.9p)
Basic from discontinued operations		**-**	**-**	**-**	1.6p	5.5p	7.1p
Total		**(0.6p)**	**(9.0p)**	**(9.6p)**	0.7p	3.5p	4.2p
Fully diluted from continuing operations		**(0.6p)**	**(9.0p)**	**(9.6p)**	(0.9p)	(2.0p)	(2.9p)
Fully diluted from discontinued operations		**-**	**-**	**-**	1.5p	5.3p	6.8p
Total		**(0.6p)**	**(9.0p)**	**(9.6p)**	0.6p	3.3p	3.9p

[1] Adjusting items are disclosed in note 4

Consolidated Statement of Changes in Equity for the six months ended 30 June 2020

	Share capital £m	Own shares £m	Share premium £m	Reserve for shares to be issued £m	Deferred shares £m	Foreign currency reserve £m	Retained earnings £m	Total equity £m
Unaudited								
At 1 January 2019	15.1	(6.9)	1.1	1.8	0.1	-	55.5	66.7
Profit for the period and total comprehensive income	-	-	-	-	-	-	6.0	6.0
Transactions with owners:								
Dividends (note 13)	-	-	-	-	-	-	(2.1)	(2.1)
Acquisition of treasury shares (note 14)	-	(0.6)	-	-	-	-	-	(0.6)
Fair value of employee services	-	-	-	0.3	-	-	-	0.3
As at 30 June 2019	15.1	(7.5)	1.1	2.1	0.1	-	59.4	70.3
Unaudited								
At 1 January 2020	**15.1**	**(7.2)**	**1.1**	**1.8**	**0.1**	**0.1**	**50.1**	**61.1**
Profit for the period and total comprehensive income	**-**	**-**	**-**	**-**	**-**	**-**	**(13.9)**	**(13.9)**
Transactions with owners:								
Exercise of share awards (notes 14 & 15)	**-**	**0.8**	**-**	**(0.6)**	**-**	**-**	**(0.2)**	**-**
Fair value of employee services (note 15)	**-**	**-**	**-**	**0.5**	**-**	**-**	**-**	**0.5**
Foreign currency on translation	**-**	**-**	**-**	**-**	**-**	**(0.1)**	**-**	**(0.1)**
As at 30 June 2020	**15.1**	**(6.4)**	**1.1**	**1.7**	**0.1**	**-**	**36.0**	**47.6**

Consolidated Statement of Financial Position as at 30 June 2020
Registered number 04948078

	Note	**30 June 2020 Unaudited £m**	Restated[2] 30 June 2019 Unaudited £m	31 December 2019 Audited £m	1 January 2019 Unaudited £m
Non-current assets					
Goodwill	8	**41.2**	52.2	52.2	62.6
Other intangible assets	9	**7.1**	10.9	9.0	15.5
Property, plant and equipment		**5.2**	2.6	4.3	3.6
Deferred income tax assets		**2.3**	0.8	1.4	0.8
		55.8	66.5	66.9	82.5
Current assets					
Inventories		**-**	0.2	-	1.4
Trade and other receivables	10	**8.1**	13.7	10.8	14.5
Cash and cash equivalents		**8.4**	14.4	9.3	0.1
Current tax asset		**-**	0.4	0.1	0.2
		16.5	28.7	20.2	16.2
Total assets		**72.3**	95.2	87.1	98.7
Current liabilities					
Trade and other payables		**(8.8)**	(11.9)	(12.5)	(13.0)
Lease liabilities	11	**(2.1)**	(1.2)	(2.1)	(2.3)
Deferred income		**(9.9)**	(10.5)	(8.7)	(15.0)
Provisions	12	**(0.6)**	-	-	(0.1)
		(21.4)	(23.6)	(23.3)	(30.4)
Net current (liabilities) / assets		**(4.9)**	5.1	(3.1)	(14.2)
Non-current liabilities					
Lease liabilities	11	**(2.9)**	(0.9)	(2.2)	(1.0)
Provisions		**-**	(0.1)	(0.1)	(0.1)
Deferred tax liabilities		**(0.4)**	(0.3)	(0.4)	(0.5)
		(3.3)	(1.3)	(2.7)	(1.6)
Net assets		**47.6**	70.3	61.1	66.7
Capital and reserves attributable to owners of the parent					
Share capital		**15.1**	15.1	15.1	15.1
Own shares	14	**(6.4)**	(7.5)	(7.2)	(6.9)
Share premium		**1.1**	1.1	1.1	1.1
Other reserves		**1.8**	2.2	1.9	1.9
Foreign currency reserve		**-**	-	0.1	**-**
Retained earnings		**36.0**	59.4	50.1	55.5
Total equity		**47.6**	70.3	61.1	66.7

[2] See note 1 for description of the prior period restatement.

The notes are an integral part of these condensed consolidated interim financial statements. The condensed consolidated interim financial statements were approved by the Board of Directors on 20 July 2020 and were signed on its behalf by:

Simon Longfield
Chief Financial Officer

Consolidated Cash Flow Statement for the six months ended 30 June 2020

	Note	Six months ended 30 June (unaudited) **2020** **£m**	2019 £m
Cash flows from operating activities			
Cash generated from operations	16	**0.9**	3.1
Tax paid		**-**	(0.3)
Net cash generated from operating activities		**0.9**	2.8
Cash flows from investing activities			
Cash consideration received on disposal of subsidiaries less cash and cash equivalents disposed of	6	**-**	16.5
Directly attributable costs of disposal of subsidiaries		**(0.1)**	(0.5)
Purchase of property, plant and equipment		**(0.2)**	-
Purchase of intangible assets	9	**(0.4)**	(0.4)
Acquisition of subsidiary – settlement of deferred consideration		**-**	(0.1)
Net cash flows (used in) / generated from investing activities		**(0.7)**	15.5
Cash flows from financing activities			
Payment for shares bought back		-	(0.6)
Interest paid		-	(0.1)
Payment of obligations under finance lease	11	**(1.1)**	(1.2)
Dividends paid to company's shareholders	13	**-**	(2.1)
Proceeds of borrowings		**-**	2.8
Repayment of borrowings		**-**	(2.8)
Net cash flows used in financing activities		**(1.1)**	(4.0)
Net (decrease) / increase in cash and cash equivalents		**(0.9)**	14.3
Cash and cash equivalents at beginning of period		**9.3**	0.1
Cash and cash equivalents at end of period		**8.4**	14.4
Reconciliation of net cash:			
Cash and cash equivalents		**8.4**	14.4
Borrowings		**-**	-
		8.4	14.4

Notes to the condensed consolidated interim financial statements

1 Summary of significant accounting policies

General information

Centaur Media Plc ('the Company') is a public company limited by shares and incorporated and domiciled in England and Wales. The address of the Company's registered office is Floor M, 10 York Road, London, SE1 7ND, United Kingdom. The Company is listed on the London Stock Exchange.

These condensed consolidated interim financial statements were approved for issue on 20 July 2020.

These condensed consolidated interim financial statements are unaudited and do not constitute the statutory accounts within the meaning of Section 434 of the Companies Act 2006. The Group's most recent statutory financial statements, which comprise the Annual Report and audited Financial Statements for the year ended 31 December 2019 were approved by the Board of Directors on 17 March 2020 and delivered to the Registrar of Companies. The report of the auditors on those financial statements was not qualified, did not contain an emphasis of matter paragraph and did not contain any statement under Section 498 of the Companies Act 2006.

The consolidated financial statements of the Group as at, and for the year ended 31 December 2019, are available upon request from the Company's registered office or at www.centaurmedia.com.

Accounting policies and estimates

The accounting policies adopted by the Group in the condensed consolidated interim financial statements are consistent with those applied by the Group in its consolidated financial statements for the year ended 31 December 2019, except as described below:

- Taxes on income in the interim periods are accrued using the tax rate that would be applicable to the expected total annual profit or loss.

The following accounting policy has been adopted by the Group in the condensed consolidated interim financial statements from 1 January 2020:

- *Government grants*

  Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received, and the Group will comply with all attached conditions. Government grants are recognised in the profit or loss and deducted from the related expense within net operating expenses in the consolidated statement of comprehensive income. Note 3 provides further information on how the Group accounts for government grants.

1 Summary of significant accounting policies (continued)

The preparation of the condensed consolidated interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2019.

Management note that there is an increased level of uncertainty in relation to key accounting assumptions, estimates and judgements regarding the going concern assumption, the carrying value of goodwill and intangible assets and expected credit loss. These estimates use forecasts and discounted forecast cash flows, which are exposed to an increased level of uncertainty in light of COVID-19. To mitigate the risk this increased level of uncertainty poses, the forecasts used have had increased levels of sensitivity applied in assessments. Please refer to the going concern section below, note 8 and note 10.

New standards and interpretations not yet adopted

There are no standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

Prior period restatement

i) Correction of prior period accounting errors

Where indicated, restatements have been made to prior period comparatives for right-of-use ('ROU') assets, other receivables and accruals (presented in property, plant and equipment, trade and other receivables and trade and other payables respectively on the face of the consolidated statement of financial position). The restatement is in respect of an error in the measurement of ROU assets on the adoption of IFRS 16 on 1 January 2019. Initial measurement of the ROU asset is calculated as the NPV of the lease liability, adjusted for a) any rental accrual or prepayment on the balance sheet on 31 December 2018 relating to the asset that arose under the previous accounting standard IAS 17 and b) an additional adjustment in relation to a lease incentive receivable on the exit of a London property. At 30 June 2019, this restatement has resulted in lowering the net book value of ROU assets by £0.7m, increasing other receivables by £0.5m and reducing accruals by £0.2m. For the six months ended 30 June 2019, the restatement has resulted in a decrease in depreciation on ROU assets by £0.3m and an increase in other operating expenses by £0.3m, both of which are presented in net operating expenses on the consolidated statement of comprehensive income. Therefore, there is no net impact to the consolidated statement of comprehensive income, whilst there is a decrease of £0.3m on EBITDA. There is no tax impact of the restatement.

1 Summary of significant accounting policies (continued)

This was identified after the authorisation of the 2019 Interim Report, and therefore the balances are being retrospectively restated. This restatement has impacted the balances on the consolidated statement of financial position and notes 3, 10, 11 and 16. This restatement has no impact to periods prior to 2019. The 2019 Annual Report and financial statements were adjusted for these items and so there is no further restatement in the 2020 financial statements.

Comparative numbers

Certain prior period comparatives have been updated to reflect current period disclosures. Refer to notes 2 and 4 for further details.

Basis of preparation

The condensed consolidated interim financial statements for the six-month period ended 30 June 2020 have been prepared in accordance with the Disclosure and Transparency rules of the Financial Conduct Authority and with International Financial Reporting Standards ('IFRSs') and IAS 34, 'Interim financial reporting', as adopted by the European Union. The condensed consolidated financial statements should be read in conjunction with the Annual Report and Financial Statements for the year ended 31 December 2019, which have been prepared in accordance with IFRSs as adopted by the European Union.

Going concern

The Group has net current liabilities at 30 June 2020 of £4.9m (2019: net current assets £5.1m). In the current period net current liabilities are primarily arising from the Group's normal high levels of deferred income relating to events in the future rather than an inability to service its liabilities, as deferred income will not result in a cash outflow. In the prior period net current assets resulted from the normal high levels of deferred income, offset by larger current asset balances, including a higher cash and cash equivalents of £14.4m driven by the sale of subsidiaries.

In assessing the going concern status, the Directors considered the Group's activities, the financial position of the Group and their identification of any material uncertainties including the impact of the current COVID-19 pandemic and the principal risks to the Group. The Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for at least 12 months from the date of this report and for this reason, they continue to adopt the going concern basis in preparing the interim financial statements.

The Board has paid special attention to the going concern status of the Group given the COVID-19 pandemic. The Group's revenue, and hence profitability, has been impacted in the first half of 2020 primarily in our telemarketing and events businesses. The Group's increased reliance on premium subscription revenue and strong growth in our Mini-MBA e-learning course and reduced reliance on advertising and events revenue, combined with the benefits of the 2019 overhead cost reduction programme, has significantly strengthened the Group's ability to continue operations during a severe downturn.

1 Summary of significant accounting policies (continued)

The Group remains exposed to the events business and reported underlying events revenue of £5.3m in 2019. Action has been taken to move as many of these events online as possible in order to maintain a proportion of these revenue streams. As announced on 10 July, the Festival of Marketing is going digital, delivering a week-long global event in October.

As part of the Board's considerations, management has considered a variety of revenue and profit downside scenarios including significantly lower revenue from major events such as the Festival of Marketing and The Lawyer Awards combined with large revenue falls across other major revenue streams including MarketMakers. It is felt this scenario is unlikely given the preparation already undertaken for these events to take place digitally.

In these downside scenarios, there could be a period of time in which the Group has a negative rolling 12-month adjusted EBITDA and therefore unable to draw on its revolving credit facility of £25m. The Group has therefore negotiated access to £10m of lending on which leverage/interest cover covenant tests have been waived until September 2021. This is a temporary reduction of the Group's limit available under its £25m revolving credit facility signed in 2018. The Group has the right to re-instate the £25m limit with applicable full covenant testing at any time. These downside scenarios indicate the Group has sufficient headroom to remain a going concern.

This waiver is subject to a minimum liquidity test of £3m combining the £10m revolving credit facility limit and the Group's £1.7m overdraft facility.

Presentation of non-statutory measures

In addition to statutory measures, the Directors use various non-GAAP key financial measures to evaluate the Group's performance and consider that presentation of these measures assist shareholders in understanding its core trading performance. The basis of the principal adjustments is comparable with that presented in the consolidated financial statements for the year ended 31 December 2019, and as described in those financial statements. The measures used are explained and reconciled to their equivalent statutory headings below.

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

Adjustments are made in respect of:

- Exceptional items - the Group considers items of income and expense as exceptional and excludes them from the adjusted results where the nature of the item, or its size, is likely to be material and non-recurring in nature so as to assist the user of the financial statements to better understand the results of the core operations of the Group. Details of exceptional items are shown in note 4.

1 Summary of significant accounting policies (continued)

- Impairment of Goodwill – the Directors believe that non-cash impairment charges in relation to goodwill are generally volatile and material, and therefore exclude any such charges from the adjusted results of the Group. Details of the goodwill impairment analysis are shown in note 8.
- Amortisation of acquired intangible assets – the amortisation charge for those intangible assets recognised on business combinations is excluded from the adjusted results of the Group since they are non-cash charges arising from non-trading investment activities. As such, they are not considered reflective of the core trading performance of the Group. Details of amortisation of intangible assets are shown in note 9.
- Share-based payments – share-based payment expenses are excluded from the adjusted results of the Group as the Directors believe that the volatility of these charges can distort the user's view of the core trading performance of the Group.
- Profit or loss on disposal of assets or subsidiaries – profit or loss on disposals of businesses are excluded from adjusted results of the Group as they are unrelated to core trading and can distort a user's understanding of the performance of the Group due to their infrequent and volatile nature. See note 4.
- Other separately reported items – certain other items are excluded from the adjusted results where they are considered large or unusual enough to distort the comparability of core trading results year on year. Details of these separately disclosed items are shown in note 4.

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

Further details of adjusting items are included in note 4. A reconciliation between adjusted and statutory earnings per share measures is shown in note 7.

The following charges / (credits) were presented as adjusting items:

	Six months ended 30 June (unaudited)	
	2020	2019
	£m	£m
Continuing operations		
Loss before tax	**(14.6)**	(4.7)
Exceptional operating costs	**0.6**	1.4
Impairment of goodwill	**11.0**	-
Amortisation of acquired intangibles	**1.2**	1.2
Share-based payments	**0.5**	0.4
Loss on disposal of subsidiary	**-**	0.3
Adjusted loss before tax	**(1.3)**	(1.4)
Finance costs	**0.2**	0.1
Adjusted operating loss	**(1.1)**	(1.3)

1 Summary of significant accounting policies (continued)

Adjusted operating cash flow is not a measure defined by IFRS. It is defined as cash flow from operations excluding the impact of adjusting items, which are defined above. The Directors use this measure to assess the performance of the Group as it excludes volatile items not related to the core trading of the Group. Statutory cash flow from operations reconciles to adjusted operating cash as below:

	Six months ended 30 June (unaudited)	
	2020	2019
	£m	£m
Reported cash flow from operating activities	**0.9**	3.1
Cash impact of adjusting items	**-**	1.4
Working capital impact of adjusting items	**3.4**	(0.7)
Cash impact of IFRS 16	**(1.1)**	(1.2)
Adjusted operating cash flow pre IFRS 16	**3.2**	2.6

Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The condensed consolidated interim financial statements do not include all financial risk management information and disclosures required in the annual consolidated financial statements; they should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2019.

Market risk has increased significantly as a result of the COVID-19 pandemic as can be seen by the decline in revenues caused in our telemarketing and advertising businesses. The Group's diversified revenue streams, with a strong subscription base revenue stream and growth in e-Learning from our Mini-MBA course, combined with the cost reduction programme seen in 2019, has helped the Group mitigate against the decline in the wider market. The COVID-19 pandemic has increased the credit risk to the Group as the average time for our debtors to pay has increased since the beginning of lockdown in March. This slowdown is reflected in the increased provision held by the Group as a percentage of gross trade debtors when compared to December 2019. We are pleased to note that cash collection times improved in June and days sales outstanding are only marginally higher than they were in 2019. We continue to closely monitor cash collection. The Group has not noticed a significant change in liquidity risk over the period as it still holds a significant cash balance and has successfully amended the Group's revolving credit facility in the period as outlined in this report.

There have been no changes in risk management processes or policies since the year end.

Seasonality

In the Group's annual report for 2019, it was noted that following the disposal programme in 2019, an increased percentage of revenue and profits would be derived in the second half of each financial year.

1 Summary of significant accounting policies (continued)

As a result of the current COVID-19 pandemic, events that achieved £1.4m of revenue in 2019 have been deferred to the second half of 2020. This means that a larger percentage of the Group's annual revenue and profit will now be derived in the second half of 2020.

2 Segmental reporting

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

The Group is organised around two reportable market-facing segments: Xeim and The Lawyer. These two segments derive revenues from a combination of premium content, marketing services, training and advisory, events, marketing and advertising solutions and telemarketing services. Overhead costs are allocated to these segments on an appropriate basis, depending on the nature of the costs, including in proportion to revenues or headcount. Corporate income and costs have been presented separately as "Central". The Group believes this is the most appropriate presentation of segmental reporting for the user to understand the core operations of the Group. There is no inter-segmental revenue.

Segment assets consist primarily of property, plant and equipment, intangible assets including goodwill and trade receivables. Segment liabilities comprise trade payables, accruals and deferred income.

Corporate assets and liabilities primarily comprise property, plant and equipment, intangible assets, current and deferred tax balances, cash and cash equivalents, borrowings and lease liabilities.

Capital expenditure comprises additions to property, plant and equipment (excluding ROU assets – see note 11), intangible assets and includes additions resulting from acquisitions through business combinations.

Prior period comparative numbers have been updated to reflect current period presentation and disclosures. A portion of overhead costs, and assets and liabilities that were previously presented as Central have now been allocated to Xeim and The Lawyer, an update to reflect the same allocation basis as the current period. These reallocations have resulted in changing overhead costs, assets and liabilities between segments in the prior period. Xeim and The Lawyer now have an additional £3.5m and £1.0m of overhead costs respectively, £14.1m and £1.9m assets respectively, and £5.6m and £0.9m liabilities respectively, that were previously presented in Central.

Additionally, The Lawyer now has a loss on disposal of subsidiary of £0.3m that was previously presented in Central which is the segment that the operational results of Venture Business Research Limited ('VBR') up to the date of disposal were presented in. See note 4 for details.

2 Segmental reporting (continued)

	Xeim £m	The Lawyer £m	Core operations £m	Central £m	Continuing operations £m	Discon-tinued operations £m	Group £m
Six months ended 30 June 2020							
Unaudited							
Revenue	15.0	2.7	**17.7**	-	**17.7**	**-**	**17.7**
Adjusted operating profit / (loss)	0.7	0.3	**1.0**	(2.1)	**(1.1)**	**-**	**(1.1)**
Exceptional operating costs	(0.6)	-	**(0.6)**	-	**(0.6)**	**-**	**(0.6)**
Impairment of goodwill	(11.0)	-	**(11.0)**	-	**(11.0)**	**-**	**(11.0)**
Amortisation of acquired intangibles	(1.2)	-	**(1.2)**	-	**(1.2)**	**-**	**(1.2)**
Share-based payments	(0.2)	-	**(0.2)**	(0.3)	**(0.5)**	**-**	**(0.5)**
Operating (loss) / profit	(12.3)	0.3	**(12.0)**	(2.4)	**(14.4)**	**-**	**(14.4)**
Finance costs					**(0.2)**	**-**	**(0.2)**
(Loss) / profit before tax					**(14.6)**	**-**	**(14.6)**
Taxation					**0.8**	**(0.1)**	**0.7**
(Loss) / profit for the period					**(13.8)**	**(0.1)**	**(13.9)**
Segment assets	45.4	19.7	**65.1**	-	**65.1**	**-**	**65.1**
Corporate assets				7.2	**7.2**	**-**	**7.2**
Consolidated total assets					**72.3**	**-**	**72.3**
Segment liabilities	(14.2)	(4.6)	**(18.8)**	-	**(18.8)**	**-**	**(18.8)**
Corporate liabilities				(5.8)	**(5.8)**	**-**	**(5.8)**
Consolidated total liabilities					**(24.6)**	**-**	**(24.6)**
Other items							
Capital expenditure (tangibles and intangibles)	0.3	-	**0.3**	0.2	**0.5**	**-**	**0.5**

2 Segmental reporting (continued)

	Xeim £m	The Lawyer £m	Core operations £m	Central £m	Continuing operations £m	Discon-tinued operations £m	Group £m
Six months ended 30 June 2019							
Unaudited							
Revenue	19.7	4.4	**24.1**	-	**24.1**	**7.0**	**31.1**
Other operating income	-	-	**-**	1.0	**1.0**	**-**	**1.0**
Adjusted operating profit / (loss)	1.5	1.3	**2.8**	(4.1)	**(1.3)**	**2.9**	**1.6**
Exceptional operating costs	-	(0.9)	**(0.9)**	(0.5)	**(1.4)**	**(0.1)**	**(1.5)**
Loss on disposal of subsidiary	-	(0.3)	**(0.3)**	-	**(0.3)**	**-**	**(0.3)**
Profit on disposal of subsidiaries	-	-	**-**	-	**-**	**8.2**	**8.2**
Amortisation of acquired intangibles	(1.2)	-	**(1.2)**	-	**(1.2)**	**(0.1)**	**(1.3)**
Share-based payments	(0.1)	-	**(0.1)**	(0.3)	**(0.4)**	**-**	**(0.4)**
Operating profit / (loss)	0.2	0.1	**0.3**	(4.9)	**(4.6)**	**10.9**	**6.3**
Finance costs					**(0.1)**	**-**	**(0.1)**
(Loss) / profit before tax					**(4.7)**	**10.9**	**6.2**
Taxation					**0.5**	**(0.7)**	**(0.2)**
(Loss) / profit for the period					**(4.2)**	**10.2**	**6.0**
Segment assets (restated[2])	69.5	22.9	**92.4**	-	**92.4**	**-**	**92.4**
Corporate assets (restated[2])				2.8	**2.8**	**-**	**2.8**
Consolidated total assets (restated[2])					**95.2**	**-**	**95.2**
Segment liabilities (restated[2])	(19.2)	(4.1)	**(23.3)**	-	**(23.3)**	-	**(23.3)**
Corporate liabilities (restated[2])				(1.6)	**(1.6)**	-	**(1.6)**
Consolidated total liabilities (restated[2])					**(24.9)**	-	**(24.9)**
Other items							
Capital expenditure (tangibles and intangibles)	0.4	-	**0.4**	0.3	**0.7**	**-**	**0.7**

[2] See note 1 for description of the prior period restatement.

2 Segmental reporting (continued)

Supplemental information

Revenue by geographical location

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

	Six months ended 30 June (unaudited)					
	Xeim 2020 £m	**The Lawyer 2020 £m**	**Total 2020 £m**	Xeim 2019 £m	The Lawyer 2019 £m	Total 2019 £m
United Kingdom	**11.8**	**2.1**	**13.9**	16.1	3.5	19.6
Europe (excluding United Kingdom)	**0.8**	**0.3**	**1.1**	1.1	0.5	1.6
North America	**1.9**	**0.2**	**2.1**	2.0	0.3	2.3
Rest of world	**0.5**	**0.1**	**0.6**	0.5	0.1	0.6
	15.0	**2.7**	**17.7**	19.7	4.4	24.1

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

Revenue by type

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

	Six months ended 30 June (unaudited)					
	Xeim 2020 £m	**The Lawyer 2020 £m**	**Total 2020 £m**	Xeim 2019 £m	The Lawyer 2019 £m	Total 2019 £m
Premium Content	**5.1**	**1.8**	**6.9**	5.5	1.6	7.1
Marketing Services	**1.5**	**-**	**1.5**	2.0	-	2.0
Training & Advisory	**3.1**	**-**	**3.1**	3.5	-	3.5
Events	**0.3**	**-**	**0.3**	1.4	1.4	2.8
Marketing and Advertising Solutions	**1.8**	**0.9**	**2.7**	2.3	1.4	3.7
Telemarketing Services	**3.2**	**-**	**3.2**	5.0	-	5.0
	15.0	**2.7**	**17.7**	19.7	4.4	24.1

Other operating income

The Group's other operating income from continuing operations by type is as follows:

	Six months ended 30 June (unaudited)	
	2020 £m	2019 £m
Rental income	**-**	0.4
Transitional service agreement income	**-**	0.6
	-	1.0

2 Segmental reporting (continued)

Rental income in the prior period related to the sublease of part of the Group's rented property in London. This property was vacated in December 2019.

Transitional services agreement income in the prior period related to services provided to the buyers of the subsidiaries disposed of during 2019. All transitional services agreements ceased in 2019.

3 Net operating expenses

Operating profit is stated after charging/(crediting):

Continuing operations

		Six months ended 30 June (unaudited)					
					Restated[2]		Restated[2]
		Adjusted results[1]	**Adjusting items[1]**	**Statutory results**	Adjusted results[1]	Adjusting items[1]	Statutory results
		2020	**2020**	**2020**	2019	2019	2019
	Note	**£m**	**£m**	**£m**	£m	£m	£m
Employee benefits expense		**11.9**	**0.6**	**12.5**	15.0	-	15.0
Government grants		**(0.6)**	**-**	**(0.6)**	-	-	-
Net employee benefits expense		**11.3**	**0.6**	**11.9**	15.0	-	15.0
Net foreign exchange		**(0.1)**	**-**	**(0.1)**	-	-	-
Depreciation of property, plant and equipment[3]		**1.1**	**-**	**1.1**	1.1	-	1.1
Amortisation of intangible assets	9	**1.0**	**1.2**	**2.2**	1.4	1.2	2.6
Impairment of goodwill	8	**-**	**11.0**	**11.0**	-	-	-
Loss on disposal of subsidiary		**-**	**-**	**-**	-	0.3	0.3
Other exceptional operating costs	4	**-**	**-**	**-**	-	1.4	1.4
Repairs and maintenance expenditure		**-**	**-**	**-**	0.1	-	0.1
Impairment of trade receivables	10	**0.2**	**-**	**0.2**	0.1	-	0.1
Share-based payment expense	15	**-**	**0.5**	**0.5**	-	0.4	0.4
Other operating expenses		**5.3**	**-**	**5.3**	8.7	-	8.7
		18.8	**13.3**	**32.1**	26.4	3.3	29.7
Cost of sales		**6.6**	**-**	**6.6**	11.9	-	11.9
Distribution costs		**0.1**	**-**	**0.1**	0.1	-	0.1
Administrative expenses		**12.1**	**13.3**	**25.4**	14.4	3.3	17.7
		18.8	**13.3**	**32.1**	26.4	3.3	29.7

[1] Adjusting items are disclosed in note 4

[2] See note 1 for description of the prior period restatement.

[3] In the current period depreciation of £1.0m (2019 restated: £0.6m) relates to right-of-use assets recognised on the adoption of IFRS 16 on 1 January 2019. See note 11 for further details.

Government grants

The Group applied for government grants of £0.6m relating to the period for furloughed employees based at both the London and Portsmouth offices (2019: £nil). £0.4m of this was received during the period and £0.2m is held as a receivable on the consolidated statement of financial position at 30 June

3 Net operating expenses (continued)

2020. This £0.2m government grant was received in full in July 2020. Government grants have been deducted from the related employee benefit expenses and presented within net operating expenses in the consolidated statement of comprehensive income.

4 Adjusting items

Certain items are presented as adjusting. These are detailed below.

	Six months ended 30 June (unaudited)	
	2020	2019
	£m	£m
Continuing operations		
Exceptional operating costs		
Staff restructuring costs (including external employment advice costs)	**0.6**	0.3
Divestment programme related costs	**-**	1.1
Exceptional operating costs	**0.6**	1.4
Impairment of goodwill	**11.0**	-
Amortisation of acquired intangible assets	**1.2**	1.2
Share-based payments	**0.5**	0.4
Loss on disposal of subsidiary	**-**	0.3
Adjusting items to profit before tax	**13.3**	3.3
Tax relating to adjusting items	**(0.3)**	(0.3)
Total adjusting items after tax	**13.0**	3.0
Discontinued operations		
Profit on disposal of subsidiaries	**-**	(8.2)
Exceptional costs	**-**	0.1
Amortisation of acquired intangibles	**-**	0.1
Tax relating to adjusting items	**-**	-
Total adjusting items after tax	**13.0**	(5.0)

Exceptional costs

Staff related restructuring costs (including external employment advice costs)

During the current period, staff related restructuring costs of £0.5m related to restructuring the MarketMakers business and £0.1m related to restructuring other parts of the wider Centaur Group due to the adverse impact of the COVID-19 pandemic. Refer to further details in note 12.

In the prior period staff related restructuring costs of £0.1m related to the Group's cost reduction plan following the completion of the divestment programme in 2019 and £0.2m of related external employment advice. The prior period comparative amount includes £0.2m of external employment advice costs previously presented as a separate line item within exceptional operating costs in the 2019 interim financial statements.

4 Adjusting items (continued)

Divestment programme related costs

The divestment programme related costs in the prior period are professional fees incurred relating to the sales process for The Lawyer.

Impairment of goodwill

An impairment of £11.0m against goodwill relating to the MarketMakers business was recognised in the current period. There were no impairments recognised in the prior period. See note 8 for further details.

Loss on disposal of subsidiary

This £0.3m loss in the prior period relates to the disposal of the subsidiary Venture Business Research Limited ('VBR') on 13 May 2019 to an employee of VBR. The loss on disposal was updated to £0.1m in the consolidated financial statements for the year ended 31 December 2019 as a result of completion adjustments in the second half of 2019. The loss on disposal, as well as the operational results up to the date of disposal of this entity are included in continuing operations rather than discontinued operations as it does not represent a separate major line of business of the Group.

Other adjusting items

Other adjusting items relate to the amortisation of acquired intangibles and share-based payment costs

Discontinued operations

For further details on profit on disposal of subsidiaries in the prior period please see note 6.

Exceptional costs of £0.1m during the prior period are staff related costs in association with the Group's divestment programme completed in 2019.

Amortisation of acquired intangibles of £0.1m in the prior period related to disposed entities.

5 Taxation

	Six months ended 30 June (unaudited)	
	2020	2019
	£m	£m
Analysis of charge/(credit) for the period		
Current tax	**0.2**	0.4
Deferred tax	**(0.9)**	(0.2)
	(0.7)	0.2

The tax charge is based on the estimated effective tax rate for the year ending 31 December 2020 of 21.0% (2019: 21.1%).

5 Taxation (continued)

The current year tax credit of (£0.7m) is split between a (£0.8m) tax credit relating to continuing operations and a £0.1m tax charge as a result of a prior period tax adjustment arising on 2019 disposals in discontinued operations.

The prior year tax charge of £0.2m is split between a (£0.5m) tax credit relating to continuing operations and a £0.7m tax charge relating to discontinued operations.

6 Discontinued operations

In the prior year the Group disposed of the following subsidiaries that met the definition of discontinued operations:

- Centaur Financial Platforms Limited ('FIN') on 31 March 2019;
- Centaur Media Travel and Meetings Limited ('T&M') on 30 April 2019;
- Centaur Human Resources Limited ('HR') on 30 April 2019; and
- Centaur Engineering Limited ('ENG') on 31 May 2019.

The disposals were effected in line with the Group's strategy to simplify its structure, to improve operational execution and to focus attention on leading brands.

A profit of £8.2m arose on the disposal of these subsidiaries being the difference between the proceeds of disposals and the carrying amount of the subsidiaries' net assets and attributable goodwill, less transaction costs. Details of these disposals were as follows:

	FIN 31 March 2019 £m	T&M 30 April 2019 £m	HR 30 April 2019 £m	ENG 31 May 2019 £m	Total 30 June 2019 £m
Net assets disposed attributable to Shareholders of the Company	6.6	6.6	1.3	(0.3)	**14.2**
Directly attributable costs of disposal	0.6	0.4	0.5	0.4	**1.9**
(Loss) / profit on disposal	(0.7)	3.2	3.9	1.8	**8.2**
Fair value of consideration	**6.5**	**10.2**	**5.7**	**1.9**	**24.3**

The statutory loss from discontinued operations of £0.1m presented in the consolidated statement of comprehensive income in the current period relates to a tax adjustment arising on disposals in the prior year.

The statutory profit from discontinued operations of £10.2m presented in the consolidated statement of comprehensive income in the prior period consisted of £2.2m profit after tax representing the operational results of the subsidiaries up to the date of disposal, and adjusting items of £8.2m profit on disposal offset by £0.2m of other exceptional costs as disclosed in note 4.

The profit on disposal was updated to £7.8m in the consolidated financial statements for the year ended 31 December 2019 as a result of completion adjustments in the second half of 2019. Refer to the 2019 Annual Report for further details

7 (Loss) / earnings per share

Basic earnings per share ('EPS') is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of shares in issue during the year. 2,272,372 (2019: 2,105,196) shares held in the employee benefit trust and 4,550,179 (2019: 6,964,613) shares held in treasury have been excluded in arriving at the weighted average number of shares. The calculations of earnings per share are based on the following profits and number of shares:

	Six months ended 30 June (unaudited)					
	2020	**2020**	**2020**	2019	2019	2019
	Earnings attributable to owners of the parent	**Weighted average number of shares**	**(Loss) / earnings per share**	Earnings attributable to owners of the parent	Weighted average number of shares	(Loss) / earnings per share
	£m	**millions**	**Pence**	£m	millions	Pence
Basic						
Continuing operations	**(13.8)**	**143.8**	**(9.6)**	(4.2)	142.9	(2.9)
Continuing and discontinued operations	**(13.9)**	**143.8**	**(9.6)**	6.0	142.9	4.2
Effect of dilutive securities						
Continuing operations	**-**	**-**	**-**	-	-	-
Continuing and discontinued operations	**-**	**-**	**-**	-	10.5	(0.3)
Diluted						
Continuing operations	**(13.8)**	**143.8**	**(9.6)**	(4.2)	142.9	(2.9)
Continuing and discontinued operations	**(13.9)**	**143.8**	**(9.6)**	6.0	153.4	3.9
Adjusted						
Continuing operations						
Basic	**(13.8)**	**143.8**	**(9.6)**	(4.2)	142.9	(2.9)
Exceptional operating costs	**0.6**		**0.4**	1.4		1.0
Amortisation of acquired intangibles	**1.2**		**0.8**	1.2		0.8
Impairment of goodwill	**11.0**		**7.6**	-		-
Share-based payments	**0.5**		**0.3**	0.4		0.2
Loss on disposal of subsidiary	**-**		**-**	0.3		0.2
Tax effect of above adjustments	**(0.3)**		**(0.1)**	(0.3)		(0.2)
Discontinued operations						
Basic	**(0.1)**	**143.8**	**-**	10.2	142.9	7.1
Exceptional operating costs	**-**		**-**	0.1		0.1
Amortisation of acquired intangibles	**-**		**-**	0.1		0.1
Profit on disposal of subsidiary	**-**		**-**	(8.2)		(5.7)
Tax effect of above adjustments	**-**		**-**	-		-
Adjusted basic						
Continuing operations	**(0.8)**	**143.8**	**(0.6)**	(1.2)	142.9	(0.9)
Continuing and discontinued operations	**(0.9)**	**143.8**	**(0.6)**	1.0	142.9	0.7
Effect of dilutive securities						
Options						
Continuing operations	**-**	**-**	**-**	-	-	-
Continuing and discontinued operations	**-**	**-**	**-**	-	10.5	(0.1)
Adjusted diluted						
Continuing operations	**(0.8)**	**143.8**	**(0.6)**	(1.2)	142.9	(0.9)
Continuing and discontinued operations	**(0.9)**	**143.8**	**(0.6)**	1.0	153.4	0.6

7 (Loss) / earnings per share (continued)

	Six months ended 30 June (unaudited)					
	Adjusted results[1]	**Adjusting items[1]**	**Statutory results**	Adjusted results[1]	Adjusting items[1]	Statutory results
	2020	**2020**	**2020**	2019	2019	2019
	£m	**£m**	**£m**	£m	£m	£m
Fully diluted from continuing operations	**(0.6p)**	**(9.0p)**	**(9.6p)**	(0.9p)	(2.0p)	(2.9p)
Fully diluted from discontinued operations	-	-	-	1.5p	5.3p	6.8p
Total	**(0.6p)**	**(9.0p)**	**(9.6p)**	0.6p	3.3p	3.9p

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

8 Goodwill

	£m
Cost	
At 1 January 2020 and 30 June 2020	**111.1**
Accumulated impairment	
At 1 January 2020	58.9
Impairment	11.0
At 30 June 2020	**69.9**
Net book value	
At 1 January 2020	52.2
At 30 June 2020 (unaudited)	**41.2**
Cost	
At 1 January 2019	159.5
Disposal of subsidiaries (note 6)	(48.4)
At 30 June 2019	111.1
Accumulated impairment	
At 1 January 2019	96.9
Disposal of subsidiaries (note 6)	(38.0)
At 30 June 2019	58.9
Net book value	
At 1 January 2019	62.6
At 30 June 2019 (unaudited)	52.2

Disposals in the prior period relate to the disposal of Centaur Financial Platforms Limited (net book value £4.8m), Centaur Media Travel and Meetings Limited (net book value £5.6m), Centaur Human Resources Limited (net book value £nil) and Centaur Engineering Limited (net book value £nil). See note 6 for further details.

At 30 June 2020, goodwill and acquired intangible assets (see note 9) were tested for impairment in accordance with IAS 36. In assessing whether a write-down is required, the carrying value of the cash-generating unit ('CGU') is compared with its recoverable amount. The Group's CGUs are aligned with its two reportable segments Xeim and The Lawyer. Recoverable amounts are measured based on value-in-use ('VIU').

The Group estimates the VIU 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 12.8% (31 December 2019: 12.8%). The discount rate used is consistent with the Group's weighted average cost of capital and is used across all CGUs., which are all based predominantly in the UK and considered to have similar risks and rewards.

The key assumptions used in calculating VIU are revenue growth, margin, adjusted EBITDA growth, discount rate and terminal growth rate. The Group has produced a cash flow outlook up to 31 December 2023 and has then applied a terminal growth rate of 2.5% (31 December 2019: 2.5%). This

8 Goodwill (continued)

timescale and the terminal growth rate are considered appropriate given the cyclical nature of the Group's operational results.

The assumptions used in the calculations of VIU for each CGU have been derived based on a combination of past expectations and management's expectations of future business growth. The forecasts take into consideration the impact that coronavirus may have on the operational results of the business.

The key assumptions and variables in the forecast are sensitised in isolation and in combination. The main sensitivities applied to the key drivers are outlined below.

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

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

(ii) apply a 2.0% increase in discount rate from 12.8% to 14.8%. No impairment would occur in either of the CGUs.

(iii) reduce the terminal value growth rate from 2.5% to 2.0%. No impairment would occur in either of the CGUs.

Management have performed further sensitivities to the VIU calculations considering the impact that COVID-19 has had on the operations of the Group, especially the MarketMakers business which has seen a significant negative impact on its results.

In the current climate, the two key risk areas to the model are EBITDA growth and terminal value growth rate. Therefore, a further downside scenario has been considered applying an extensive but reasonably possible combination of reduction in EBITDA and terminal value growth rate.

EBITDA growth is driven by the revenue growth and the related costs to generating this revenue. The impact of halving revenue growth per year, while achieving some mitigation through cost savings, would result in a 33% reduction in EBITDA in the terminal year of the forecast.

Based on this, a sensitivity has been run where a 33% reduction to forecast adjusted EBITDA in each year of the modelled cash flows is applied, combined with a reduction in the terminal value growth rate from 2.5% to 2.0%. Through this further and more extensive sensitivity, management has recognised an impairment charge of £11.0m in the Xeim CGU, entirely related to the MarketMakers business within that CGU. This further sensitivity that has been performed does not indicate an impairment within any other part of the Xeim business or The Lawyer CGU.

A key sensitivity is EBITDA growth in both Xeim and The Lawyer, which is driven by a combination of segment profit growth and the Group's overhead cost savings. As the Group has already achieved the reduction in run-rate for overhead cost savings, further sensitivities have been performed only over the profitable revenue growth from Xeim and The Lawyer.

8 Goodwill (continued)

- Xeim – in the base case the CAGR of profitable revenue growth for the forecast period of 2020 to 2023 is 23% and VIU exceeds the carrying amount by £14.3m. In the sensitivity applied to derive the VIU which has resulted in the impairment of £11.0m recognised, CAGR was reduced by 7% to 16% and after the recognition of the impairment, VIU is in line with carrying value. If the CAGR were to fall by a further 5% to 11% then the additional impairment indicated would be £11.2m.

- The Lawyer – in the base case CAGR of profitable revenue growth for the forecast period of 2020 to 2023 is 25% and VIU exceeds the carrying amount by £14.6m. CAGR would have to fall by 14% to 11% for the VIU to equal the carrying amount.

9 Other intangible assets

Net book value	Computer software £m	Brands and publishing rights* £m	Customer relationships* £m	Total £m
At 1 January 2020	4.4	1.2	3.4	9.0
Additions				
Separately acquired	0.1	-	-	0.1
Internally generated	0.2	-	-	0.2
Amortisation for the period	(1.0)	(0.1)	(1.1)	(2.2)
At 30 June 2020 (unaudited)	**3.7**	**1.1**	**2.3**	**7.1**
At 1 January 2019	6.2	3.3	6.0	15.5
Additions				
Separately acquired	0.3	-	-	0.3
Internally generated	0.2	-	-	0.2
Amortisation for the period	(1.5)	(0.1)	(1.1)	(2.7)
Disposal of subsidiaries (note 6)	(0.1)	(1.8)	(0.5)	(2.4)
At 30 June 2019 (unaudited)	**5.1**	**1.4**	**4.4**	**10.9**

* Amortisation of acquired intangibles is presented as an adjusting item.

10 Trade and other receivables

	30 June 2020 Unaudited £m	Restated[2] 30 June 2019 Unaudited £m	31 December 2019 Audited £m
Amounts falling due within one year			
Trade receivables	**6.2**	8.8	7.9
Less: expected credit loss	**(1.3)**	(1.2)	(1.1)
Trade receivables – net	**4.9**	7.6	6.8
Other receivables	**1.3**	3.3	2.3
Prepayments	**1.3**	2.2	1.3
Accrued income	**0.6**	0.6	0.4
	8.1	13.7	10.8

[2] See note 1 for description of the prior period restatement.

Trade receivables are accounted for under IFRS 9 being recognised initially at fair value and subsequently at amortised cost less any allowance for expected lifetime credit losses under the "expected credit loss" model. For further details refer to note 1(s)(ii) in the Group Annual Report for the year end 31 December 2019.

Other receivables at 30 June 2020 include a £0.3m deposit on the Waterloo property lease which is fully refundable at the end of the lease term and £0.2m in relation to government grants.

Other receivables at 31 December 2019 also included £1.5m (June 2019: £1.0m) in relation to the lease incentive receivable on the exit of the Wells Street property in 2019 which was received in the current period.

Other receivables at 30 June 2019 also included £0.8m for a completion adjustment in relation to a disposal and a prior period restatement of £0.5m in relation to the lease incentive receivable on the exit of a London property. Refer to note 1 for further details.

	Six months ended 30 June (unaudited)	
	2020 £m	2019 £m
Analysis of expected credit loss for the period		
Balance at start of period	**1.1**	1.2
Additional provision charged to the statement of comprehensive income	**0.2**	0.1
Disposal of subsidiaries (note 6)	**-**	(0.1)
	1.3	1.2

10 Trade and other receivables (continued)

As a result of COVID-19 the expected credit loss has increased in the current period as a result of an increased ageing of our trade debtors' balances. Cash collection has remained strong and days sales outstanding are not significantly above levels seen in 2019. The Group has considered economic forecasts expected as a result of COVID-19 and exercised its professional judgment in assessing that the provision for credit loss is appropriate.

11 Leases

All lease liabilities currently held by the Group relate to property leases, for which corresponding right-of-use ('ROU') assets are held on the consolidated statement of financial positions within property, plant and equipment.

Lease liabilities

	£m
Recognised on adoption of IFRS 16 at 1 January 2019	3.3
Interest expense	-
Cash outflow	(1.2)
At 30 June 2019	2.1
At 1 January 2020	4.3
Interest expense	-
Cash outflow	(1.1)
Addition on remeasurement of lease liability	1.8
At 30 June 2020	**5.0**
Current	2.1
Non-current	2.9
At 30 June 2020	**5.0**

ROU assets

Net book value	**£m**
Cost recognised on adoption of IFRS 16 at 1 January 2019 (restated[2])	2.3
Charge for the period (restated[2])	(0.6)
At 30 June 2019 (restated[2])	1.7
At 1 January 2020	3.7
Charge for the period	(1.0)
Addition on remeasurement of ROU asset	1.8
At 30 June 2020	**4.5**

[2] See note 1 for description of the prior period restatement.

The lease liability for one of the Group's property leases was remeasured at 30 June 2020 upon reassessment of the lease term. The amount of the remeasurement of the lease liability has been recognized as an adjustment to the ROU asset.

12 Provisions

	Restructuring £m
At 1 January 2020	-
Additions	0.6
At 30 June 2020	**0.6**

During the current period, a restructuring provision of £0.5m was recognised in relation to restructuring the MarketMakers business following a sharp fall in revenue as several major customers were hit by disruption in their own markets. A further £0.1m was provided in relation to restructuring other parts of the wider Centaur Group due to the adverse impact of the COVID-19 pandemic. The provision is current and is expected to be fully utilised in the second half of 2020. The associated expense has been recognised within exceptional costs and presented as adjusting items as disclosed within note 4.

13 Dividends

	Six months ended 30 June (unaudited)	
	2020	**2019**
	£m	£m
Equity dividends		
Final dividend for 2018: 1.5p per 10p ordinary share	-	2.1
Final dividend for 2019: 0.0p per 10p ordinary share	-	-
	-	2.1

At the time of the 2019 results announcement on 18 March 2020, a final dividend relating to 2019 at 0.5p per share was proposed. Due to the uncertainty posed by the COVID-19 outbreak, the Board believes it is prudent not to pay this final dividend payment of £0.7m.

The Board will keep the situation under review and will determine the timing for resumption of dividends once the market situation and the effect of COVID-19 on Centaur's business and its cashflow have become clearer. Therefore, an interim dividend for the six months ended 30 June 2020 is not proposed at this time.

The interim dividend proposed at 30 June 2019 of £5.0m, comprising a £2.1m ordinary dividend at 1.5p per share and a £2.9m special dividend at 2.0p per share, was paid in October 2019.

14 Own shares reserves

The own shares reserve represents the value of shares held as treasury shares and in an employee benefit trust. At 30 June 2020, 4,550,179 (31 December 2019: 6,964,613) 10p ordinary shares are held in treasury and 2,272,372 (31 December 2019: 1,573,134) 10p ordinary shares are held in an employee benefit trust.

During 2020, 2,414,434 shares were transferred out of treasury to the employee benefit trust in order to meet future obligations arising from share-based rewards to employees. The shares were

14 Own shares reserves (continued)

transferred from treasury at the historical weighted average cost of £2.2m (90.88p per share) and acquired by the employee benefit trust at the market value of £0.6m (25p per share). The difference between the historical weighted average cost and the market value of £1.6m has been eliminated on consolidation.

The employee benefit trust also issued 1,715,196 shares to meet obligations arising from share-based rewards to employees that had vested in both the current and prior year and were exercised in the year. The shares were issued at a historical weighted average cost of 48.25p per share. The total cost of £0.8m has been recognised as a reduction in the own shares reserve in other reserves in equity.

In the prior year, the employee benefit trust purchased 1,247,205 ordinary shares in order to future obligations arising from share-based rewards to employees. The shares were quired at an average price of 51.7p per share, with prices ranging from 45.6p to 54p. The total cost of £0.6m was recognised in other reserves in the own shares reserves in equity.

15 Share based payments

	Six months ended 30 June (unaudited)	
	2020	2019
	£m	£m
Equity-settled plans		
LTIP	**0.5**	0.4
Total equity settled incentive plan	**0.5**	0.4

The Group's share-based payment schemes upon vesting are equity-settled.

The current period charge of £0.5m includes an additional charge of £0.3m recognised on truing up the expense for one million share options that vested during the period. There is an immaterial amount of national insurance payable on equity settled share-based schemes in the current period (2019: £0.1m) and is included in liabilities as it is to be settled in cash.

Long-Term Incentive Plan

The Group operates a Long-Term Incentive Plan ('LTIP') for Executive Directors and selected senior management. This is an existing incentive policy and was approved by shareholders at the 2016 AGM. The share awards are valued at date of grant and the consolidated statement of comprehensive income is charged over the vesting period, taking into account the number of shares expected to vest.

On 6 April 2020 50% of the LTIP granted on 6 April 2018 vested upon meeting the performance condition of two years continued employment. Of the 981,586 share options that vested, 657,888 were exercised by 30 June 2020. Additionally, a further 1,057,321 share options were exercised in relation to LTIPs that vested in 2019.

On 30 June 2020 LTIPs were granted to Executive Directors and selected senior management. This grant was made at 75% of the normal award allowed for under the Remuneration Policy to reflect the current low level of the share price as a result of COVID-19. Performance conditions will be set within six months once the impact of COVID-19 on the business is clearer.

15 Share based payments (continued)

Full details of the movements in these awards are shown below. There were no movements in any other scheme therefore they have not been disclosed. See note 25 in the Group Annual Report for the year end 31 December 2019 for full details of all schemes.

	LTIP 2016	**LTIP 2016**	**LTIP 2016**	**LTIP 2016**
Grant date	30.06.2020	6.04.2018	24.04.17	07.04.17
Share price at grant date (p)	24.00	50.20	45.75	40.75
Fair value (p)	24.00	25.10	24.46	21.08
Exercise date	29.06.2023	6.04.21	24.04.20	07.04.20
Exercise price (p)	£nil	£nil	£nil	£nil
Number of awards				
Balance at 1 January 2020	-	**1,963,191**	**675,764**	**381,557**
Granted during the year	**2,074,782**	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	**(657,888)**	**(675,764)**	**(381,557)**
Lapsed during the year	-	-	-	-
Balance at 30 June 2020	**2,074,782**	**1,305,303**	-	-
Exercisable at 30 June 2020	-	**323,888**	-	-
Average share price at date of exercise (p)	-	**25.17**	**25.50**	**26.65**
Balance at 1 January 2019	-	2,104,890	1,351,528	2,958,786
Forfeited during the year	-	(80,971)	-	(92,035)
Exercised during the year	-	-	-	-
Lapsed during the year	-	-	-	-
Balance at 30 June 2019	-	2,023,919	1,351,528	2,866,751
Exercisable at 30 June 2019	-	-	-	-
Average share price at date of exercise (p)	-	-	-	-

	LTIP 2016	**LTIP 2016**	**LTIP 2016**	**LTIP 2016**
Grant date	30.06.2020	6.04.2018	24.04.17	07.04.17
Expected volatility (%)	-	43.5	45.4	45.4
Expected dividend yield (%)	-	-	-	-
Risk free interest rate (%)	-	0.86	0.12	0.12
Valuation of model used	-	Black-Scholes	Stochastic	Stochastic

Performance conditions have not yet been set for the scheme granted on 30 June 2020 therefore the scheme was valued based on the share price at the grant date and expected forfeiture rates.

The shares outstanding and exercisable at the end of the period had an expiry date of 6 October 2020.

16 Cash flow generated from operating activities

	Note	2020 £m	Restated[2] 2019 £m
		Six months ended 30 June (unaudited)	
(Loss)/profit for the period		**(13.9)**	6.0
Adjustments for:			
Tax	5	**(0.7)**	0.2
Interest expense		**0.2**	0.1
Depreciation of property, plant and equipment		**1.1**	1.1
Amortisation of intangible assets	9	**2.2**	2.7
Impairment of goodwill	8	**11.0**	-
Share-based payments	15	**0.5**	0.4
Loss on disposal of subsidiary	4	**-**	0.3
Gain on disposal of subsidiaries	6	**-**	(8.2)
Changes in working capital:			
(Increase) in inventories		**-**	(0.5)
Decrease/(increase) in trade and other receivables	10	**2.8**	(1.9)
(Decrease)/increase in trade and other payables		**(4.0)**	0.9
Increase in deferred income		**1.1**	2.0
Increase in provisions	12	**0.6**	-
Cash generated from operating activities		**0.9**	3.1

[2] See note 1 for description of the prior period restatement.

17 Related party transactions

Transactions between Group Companies, which are related parties, have been eliminated on consolidation and therefore do not require disclosure. The Group has not entered into any other related party transactions in the period which require disclosure in these interim statements.

18 Post balance date events

No material events have occurred after the reporting date.