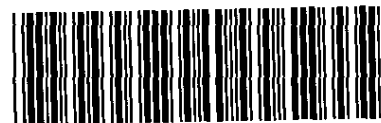


Centaur Communications Limited

**Annual Report and Financial Statements
for the year ended 31 December 2021**

Registered number: 01595235

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Centaur Communications Limited

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Centaur Communications Limited

Company information

Board of Directors

Swag Mukerji

Simon Longfield

Company Secretary

Helen Silver

Registered number

01595235 (England and Wales)

Registered office

Floor M

10 York Road

London

United Kingdom

SE1 7ND

Centaur Communications Limited

Strategic report for the year ended 31 December 2021

The Directors present their strategic report for the year ended 31 December 2021.

Principal activities

The principal activity of the Company is a holding company which also provides services to subsidiaries within the Centaur Media Plc group (the "Group").

Performance indicators and business review

The operating loss for the year ended 31 December 2021 was £634,000, an improvement from the prior year operating loss of £882,000, demonstrating the Company's commitment to continued cost control following the previously completed cost savings programme.

The profit after tax for the year ended 31 December 2021 was £10,932,000 (2020: £15,439,000). This was driven by dividends received from subsidiaries of £10,349,000 as detailed in note 6.

The profit after tax for the year ended 31 December 2020 included the following non-operating items:

- loss from discontinued operations after tax of £14,853,000 following the disposal of the Company's investment in the MarketMakers business as detailed in notes 10 and 13;
- dividends received from subsidiaries of £30,400,000 as detailed in note 6; and
- a loss from intercompany debt forgiven by the Company of £50,000 (see note 6).

The Directors did not propose any dividends for the year ended 31 December 2021. During the prior year, the Company paid an interim dividend of £40,000,000 to Centaur Media Plc.

The Directors consider that the financial position of the Company at 31 December 2021 is satisfactory.

The Directors of the ultimate parent company, Centaur Media Plc, manage the Group's operations on a divisional basis. For this reason, the Company's directors believe that analysis using key performance indicators for the Company is not necessary or appropriate for an understanding of the development, performance or position of the business of the Company. The development, performance and position of the Group as a whole is discussed on pages 10 to 20 of the Group's 2021 Annual Report.

Principal risks and uncertainties

The Directors of Centaur Media Plc manage the Group's risks at a group level, rather than at an individual subsidiary level.

The main risks relating to the Group that relate to the Company are:

- *Fraudulent or accidental breach of IT network, major systems failure or ineffective operation of IT and data management systems resulting in loss, theft or misuse of financial assets, proprietary or sensitive information and/or operational disruption; and*
- *Breaches of GDPR and PECR regulations resulting in large fines from the ICO, third party claims and reputational damage.*

For further information on these risks please refer to the risk management section of the strategic report in the Group's 2021 Annual Report.

Centaur Communications Limited

Strategic report for the year ended 31 December 2021 (continued)

Section 172 (1) statement

From the perspective of the Directors, as a result of the Group governance structure, the matters that it is responsible for considering under Section 172 (1) of the Companies Act 2006 ('s172') have been considered to an appropriate extent by the Group Board in relation both to the Group and to this Company. The Directors of the Company have also considered relevant matters where appropriate. To the extent necessary for an understanding of the development, performance and position of the entity, an explanation of how the Group Board has considered the matters set out in s172 (for the Group and for the Company) is set out on page 27 of the Group's 2021 Annual Report, which does not form part of this report.

By order of the Board



Simon Longfield
Director
21 June 2022

Centaur Communications Limited

Directors' report for the year ended 31 December 2021

The Directors present their report and the financial statements of the Company for the year ended 31 December 2021.

Future developments

The Company will continue as a holding and service company with no significant changes anticipated for the foreseeable future.

Dividends

The Directors did not propose any dividends for the year ended 31 December 2021. During the prior year, the Company paid an interim dividend of £40,000,000 to Centaur Media Plc.

Going concern

At year end, the Company had made a profit, has net current assets and is in a net asset position. On this basis, the Directors continue to adopt the going concern assumption in their preparation of the financial statements.

Directors

The Directors who have served during the year and to the date of signing the financial statements were as follows:

Swag Mukerji
Simon Longfield

Qualifying third party indemnity provisions

By virtue of article 19 of the Articles of Association of the Company, a qualifying indemnity provision (within the meaning given by section 234 of the Companies Act 2006) is in force at the date of this report in respect of each director of the Company.

Employees

From the perspective of the Directors, as a result of the Group governance structure, the Group Board has taken the lead in carrying out the duties of a board in respect of the Company's employees, including engaging with them, having regard to their interests and the effect of that regard (including on the principal decisions taken by the Company during the financial year). The Directors of the Company have also considered relevant matters where appropriate. An explanation of how the Group Board has carried out these responsibilities (for the Group and for the Company) is set out in the environmental, social and governance section of the strategic report in the Group's 2021 Annual Report, which does not form part of this report.

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

Centaur Communications Limited

Directors' report for the year ended 31 December 2021 (continued)

Other stakeholders

Similarly, from the perspective of the Directors, as a result of the Group governance structure, the Group Board has taken the lead in carrying out the duties of a board in respect of the Company's other stakeholders. The Directors of the Company have also considered relevant matters where appropriate. An explanation of how the Directors on the Group Board have had regard to the need to foster the Company's business relationships with suppliers, customers and others, and the effect of that regard, including on the principal decisions taken by the Company during the financial year, is set out (for the Group and for the Company) in the environmental, social and governance section of the strategic report in the Group's 2021 Annual Report, which does not form part of this report.

Events after the reporting period

Following the reporting date on 21 June 2022, the Directors of Xeim Limited and TheLawyer.com Limited, subsidiaries of the Company, have proposed to pay final dividends for the year ended 31 December 2021 to the Company totalling £6,400,000.

Statement of Directors' responsibilities

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law). Under Company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The members have not required the Company to obtain an audit of its financial statements for the year in question in accordance with section 476 of the Companies Act 2006.

By order of the Board



Simon Longfield
Director
21 June 2022

Centaur Communications Limited

Income statement

For the year ended 31 December 2021

	Note	2021 £'000	2020 £'000
Revenue	4	6,299	6,370
Administrative expenses		(6,933)	(7,252)
Operating loss	6	(634)	(882)
Dividends received from subsidiaries	6	10,349	30,400
Intercompany debt forgiven	6	(2)	(50)
Finance income	7	1,066	1,494
Finance costs	8	(282)	(979)
Profit before taxation		10,497	29,983
Taxation	9	435	309
Profit after taxation from continuing operations		10,932	30,292
Loss from discontinued operations after taxation	10	-	(14,853)
Profit for the year		10,932	15,439

The notes on pages 10 to 35 are an integral part of these financial statements.

A statement of comprehensive income has not been presented as there are no items of other comprehensive income/(loss) other than the profit for the year.

Centaur Communications Limited

Statement of financial position

As at 31 December 2021

	Note	2021 £'000	2020 £'000
Non-current assets			
Intangible assets	11	751	1,423
Property, plant and equipment	12	2,473	3,242
Investments	13	27,842	27,842
Deferred tax assets	14	1,773	1,518
Other receivables	16	278	278
		<u>33,117</u>	<u>34,303</u>
Current assets			
Cash and cash equivalents	15	8,873	3,991
Trade and other receivables	16	29,513	55,570
Loans receivable	17	-	3,797
		<u>38,386</u>	<u>63,358</u>
Total assets		<u>71,503</u>	<u>97,661</u>
Current liabilities			
Borrowings	18	-	(260)
Trade and other payables	19	(12,884)	(48,800)
Lease liability	20	(1,884)	(1,969)
		<u>(14,768)</u>	<u>(51,029)</u>
Net current assets		<u>23,618</u>	<u>12,329</u>
Non-current liabilities			
Lease liability	20	(500)	(1,406)
		<u>(500)</u>	<u>(1,406)</u>
Net assets		<u>56,235</u>	<u>45,226</u>
Equity			
Called up share capital	22	1,711	1,711
Share premium		15,819	15,819
Capital redemption reserve		483	483
Other reserves	23	259	212
Retained earnings		37,963	27,001
Total equity		<u>56,235</u>	<u>45,226</u>

The notes on pages 10 to 35 are an integral part of these financial statements.

Centaur Communications Limited

Statement of financial position (continued)

As at 31 December 2021

For the year ended 31 December 2021 the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Directors' responsibilities:

- the members have not required the Company to obtain an audit of its financial statements for the year in question in accordance with section 476 of the Companies Act 2006;
- the Directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

The financial statements of Centaur Communications Limited (registered number 01595235) on pages 6 to 35 were authorised for issue by the Board of Directors on 21 June 2022 and were signed on its behalf by:



Simon Longfield
Director

Centaur Communications Limited

Statement of changes in equity

For the year ended 31 December 2021

		Called up share capital	Share premium	Capital redemption reserve	Other reserves	Retained earnings	Total
	Note	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 January 2020		1,711	15,819	483	-	51,562	69,575
Profit and total comprehensive income for the year		-	-	-	-	15,439	15,439
Dividends paid	25	-	-	-	-	(40,000)	(40,000)
Capital contribution	23	-	-	-	212	-	212
Balance at 31 December 2020		1,711	15,819	483	212	27,001	45,226
Profit and total comprehensive income for the year		-	-	-	-	10,932	10,932
Capital contribution	23	-	-	-	47	-	47
Tax on share-based payments	14	-	-	-	-	30	30
Balance at 31 December 2021		1,711	15,819	483	259	37,963	56,235

The notes on pages 10 to 35 are an integral part of these financial statements.

Centaur Communications Limited

Notes to the financial statements

For the year ended 31 December 2021

1. General information

The nature of the Company's operations and its principal activities are set out in the strategic report on page 2. The Company is a private limited company and is incorporated and domiciled in the UK. The address of its registered office is Floor M, 10 York Road, London, SE1 7ND.

2. Significant accounting policies

(a) Basis of preparation

The Company meets the definition of a qualifying entity under Financial Reporting Standard 101 (FRS 101) issued by the Financial Reporting Council. Accordingly, the financial statements of the Company have been prepared in accordance with FRS 101, 'Reduced Disclosure Framework'. The financial statements have been prepared under the historical cost convention, as modified by financial liabilities and financial assets measured at fair value through profit or loss, and in accordance with the Companies Act 2006.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

The following disclosure exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- Paragraph 38 of IAS 1, 'Presentation of Financial Statements' – comparative information requirements in respect of:
 - (i) paragraph 79(a)(iv) of IAS 1;
 - (ii) paragraph 73(e) of IAS 16, 'Property, Plant and Equipment'; and
 - (iii) paragraph 118(e) of IAS 38, 'Intangible Assets'.
- The following paragraphs of IAS 1, 'Presentation of Financial Statements':
 - (i) 10(d) (Statement of Cash Flows);
 - (ii) 16 (Statement of Compliance with all IFRS);
 - (iii) 111 (Cash Flow Statement Information); and
 - (iv) 134–136 (capital management disclosures).
- Paragraphs 45(b) and 46–52 of IFRS 2 "Share-based Payments".
- IAS 7, 'Statement of Cash Flows'.
- IFRS 7, 'Financial Instruments: Disclosures'.
- Paragraph 17 of IAS 24, 'Related Party Disclosures' (key management compensation).
- The requirements in IAS 24, 'Related Party Disclosures', to disclose related party transactions entered into between two or more members of a group.

These financial statements are separate financial statements. The Company is exempt from the preparation and delivery of consolidated financial statements, because it is included in the group accounts of Centaur Media Plc.

Centaur Communications Limited

Notes to the financial statements (continued)

For the year ended 31 December 2021

(a) Basis of preparation (continued)

The financial statements of the Company are consolidated into the financial statements of Centaur Media Plc which is the smallest and largest group to consolidate these results. The consolidated financial statements of Centaur Media Plc are available and can be obtained as set out in note 26. The registered office address of the ultimate parent company preparing consolidated accounts is Floor M, 10 York Road, London, SE1 7ND.

Business combinations

The acquisition method of accounting is used to account for all business acquisitions. The consideration transferred for the acquisition of a business is measured at the aggregate of fair values of assets transferred, liabilities incurred or assumed to the former owners of the acquired business and equity interests issued. Acquisition-related costs incurred are expensed as incurred in profit or loss.

The excess of the aggregate consideration transferred over the fair value of the net assets acquired is recorded as goodwill.

Going concern

The Company is profitable, has net current assets and net assets. The Directors consider the Company has reasonable resources in order to continue in operation for the foreseeable future and accordingly they have adopted the going concern assumption in the preparation of the financial statements.

New and amended standards adopted

No new standards or amendments to standards that are mandatory for the first time for the financial year commencing 1 January 2021 affected any of the amounts recognised in the current year or prior year and is not likely to affect future periods.

New standards and interpretations not yet effective

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

(b) Foreign currency translation

(i) Functional and presentation currency

The financial statements are presented in pounds sterling which is the currency of the primary economic environment in which the Company operates (its functional currency).

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in the income statement.

Centaur Communications Limited

Notes to the financial statements (continued)

For the year ended 31 December 2021

(c) Revenue recognition

Revenue is measured at the transaction price which is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to the customer. The Company recognises revenue earned from contracts as individual performance obligations are met, on a stand-alone selling price basis. This is when value and control of the product or service has transferred, being when the product is delivered to the customer or the period in which the services are rendered as laid out below.

Revenue represents management charges to some Group companies for the provision of services, use of property contracts held by the Company and use of intangible assets and property, plant and equipment held centrally for the Group. Revenue is recognised as earned.

(d) 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 Company will comply with all attached conditions. Government grants are recognised in the profit or loss and deducted from the related expense within administrative expenses in the income statement. Note 5 provides further information on how the Company accounts for government grants.

(e) Dividends received from subsidiaries

Dividends received from subsidiaries are recognised in profit or loss when the right to receive payment is established.

(f) Finance income

Interest income is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

(g) Finance costs

Finance costs are recognised in the income statement in the period in which they are incurred.

(h) Income tax

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

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

Centaur Communications Limited

Notes to the financial statements (continued)

For the year ended 31 December 2021

(h) Income tax (continued)

Deferred tax is provided in full, using the liability method, on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available to utilise those temporary differences and losses. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax is calculated at the enacted or substantively enacted tax rates that are expected to apply in the year when the liability is settled or the asset is realised. Deferred tax is charged or credited to the income statement, except when it relates to items charged or credited directly to equity or other comprehensive income, in which case the deferred tax is recognised in equity or other comprehensive income respectively.

The carrying amount of deferred tax assets is reviewed at each reporting date and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the the asset to be recovered.

(i) Leases

(i) Lessee accounting

Under IFRS 16, leases are accounted for on a 'right-of-use model' reflecting that, at the commencement date, the Company as a lessee has a financial obligation to make lease payments to the lessor for its right to use the underlying asset during the lease term. The financial obligation is recognised as a lease liability, and the right to use the underlying asset is recognised as a right-of-use ('ROU') asset. The ROU assets are recognised within property, plant and equipment on the face of the statement of financial position, and are presented separately in note 12.

The lease liability is initially measured at the present value of the lease payments using the rate implicit in the lease or, where that cannot be readily determined, the incremental borrowing rate (see note 3(iv)). Subsequently the lease liability is measured at amortised cost, with interest increasing the carrying amount and lease payments reducing the carrying amount. The carrying amount is remeasured to reflect any reassessment or lease modifications, or to reflect revised in-substance fixed lease payments.

The ROU asset is initially measured at cost which comprises:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs; and
- an estimate of costs to be incurred at the end of the lease term.

Subsequently the ROU asset is measured at cost less accumulated depreciation and impairment losses. Depreciation is calculated to write off the cost on a straight-line basis over the lease term.

Using the exemption available under IFRS 16 the Company elects not to apply the requirements above to:

- short-term leases; and
- leases for which the underlying asset is of a low value.

In these cases, the Company recognises the lease payments as an expense on a straight-line basis over the lease term, or another systematic basis if that basis is more representative of the agreement.

Centaur Communications Limited

Notes to the financial statements (continued)

For the year ended 31 December 2021

(j) Impairment of assets

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

(k) Investments

Investments in subsidiaries are stated at cost less provision for impairment in value.

Investments are reviewed for impairment whenever events indicate that the carrying value may not be recoverable. An impairment loss is recognised to the extent that the carrying value exceeds the higher of the investment's fair value less cost of disposal and its value-in-use. An asset's value-in-use is calculated by discounting an estimate of future cash flows by the pre-tax weighted average cost of capital. Any impairment is recognised in the income statement. If there has been a change in the estimates used to determine the investment's recoverable amount, impairment losses that have been recognised in prior periods may be reversed. This reversal is recognised in the income statement.

(l) Intangible assets

(i) Brands and publishing rights and customer relationships

Separately acquired brands and publishing rights are shown at historical cost. Brands and publishing rights and customer relationships acquired in a business combination are recognised at fair value at the acquisition date. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses.

(ii) Computer software

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

(iii) Amortisation methods and periods

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

Computer software	– 3 to 5 years
Customer relationships	– 3 to 10 years or over the term of any specified contract
Brands and publishing rights	– 5 to 20 years

Centaur Communications Limited

Notes to the financial statements (continued)

For the year ended 31 December 2021

(m) Property, plant and equipment

See note 2(i) for right-of-use assets. All other property, plant and equipment is stated at historical cost less accumulated depreciation and impairment losses. The historical cost of property, plant and equipment is the purchase cost together with any incidental direct costs of acquisition. Depreciation is calculated to write off the cost, less estimated residual value, of assets, on a straight-line basis over the expected useful economic lives to the Company over the following periods:

Fixtures and fittings	– 5 to 10 years
Computer equipment	– 3 to 5 years
Right-of-use asset	– over the lease term

The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting year, with the effect of any changes in estimate accounted for on a prospective basis.

(n) Retirement benefit costs

The Company contributes to a defined contribution pension scheme for the benefit of employees. The assets of the scheme are held separately from those of the Company in an independently administered fund. Contributions to defined contribution schemes are charged to the income statement when employer contributions become payable.

(o) Employee benefits - share-based payments

Where the Company's ultimate parent company has granted rights to its equity instruments to employees of the Company, such arrangements are accounted for as equity-settled share-based payment arrangements. In such instances a capital contribution is recognised to the extent that the Company is not charged by its parent.

The fair value of the employee services received in exchange for the grant of the awards, measured by reference to the grant date fair value, is recognised as an expense. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each reporting year, the Company revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to equity. The parent issues new shares or transfers shares from treasury shares to settle share-based compensation awards.

A deferred tax asset is recognised on share options based on the intrinsic value of the options, which is calculated as the difference between the fair value of the shares under option at the reporting date and exercise price of the share options. The deferred tax asset is utilised when the share options are exercised or released when share options lapse. The accounting policy regarding deferred tax is set out in note 2(h).

(p) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and the obligation can be reliably estimated.

Centaur Communications Limited

Notes to the financial statements (continued)

For the year ended 31 December 2021

(q) Share capital and share premium

Ordinary shares are classified as equity. The excess of consideration received in respect of shares issued over the nominal value of those shares is recognised in the share premium account. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(r) Dividends

Dividends are recognised in the year in which they are paid or approved by the shareholders.

(s) Financial instruments

The Company has applied IFRS 9 'Financial Instruments' as outlined below:

(i) Financial assets

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

They are included in current assets, except for maturities greater than 12 months after the reporting date which are classified as *non-current assets*. The Company's financial assets comprise trade and other receivables and cash and cash equivalents in the statement of financial position. Please see the following sections.

(ii) Trade receivables

Trade receivables are accounted for under IFRS 9 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. As mandated by IFRS 9, the expected lifetime credit losses are calculated using the 'simplified' approach.

A provision matrix is used to calculate the allowance for expected lifetime credit losses on trade receivables which is based on historical default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. The allowance for expected lifetime credit losses is established by considering, on a discounted basis, the cash shortfalls it would incur in various default scenarios for prescribed future periods and multiplying those shortfalls by the probability of each scenario occurring. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The allowance is the sum of these probability weighted outcomes. The allowance and any changes to it are recognised in the income statement within administrative expenses. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against administrative expenses in the income statement. The Company defines a default as failure of a debtor to repay an amount due as this is the time at which our estimate of future cash flows from the debtor is affected.

(iii) Cash and cash equivalents

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

(iv) Financial liabilities

Debt and trade payables are recognised initially at fair value based on amounts exchanged, net of transaction costs, and subsequently at amortised cost.

Centaur Communications Limited

Notes to the financial statements (continued)

For the year ended 31 December 2021

(s) Financial instruments (continued)

(iv) Financial liabilities (continued)

Interest expense on debt is accounted for using the effective interest method and is recognised in finance costs in the income statement.

(v) Borrowings

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

(vi) Receivables from and payables to group undertakings

The Company has amounts receivable from and payable to group undertakings which are recognised at fair value. Amounts receivable from group undertakings are assessed annually for recoverability under the requirements of IFRS 9.

3. Key accounting assumptions, estimates and judgements

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

(i) Carrying value of investments and intangible assets estimate

In assessing whether investments and intangible assets are impaired, the Company uses a discounted cash flow model which includes forecast cash flows and estimates of future growth. If the results of operations in future periods are lower than included in the cash flow model, impairments may be triggered.

(ii) Recoverability of amounts owed by group undertakings

The recoverability of amounts owed by group undertakings are ultimately dependent on the performance of the group undertakings. As such the Company shares the same risks as the Group which can be found in the Group's Annual Report.

(iii) Deferred tax judgement and estimate

The calculation of deferred tax assets and liabilities requires judgement. Where the ultimate tax treatment is uncertain, the Company recognises deferred tax assets and liabilities based on an estimate of future taxable income and recoverability. Where a change in circumstances occurs, or the final tax outcome is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax balances in the year in which that change or outcome is known. The accounting policy regarding deferred tax is set out above in note 2(h).

(iv) IFRS 16 reassessment of lease term judgement

Leases are required to be recognised at the present value of the lease payments not yet paid for the duration of the lease term. The lease term is defined by IFRS 16 as the non-cancellable period of the lease, and any period covered by an option to extend or terminate that the lessee is reasonably certain to exercise. The assessment of the lease term requires judgement when considering the option to extend or terminate in a contract.

During the year, the Company's property lease has been remeasured upon reassessment of the lease term, where a judgement has been taken that an option to extend will be exercised. The remeasurement of the lease, and the corresponding adjustment to the ROU asset are presented in notes 20 and 12 respectively.

Centaur Communications Limited

Notes to the financial statements (continued)

For the year ended 31 December 2021

4. Revenue

Revenue from continuing operations by type:

	2021	2020
	£'000	£'000
Management fees, charged to fellow subsidiaries	6,299	6,370

All of the revenue generated related to management recharges to group undertakings for the services that the Company provides to the Group.

Analysis of revenue by geography:

	2021	2020
	£'000	£'000
United Kingdom	6,299	6,370

Centaur Communications Limited

Notes to the financial statements (continued)

For the year ended 31 December 2021

5. Directors and employees

	2021 No.	2020 No.
The average monthly number of employees was:		
Administration	6	6
Central shared services (recharged to group undertakings)	33	34
	39	40

		2021 £'000	2020 £'000
Aggregate remuneration comprised:	Note		
Wages and salaries		3,257	2,594
Social security costs		389	201
Pension contributions		123	128
Net employee benefits expense		3,769	2,923
Exceptional staff related restructuring costs	6	-	(47)
Equity-settled share-based payments	24	54	217
		3,823	3,093

The Company holds contracts of service with all employees of the Group (excluding directors) and pays all employees of the Group (including directors) and recharges the costs to the relevant group companies. Employee disclosures are made in each group company in respect of employee costs and the average monthly number of employees.

In the prior year, the Company applied for government grants of £149,000 for furloughed employees whose costs were recharged to fellow subsidiaries of the Group. This was received in full during the prior year and recharged in full to fellow subsidiaries of the Group. Government grants and the associated recharge of government grants were deducted from the related employee benefit expenses and related recharges of employee benefit expenses respectively. These were presented within administrative expenses and revenue in the income statement respectively. The net impact within administrative expenses and within revenue was nil. There were no government grants in the current year.

Disclosure of directors' remuneration is included in note 27.

Centaur Communications Limited

Notes to the financial statements (continued)

For the year ended 31 December 2021

6. Profit before taxation

Operating loss for the year has been arrived at after charging:

	Note	2021 £'000	2020 £'000
Net employee benefits expense	5	3,769	2,923
Amortisation of intangible assets	11	786	988
Impairment of intangible assets	11	55	-
Depreciation of property, plant and equipment	12	1,803	1,840
Impairment of trade receivables		187	19
Equity-settled share-based payments	24	54	217

The operating loss is also stated after (crediting)/charging the following one off items:

Continuing operations

Exceptional operating costs			
Staff related restructuring costs		-	(47)
Divestment related costs		-	(42)
Costs relating to strategic corporate restructuring activities		-	2
Exceptional operating costs		-	(87)
Loss on disposal of assets		-	112
Total one off items from continuing operations		-	25

Additionally, the profit for the year has been stated after (crediting)/charging the following non-operating items:

Continuing operations

Dividends received from subsidiaries	(10,349)	(30,400)
Intercompany debt forgiven	2	50
	(10,347)	(30,350)

Discontinued operations

Loss on disposal of subsidiaries	-	14,853
Total one off items from discontinued operations	-	14,853

Staff related restructuring costs

The prior year staff related restructuring costs included £35,000 related to restructuring the Company due to the adverse impact of Covid. This was provided for and utilised in full during the prior year. This was offset by the release of £82,000 of restructuring costs that were accrued but not utilised in 2019 which related to the 2019 divestment programme.

Divestment related costs

The credit of £42,000 in the prior year related to a release of professional fees relating to the sales process of The Lawyer that were accrued but not utilised in 2019.

Costs relating to strategic corporate restructuring initiatives

These related to professional fees for the corporate simplification programme to restructure the Group.

Loss on disposal of assets

In the prior year the loss on disposal of assets of £112,000 consisted of a loss on disposal of software development assets of £62,000 and a loss on disposal of property, plant and equipment of £50,000 related to assets that were no longer in use by the business. There were no gains or losses from disposal of assets in the current year.

Centaur Communications Limited

Notes to the financial statements (continued)

For the year ended 31 December 2021

6. Profit before taxation (continued)

Dividends received from subsidiaries

The Company received total dividends of £10,349,000 from the following subsidiaries during the year; Chiron Communications Limited (£9,286,000) and Market Makers Incorporated Limited (£1,063,000).

The Company received total dividends of £30,400,000 from the following subsidiaries during the prior year; Xeim Limited (£18,000,000), E-consultancy.com Limited (£6,000,000), Market Makers Incorporated Limited (£4,500,000) and TheLawyer.com Limited (£1,900,000).

Intercompany debt forgiven

The net loss from intercompany debt forgiven by fellow subsidiaries for the year was £2,000 (2020: £50,000).

Loss on disposal of subsidiaries

The loss on disposal of subsidiaries in discontinued operations in the prior year of £14,853,000 related to the disposal of the investment in Market Makers Incorporated Limited. See notes 10 and 13 for further details.

7. Finance income

	2021 £'000	2020 £'000
Interest receivable from group companies	1,065	1,485
Interest received from bank holdings	1	9
	<u>1,066</u>	<u>1,494</u>

8. Finance costs

	2021 £'000	2020 £'000
Interest payable to group companies	215	884
Lease interest	67	95
	<u>282</u>	<u>979</u>

Lease interest

A lease liability is recognised for the Company's property lease arrangement. £67,000 of interest on the Company's lease arrangement was incurred during the year (2020: £95,000). Please refer to notes 2(i) and 20 for further details.

Centaur Communications Limited

Notes to the financial statements (continued)

For the year ended 31 December 2021

9. Taxation

	2021 £'000	2020 £'000
Analysis of credit for the year		
Current tax		
UK Corporation Tax	(210)	-
Adjustment in respect of the prior year	-	(20)
	<u>(210)</u>	<u>(20)</u>
Deferred tax		
Current year	(140)	(209)
Adjustment in respect of the prior year	(85)	(80)
	<u>(225)</u>	<u>(289)</u>
Taxation credit	<u>(435)</u>	<u>(309)</u>

Corporation tax is calculated at 19% (2020: 19%) of the estimated taxable profit for the year.

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

	2021 £'000	2020 Continuing £'000	2020 Discontinued £'000	2020 Total £'000
Profit/(loss) before taxation	10,497	29,983	(14,853)	15,130
Tax at the UK rate of corporation tax of 19% (2020: 19%)	1,994	5,697	(2,822)	2,875
Effects of:				
Expenses not deductible in determining taxable profit	(1)	24	-	24
Losses not deductible	-	-	2,822	2,822
Changes in tax rate on deferred tax balances	(418)	(154)	-	(154)
Adjustment in respect of prior years	(85)	(100)	-	(100)
Dividends received	(1,966)	(5,776)	-	(5,776)
Share-based payments	41	-	-	-
Taxation	<u>(435)</u>	<u>(309)</u>	<u>-</u>	<u>(309)</u>

The Finance Act 2021 included provisions to increase the main rate of corporation tax to 25% from 1 April 2023. This change had been substantively enacted at the reporting date.

Centaur Communications Limited

Notes to the financial statements (continued)

For the year ended 31 December 2021

10. Discontinued operations

In the prior year an investment with a net book value of £14,853,000 was disposed. This entirely related to the Company's investment in the MarketMakers business which was closed during the prior year due to a significant reduction in revenue following the onset of the global pandemic. The loss on disposal was presented in discontinued operations. See note 13 for further details.

The results of the discontinued operation were:

	2020 £'000
Loss on disposal	(14,853)
Loss before taxation	(14,853)
Attributable taxation	-
Loss after taxation	(14,853)

No income tax arose on the loss on disposal.

11. Intangible assets

	Computer software £'000	Customer relationships £'000	Brands and publishing rights £'000	Total £'000
Cost or valuation				
At 1 January 2021	10,451	955	183	11,589
Additions (separately acquired)	58	-	-	58
Additions (internally generated)	111	-	-	111
Disposals	(34)	-	-	(34)
At 31 December 2021	10,586	955	183	11,724
Accumulated amortisation				
At 1 January 2021	9,295	738	133	10,166
Charge for the year	626	131	29	786
Impairment	55	-	-	55
Disposals	(34)	-	-	(34)
At 31 December 2021	9,942	869	162	10,973
Carrying amount				
At 31 December 2020	1,156	217	50	1,423
At 31 December 2021	644	86	21	751

Amortisation of intangible assets is included in administrative expenses in the income statement.

During the year intangible assets with a net book value of £nil were disposed of relating to software development assets that were no longer in use by the business.

Intangible assets are tested annually for impairment in accordance with IAS 36 'Impairment of Assets' at a segment level by comparing the carrying value with its recoverable amount. During the year, intangible assets totalling a net book value of £55,000 were impaired. The impairment charge relates to computer software no longer in use by the business.

Centaur Communications Limited

Notes to the financial statements (continued)

For the year ended 31 December 2021

12. Property, plant and equipment

	Fixtures and fittings £'000	Computer equipment £'000	ROU asset - property £'000	Total £'000
Cost or valuation				
At 1 January 2021	66	2,017	4,914	6,997
Additions	5	51	-	56
Remeasurement of ROU asset	-	-	978	978
Disposals	-	(1,040)	-	(1,040)
At 31 December 2021	71	1,028	5,892	6,991
Accumulated depreciation				
At 1 January 2021	38	1,688	2,029	3,755
Charge for the year	21	133	1,649	1,803
Disposals	-	(1,040)	-	(1,040)
At 31 December 2021	59	781	3,678	4,518
Carrying amount				
At 31 December 2020	28	329	2,885	3,242
At 31 December 2021	12	247	2,214	2,473

Depreciation of property, plant and equipment is included in administrative expenses in the income statement.

During the year computer equipment assets with a net book value of £nil were disposed of relating to assets that were no longer in use by the business.

13. Investments

	Investment in subsidiary undertakings £'000
Cost	
At 1 January 2020	61,622
Disposal	(19,507)
At 31 December 2020 and 31 December 2021	42,115
Accumulated impairment	
At 1 January 2020	18,927
Disposal	(4,654)
At 31 December 2020 and 31 December 2021	14,273
Net book value	
At 31 December 2020 and 31 December 2021	27,842

Centaur Communications Limited

Notes to the financial statements (continued)

For the year ended 31 December 2021

13. Investments (continued)

Disposal

There were no disposals in the current year.

In the prior year an investment with a net book value of £14,853,000 was disposed. This entirely related to the Company's investment in the MarketMakers business which was closed during the prior year due to a significant reduction in revenue following the onset of the global pandemic. The loss on disposal was presented in discontinued operations. See note 10 for further details.

Acquisition

On 19 July 2021, the Company entered into a Share Transfer Agreement with Chiron Communications Limited, a fellow Group subsidiary, to purchase the allotted and issued share capital of Mayfield Publishing Limited, a fellow Group subsidiary. The share transfer was effected in line with the Group's strategy to simplify its structure, to improve operational execution and to focus attention on leading brands.

Consideration was in the form of an intercompany loan of £3 issued in favour of Chiron Communications Limited, a fellow Group subsidiary, from the Company, at an amount equal to the issued share capital of Mayfield Publishing Limited. This was fully settled during the year.

There were no acquisitions in the prior year.

Impairment testing of investments

In assessing whether an impairment of investments is required, the carrying value of each investment is compared with its recoverable amount. The recoverable amount is measured based on value-in-use ('VIU'). The Group estimates the VIU 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 10.3% (2020: 12.8%), in line with the Group's weighted average cost of capital. The key assumptions used in calculating VIU are revenue growth, margin, adjusted EBITDA growth, discount rate and the terminal growth rate. Forecasts for the first three years of the calculation have been used, and a terminal growth rate of 2.5% (2020: 2.5%) has been applied, in line with that used at Group. In the impairment assessment, sensitivities are applied to each of the key assumptions and variables in isolation and in combination, in order to determine if any impairment is necessary.

In the current year no impairment was identified in relation to the Company's investments and at 31 December 2021 the carrying value of each investment is fully supported by the future cash flows of those subsidiaries.

In the prior year the Company's investment in the MarketMakers business with a net book value of £14,853,000 was disposed following the closure of the MarketMakers business during the year. No impairment was identified in relation to the Company's other investments.

Centaur Communications Limited

Notes to the financial statements (continued)

For the year ended 31 December 2021

13. Investments (continued)

Subsidiaries

In order to simplify the Group structure, the process to close dormant companies commenced during the year.

The following subsidiaries were closed during the year:

Name	Percentage owned %	Principal Activities	Country of incorporation	Date of closure
E-consultancy Asia Pacific Pte Limited	100	Dormant	Singapore	6 June 2021
E-consultancy Australia Pty Limited	100	Dormant	Australia	5 April 2021
Mayfield Publishing Limited	100	Dormant	United Kingdom	21 December 2021
Your Business Magazine Limited	100	Dormant	United Kingdom	20 April 2021

Centaur Newco 2018 Limited was dissolved during the prior year. The company did not trade since incorporation.

The Company held interests in the following subsidiaries as at 31 December 2021:

Name	Percentage owned %	Principal Activities	Country of Incorporation
Centaur Media USA Inc. ^{1,2}	100	Digital information, training and events	United States
Chiron Communications Limited	100	In liquidation	United Kingdom
E-consultancy LLC ^{1,2}	100	Digital information, training and events	United States
E-consultancy.com Limited	100	Digital information, training and events	United Kingdom
Market Makers Incorporated Limited	100	In liquidation	United Kingdom
Pro-Talk Ltd	100	In liquidation	United Kingdom
Taxbriefs Holdings Limited	100	Holding company	United Kingdom
Taxbriefs Limited ²	100	In liquidation	United Kingdom
TheLawyer.com Limited	100	Digital information services	United Kingdom
Xeim Limited	100	Digital information services	United Kingdom

¹ Registered address is 251 Little Falls Drive, Wilmington, DE19808, USA. Functional currency is USD.

² Owned by subsidiary undertaking. Other subsidiaries are directly owned by Centaur Communications Limited.

The registered address of all subsidiary companies, with the exception of those identified above, is Floor M, 10 York Road, London, SE1 7ND, United Kingdom. The functional currency of all subsidiaries is GBP except for those identified above.

Centaur Communications Limited

Notes to the financial statements (continued)

For the year ended 31 December 2021

14. Deferred tax assets

The following are the major deferred tax assets recognised by the Company and movement thereon during the current and prior year.

	Accelerated capital allowances £'000	Other timing differences £'000	Tax losses £'000	Total £'000
At 1 January 2020	272	200	757	1,229
Adjustments in respect of prior period	89	-	(9)	80
(Charge)/credit to income statement	(9)	(173)	391	209
At 31 December 2020	352	27	1,139	1,518
Adjustments in respect of prior period	(41)	82	44	85
Credit/(charge) to income statement	41	(64)	163	140
Credit to statement of changes in equity	-	30	-	30
At 31 December 2021	352	75	1,346	1,773

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

A deferred tax asset of £1,346,000 (2020: £1,139,000) has been recognised in respect of £5,382,000 (2020: £5,995,660) of tax losses. Deferred tax assets are expected to be materially utilised after 12 months.

At 31 December 2021, the Company has unrecognised deferred tax assets of £1,523,000 (2020: £1,157,000) relating to carried forward capital losses of £6,090,000 (2020: £6,090,000). Unrecognised capital losses are recoverable against future capital gains.

15. Cash and cash equivalents

	2021 £'000	2020 £'000
Cash at bank and in hand	8,873	3,991

Centaur Communications Limited

Notes to the financial statements (continued)

For the year ended 31 December 2021

16. Trade and other receivables

	2021	2020
	£'000	£'000
Amounts falling due within one year		
Trade receivables	72	115
Less: expected credit loss	(31)	(50)
Trade receivables - net	41	65
Amounts owed by group undertakings	29,121	54,542
Corporation tax	-	264
Other receivables	7	79
Prepayments	344	620
	29,513	55,570
Amounts falling due after one year		
Other receivables	278	278

Amounts owed by group undertakings are unsecured, are repayable on demand, and bear interest at an annual rate of 3.45% (2020: 2.49%). The Company settled a number of receivables and payables with group undertakings during the year.

Other receivables due after one year of £278,000 (2020: £278,000) relates to a deposit on the London property lease which is fully refundable at the end of the lease term.

17. Loans receivable

	2021	2020
	£'000	£'000
Promissory notes owed by group undertakings	-	1,640
Intercompany loan	-	2,157
	-	3,797

Promissory notes owed by group undertakings were fully settled during the year. These were unsecured, repayable on demand and did not bear interest.

The intercompany loan was owed by the Company's subsidiary, Chiron Communications Limited, and was fully settled during the year. The loan was unsecured, repayable on demand and bore interest at an annual rate of 3.45% (2020: 2.49%). Interest income of £31,000 (2020: £52,000) is included within interest receivable from group companies within note 7.

Centaur Communications Limited

Notes to the financial statements (continued)

For the year ended 31 December 2021

18. Borrowings

	2021 £'000	2020 £'000
Promissory note owed to group undertaking	-	260

During 2019, the Company assumed a promissory note of £260,000 on behalf of its subsidiary Centaur Engineering Limited before the entity was disposed from the Centaur Media Plc Group. The promissory note was owed to the Company's subsidiary, Chiron Communications Limited, and was fully settled during the year. It was unsecured, repayable on demand and did not bear interest.

19. Trade and other payables

	2021 £'000	2020 £'000
Trade payables	973	148
Amounts owed to group undertakings	7,208	43,974
Accrued expenses	2,906	2,562
Other creditors	905	837
Social security and other taxes	892	1,279
	12,884	48,800

Amounts owed to group undertakings are unsecured, have no fixed date of repayment and bear interest at an annual rate of 3.45% (2020: 2.49%). The Company settled a number of receivables and payables with group undertakings during the year.

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

Centaur Communications Limited

Notes to the financial statements (continued)

For the year ended 31 December 2021

20. Lease liability

The lease liability currently held by the Company relates to a property lease, for which a corresponding right-of-use ('ROU') asset is held on the statement of financial position within property, plant and equipment and detailed in note 12.

	2021 £'000	2020 £'000
At 1 January	3,375	3,233
Remeasurement of lease liability	978	1,704
Interest expense	67	95
Cash outflow	(2,036)	(1,657)
At 31 December	2,384	3,375
Current	1,884	1,969
Non-current	500	1,406
At 31 December	2,384	3,375

The lease liability for the Company's property in London was remeasured during the year upon reassessment of the lease term, resulting in an increase of £978,000. The amount of the remeasurement of the lease liability was recognised as an adjustment to the ROU asset.

During the prior year, the lease liability for the Company's property in London was remeasured upon reassessment of the lease term and renegotiation of payment terms due to Covid, resulting in an increase of £1,704,000. The amount of the remeasurement of the lease liability was recognised as an adjustment to the ROU asset.

21. Retirement benefit schemes

The Company contributes to individual and collective money purchase pension schemes in respect of employees once they have completed the requisite period of service. The charge in the period in respect of these defined contribution schemes is shown in note 5. Included within other payables is an amount of £76,000 (2020: £77,000) payable in respect of money purchase pension schemes held on behalf of the Group. £3,000 (2020: £3,000) of this is related to the Company.

22. Called up share capital

	£'000
Authorised, issued and fully paid share capital at 31 December 2020 and 31 December 2021:	
17,108,096 ordinary shares of 10p each	<u>1,711</u>

The Company has one class of ordinary share which carries no right to fixed income.

23. Other reserves

Other reserves of £259,000 relate to capital contributions in respect of share-based payments from the ultimate parent company Centaur Media Plc. £47,000 was charged in the year (2020: £212,000).

Centaur Communications Limited

Notes to the financial statements (continued)

For the year ended 31 December 2021

24. Share-based payments

	2021	2020
	£'000	£'000
Long-Term Incentive Plan ('LTIP')	47	212
Share Incentive Plan ('SIP')	7	5
Share-based payment expense	54	217

The Group operates a Long-Term Incentive Plan ('LTIP') for Executive Directors and selected senior management. The Company participates in this pre-existing incentive policy which was approved by shareholders of the ultimate controlling parent at the 2016 AGM. The share awards are valued at date of grant and the income statement is charged over the vesting period, taking into account the number of shares expected to vest. Full details of how the plan operates and movements in the year are available in the Remuneration Report and note 23 of the Centaur Media Plc Group financial statements which are available from <https://www.centaurmedia.com/investors/financial-results>.

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

The current year share-based payment expense includes a capital contribution of £47,000 for share-based payments charged from the Company's ultimate parent company, Centaur Media Plc.

Share Incentive Plan

The Group has a Share Incentive Plan, which is an HMRC approved Tax-Advantaged plan, which provides employees with the opportunity to purchase shares in the ultimate controlling parent. This plan is open to all employees who have been employed by the Group for more than three months. Employees may invest up to £1,800 per annum (or 10% of their salary if less) in ordinary shares in the Company, which are held in trust. The shares are purchased in the open market and are held in trust for each employee. The shares can be withdrawn with tax paid at any time, or tax-free after five years. The Group matches the contribution with a ratio of one share for every two purchased. Other than continuing employment, there are no other performance conditions attached to the plan. Further details are available in note 23 of the Centaur Media Plc Group financial statements.

Centaur Communications Limited

Notes to the financial statements (continued)

For the year ended 31 December 2021

24. Share-based payments (continued)

Long-Term Incentive Plan

Vesting of 2018 LTIP awards

The performance conditions attached to the plan granted to selected senior management on 6 April 2018 were weighted at 50% based on two years' continued employment and 50% for 3 years' continued employment. On 6 April 2021, 50% of the LTIP granted on 6 April 2018 to selected senior management vested upon meeting the performance condition of three years' continued employment. On 6 April 2020, 50% of the LTIP granted on 6 April 2018 to selected senior management vested upon meeting the performance condition of two years' continued employment.

The performance conditions for the options granted to Executive Directors of the Group and percentages that vested in 2021 were:

Performance condition	Weighting	Targets	Actual outcome	Vesting
Relative TSR vs FTSE SmallCap index (excluding investment trusts)	50%	<ul style="list-style-type: none"> • 0% vesting below median • 25% vesting at median • 100% vesting at upper quartile • Straight-line vesting between these points 	Below median	0%
EPS	50%	<ul style="list-style-type: none"> • 0% vesting below 4.15 pence • 25% vesting at 4.15 pence • 100% vesting at 7.04 pence • Straight-line vesting between these points 	Below threshold	0%

The number of options that vested, were exercised and were exercisable at the end of the year are disclosed in the Group financial statements. The weighted average share price at the date of exercise for options that were exercised during the year was 42.01 pence (2020: 24.19 pence).

LTIP awards granted in 2019

The performance conditions for the options granted in 2019 were:

Performance condition	Weighting	Measurement period	Targets	Vesting
Profitable revenue growth	50%	3 years to 31 December 2021	<ul style="list-style-type: none"> • 0% vesting below 50% (£2.0m growth) • 25% vesting - 50% = (£2.0m growth) - median • 100% vesting (£4.0m growth) • Pro rata on a straight-line basis between 25% and 100% 	0%
Adjusted Group EBITDA margin growth	50%	3 years to 31 December 2021	<ul style="list-style-type: none"> • 0% vesting below 13.1% • 100% vesting at 15.9% • Pro rata straight-line vesting between Nil and 100% 	0%

The profitable revenue growth and Group EBITDA margin growth performance conditions were not met for the period ended 31 December 2021. Options associated with these performance conditions will therefore lapse on the vesting date in April 2022.

Centaur Communications Limited

Notes to the financial statements (continued)

For the year ended 31 December 2021

24. Share-based payments (continued)

LTIP awards granted in 2020

The performance conditions for the options granted in 2020 were:

Performance condition	Weighting	Measurement period	Targets
Adjusted Basic EPS ¹	One-third	3 years to 31 December 2022	<ul style="list-style-type: none"> • 0% vesting below threshold¹ • 25% vesting at threshold¹ • 100% vesting at target¹ EPS • Straight-line vesting between 25% and 100%
Group Adjusted EBITDA margin ¹	One-third	3 years to 31 December 2022	<ul style="list-style-type: none"> • 0% vesting below threshold¹ • 25% vesting at threshold¹ • 100% vesting at target¹ EBITDA margin • Straight-line vesting between 25% and 100%
Relative TSR vs FTSE SmallCap index (excluding investment trusts)	One-third	3 years to 30 June 2023	<ul style="list-style-type: none"> • 0% vesting below median • 25% vesting at median • 100% vesting at upper quartile or above • Straight-line vesting between 25% and 100%

¹ Adjusted results are defined within the Centaur Media Plc Group financial statements for the year ended 31 December 2021. The performance targets for Adjusted Basic EPS and Adjusted EBITDA margin for the three years, derived from MAP23, are commercially sensitive and are not disclosed. They will remain commercially sensitive during the three-year period of performance until the calculation is performed and disclosed in the 2022 Centaur Media Plc Group financial statements.

Grant of LTIP awards in 2021

The performance conditions for the options granted in 2021 were:

Performance condition	Weighting	Measurement period	Targets
Adjusted Basic EPS ¹	One-third	3 years to 31 December 2023	<ul style="list-style-type: none"> • 0% vesting below threshold¹ • 25% vesting at threshold¹ • 100% vesting at target¹ EPS • Straight-line vesting between 25% and 100%
Group Adjusted EBITDA margin ¹	One-third	3 years to 31 December 2023	<ul style="list-style-type: none"> • 0% vesting below threshold¹ • 25% vesting at threshold¹ • 100% vesting at target¹ EBITDA margin • Straight-line vesting between 25% and 100%
Relative TSR vs FTSE SmallCap index (excluding investment trusts)	One-third	3 years to 31 December 2023	<ul style="list-style-type: none"> • 0% vesting below median • 25% vesting at median • 100% vesting at upper quartile or above • Straight-line vesting between 25% and 100%

¹ Adjusted results are defined within the Centaur Media Plc Group financial statements for the year ended 31 December 2021. The performance targets for Adjusted Basic EPS and Adjusted EBITDA margin for the three years, derived from MAP23, are commercially sensitive and are not disclosed. They will remain commercially sensitive during the three-year period of performance until the calculation is performed and disclosed in the 2023 Centaur Media Plc Group financial statements.

Centaur Communications Limited

Notes to the financial statements (continued)

For the year ended 31 December 2021

24. Share-based payments (continued)

All awards

All options granted vest on the vesting date if the performance conditions are met and the employee is still employed by the Company. All options have a maximum life of 3 years and are equity-settled.

All options outstanding at 31 December 2021 had exercise prices of £nil (2020: £nil), and a weighted average remaining contractual life of 1.3 years (2020: 1.3 years).

25. Dividends

The Directors did not propose any dividends for the year ended 31 December 2021. During the prior year, the Company paid an interim dividend of £40,000,000 to Centaur Media Plc.

26. Controlling party

In the opinion of the Directors, the Company's ultimate parent company and immediate and ultimate controlling party is Centaur Media Plc, a company incorporated in England and Wales and registered at Floor M, 10 York Road, London, SE1 7ND.

The parent undertaking of the largest and smallest group, which includes the Company and for which group financial statements are prepared, is Centaur Media Plc. Copies of the group financial statements of Centaur Media Plc are available from <https://www.centaurmedia.com/investors/financial-results>.

27. Related party transactions

As a wholly owned subsidiary of Centaur Media Plc, the Company has taken advantage of the exemption under FRS 101 from disclosing transactions with other companies that are a wholly owned member of the Centaur Media Plc group.

The Directors did not receive any emoluments in respect of services to the Company, which are considered incidental to their duties on behalf of the Group. Emoluments for Swag Mukerji and Simon Longfield are disclosed in the Group consolidated financial statements of Centaur Media Plc.

28. Capital commitments

At 31 December 2021, the Company had no capital commitments (2020: nil).

29. Contingent liabilities

In March 2021, the Group terminated its £25,000,000 multi-currency revolving credit facility with NatWest and Lloyds which was due to expire in November 2021. It was replaced by a new multi-currency revolving credit facility with NatWest which runs to March 2024 with the option to extend for two periods of one year each. The new facility consists of a £10,000,000 committed facility and an additional £15,000,000 uncommitted accordion option, both of which can be used to cover the Group's working capital and general corporate needs.

The Company's assets, in addition to other material companies of the Group, are pledged as security. As at 31 December 2021 the loan facility was undrawn (2020: undrawn).

Centaur Communications Limited

Notes to the financial statements (continued)

For the year ended 31 December 2021

30. Events after the reporting period

Following the reporting date on 21 June 2022, the Directors of Xeim Limited and TheLawyer.com Limited, subsidiaries of the Company, have proposed to pay final dividends for the year ended 31 December 2021 to the Company totalling £6,400,000.