

**Chiron Communications Limited**

**Annual Report and Financial Statements**

**for the year ended 31 December 2017**

Registered number: 01081808

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# **Chiron Communications Limited**

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# **Chiron Communications Limited**

## **Company information**

### **Registered Number**

01081808

### **Registered office**

Wells Point  
79 Wells Street  
London  
W1T 3QN  
United Kingdom

### **Board of Directors**

Andria Vidler  
Swag Mukerji  
Linda Smith

### **Company Secretary**

Helen Silver (Appointed 4 September 2017)

# **Chiron Communications Limited**

## **Strategic report for the year ended 31 December 2017**

The Directors, in preparing the strategic report, have complied with s414C of the Companies Act 2006.

### **Principal activities**

The principal activity of the Company is the provision of online publishing, research analysis, training, consulting and events.

### **Business review**

The profit for the year ended 31 December 2017 was £8,886,000 which included costs relating to redundancies for specific restructuring activities of £203,000 and debts forgiven by fellow subsidiaries of £13,963,000 (see note 9). (Year ended 31 December 2016: loss of £8,016,000 which included costs relating to redundancies for specific restructuring activities of £795,000 and a one off impairment of trade receivables for £459,000).

The directors of the ultimate parent company, Centaur Media Plc, ('the Group') 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 21 of the Group's 2017 annual report.

The Directors consider that the financial position of the Company at 31 December 2017 was satisfactory.

### **Principal risks and uncertainties**

The directors of Centaur Media Plc manage the Group's risks at a group level, rather than at an individual business unit level. For this reason, the Company's Directors have not included a separate discussion of the Company's risks. The principal risks and uncertainties, as well as the financial risk management policy of the Group, which include those of the Company, are discussed on pages 22 to 24 of the Group's 2017 annual report.

By order of the Board



Swag Mukerji

Director

27 June 2018

# **Chiron Communications Limited**

## **Directors' report for the year ended 31 December 2017**

The Directors present their report and the financial statements of the Company for the year ended 31 December 2017.

### **Future developments**

The Company aims to achieve its objectives through organic growth and new product development.

### **Dividends**

The Directors did not propose a dividend for the year ended 31 December 2017 (Year ended 31 December 2016: £nil)

### **Going concern**

The Company is profit making and has net assets but has net current liabilities. The Directors have obtained confirmation from Group companies that amounts owed to group undertakings of £56,324,000 will not be recalled within twelve months of signing these financial statements whilst the Company remains part of the Group if, by doing so, it would jeopardise the financial status of the Company. On this basis and with ongoing financial support from its parent Company Centaur Media Plc, the Directors consider that 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.

### **Directors**

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

Grainne Brankin (Resigned 30 June 2017)

Andria Vidler

Swag Mukerji

Linda Smith

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

By virtue of article 206 of the Articles of Association of the Company, a qualifying indemnity provision (within the meaning given by section 234 of the Companies Act 2006) is in force at the date of this report in respect of each director of the Company and was in force from 7 June 2010.

### **Events after the balance sheet date**

There were no significant events after the balance sheet date.

### **Payment of creditors**

It is the Company's policy to agree credit arrangements with suppliers as part of the general terms of supply. Payment is then made in accordance with these terms provided the goods and services have been delivered in accordance with the agreed terms and conditions. The number and diversity of supply relationships means that the Company pursues no formal code or policy beyond this. The Company had trade creditors of £2,360,000 as at 31 December 2017 (31 December 2016: £3,624,000).

### **Employment policy**

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

## **Chiron Communications Limited**

### **Directors' report for the year ended 31 December 2017 (continued)**

The Directors actively encourage employee involvement at all levels, both through regular employee briefings and by direct access to managers and the directors. In addition, the Share Incentive plan and the Sharesave plan as described on page 107 of the Group Annual Report encourages employees' participation in the Group's performance.

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

The Directors are responsible for preparing the Strategic Report, Directors' report and the financial statements in accordance with applicable UK law and regulations.

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 FRS 101 (Financial Reporting Standard 101) 'Reduced Disclosure Framework'. 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 these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether Financial Reporting Standard 101 Reduced Disclosure Framework has been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They 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 members have not required the Company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006.

By order of the Board



Swag Mukerji

Director

27 June 2018

# Chiron Communications Limited

## Income statement

For the year ended 31 December 2017

|   |      | Year ended<br>31 December<br>2017<br>£'000 | Year ended<br>31 December<br>2016<br>£'000 |
|---|------|--|--|
|   | Note |  |  |
| Revenue   | 4    | 31,270                                     | 33,094                                     |
| Cost of sales   |      | (17,730)                                   | (18,297)                                   |
| <b>Gross profit</b>   |      | <b>13,540</b>                              | <b>14,797</b>                              |
| Distribution costs  |      | (536)                                      | (829)                                      |
| Administrative expenses   |      | (19,028)                                   | (23,221)                                   |
| Intercompany debt forgiven  | 9    | 13,963                                     | -  |
| <b>Operating profit/(loss)</b>  |      | <b>7,939</b>                               | <b>(9,253)</b>                             |
| Interest receivable and similar income  | 6    | 1,063                                      | 648  |
| Finance costs   | 7    | (1,245)                                    | (1,153)                                    |
| <b>Profit/(loss) before taxation</b>  |      | <b>7,757</b>                               | <b>(9,758)</b>                             |
| Tax   | 8    | 1,129                                      | 1,742                                      |
| <b>Profit/(loss) for the financial period attributable to owners of the Company</b> | 9    | <b>8,886</b>                               | <b>(8,016)</b>                             |

The notes on pages 8 to 24 are an integral part of these financial statements.

Revenue and operating profit/(loss) are all derived from continuing operations.

A Statement of Comprehensive Income has not been presented as there are no other items of other comprehensive income other than the profit/(loss) on ordinary activities after tax for the year.

# Chiron Communications Limited

## Statement of financial position

As at 31 December 2017

|   | Note | 31 December<br>2017<br>£'000 | 31 December<br>2016<br>£'000 |
|---|------|------------------------------|------------------------------|
| <b>Non-current assets</b>                           |      |                              |                              |
| Intangible assets                                   | 10   | 9,618                        | 9,169                        |
| Property, plant and equipment                       | 11   | 1,438                        | 1,897                        |
| Investment in subsidiaries                          | 12   | 990                          | 990                          |
| Deferred tax assets                                 | 13   | 436                          | 231                          |
|   |      | <u>12,482</u>                | <u>12,287</u>                |
| <b>Current assets</b>                               |      |                              |                              |
| Inventories   |      | 1,433                        | 1,920                        |
| Trade and other receivables                         | 14   | 60,502                       | 39,815                       |
| Cash and bank balances                              |      | 2,499                        | 2,273                        |
|   |      | <u>64,434</u>                | <u>44,008</u>                |
| <b>Total assets</b>                                 |      | <u><b>76,916</b></u>         | <u><b>56,295</b></u>         |
| <b>Current liabilities</b>                          |      |                              |                              |
| Trade and other payables                            | 15   | (70,885)                     | (59,150)                     |
|   |      | <u>(70,885)</u>              | <u>(59,150)</u>              |
| <b>Net current liabilities</b>                      |      | <u>(6,451)</u>               | <u>(15,142)</u>              |
| <b>Net assets/(liabilities)</b>                     |      | <u><b>6,031</b></u>          | <u><b>(2,855)</b></u>        |
| <b>Equity</b>                                       |      |                              |                              |
| Share capital                                       | 16   | 40                           | 40                           |
| Share premium account                               |      | 9                            | 9                            |
| Other reserves                                      |      | 1,387                        | 1,387                        |
| Retained (loss)/earnings                            |      | 4,595                        | (4,291)                      |
| <b>Equity attributable to owners of the Company</b> |      | <u><b>6,031</b></u>          | <u><b>(2,855)</b></u>        |

The notes on pages 8 to 24 are an integral part of these financial statements.

For the year ended 31 December 2017 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 accounts 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 accounts.

The financial statements of Chiron Communications Limited (registered number 01081808) were approved by the board of directors and authorised for issue on 27 June 2018. They were signed on its behalf by:



Swag Mukerji  
Director



## Chiron Communications Limited

### Statement of changes in equity

For the year ended 31 December 2017

|  | Share<br>Capital<br>£'000 | Share<br>Premium<br>£'000 | Other<br>reserves<br>£'000 | Retained<br>earnings<br>£'000 | Total<br>£'000 |
|--|---------------------------|---------------------------|----------------------------|-------------------------------|----------------|
| <b>Balance at 1 January 2016</b>                     | 40                        | 9                         | 1,387                      | 3,725                         | 5,161          |
| Profit and total comprehensive profit for the period | -                         | -                         | -                          | (8,016)                       | (8,016)        |
| <b>Balance at 31 December 2016</b>                   | <b>40</b>                 | <b>9</b>                  | <b>1,387</b>               | <b>(4,291)</b>                | <b>(2,855)</b> |
| Loss and total comprehensive loss for the year       | -                         | -                         | -                          | 8,886                         | 8,886          |
| <b>Balance at 31 December 2017</b>                   | <b>40</b>                 | <b>9</b>                  | <b>1,387</b>               | <b>4,595</b>                  | <b>6,031</b>   |

The notes on pages 8 to 24 are an integral part of these financial statements.

Other reserves relate to capital contributions.

# **Chiron Communications Limited**

## **Notes to the financial statements** **For the year ended 31 December 2017**

### **1. General information**

Chiron Communications Limited ('the Company') is a company incorporated in the England and Wales under the Companies Act.

The Company is a private company limited by shares and is registered in England and Wales. The address of the Company's registered office is shown on page 1.

The nature of the Company's operations and its principal activities are set out in the strategic report on page 2.

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. The group accounts of Centaur Media Plc are available to the public and can be obtained as set out in note 22. The registered office address of the parent Company preparing consolidated accounts is Wells Point, 79 Wells Street, London, W1T 3QN.

### **Adoption of new and revised Standards**

None of the new standards and amendments to standards (including the Annual Improvements (2014) to existing standards) that are mandatory for the first time for the financial year commencing 1 January 2017 affected any of the amounts recognised in the current period or any prior period, and is not likely to affect future periods

### **New standards and interpretations not yet adopted**

No new standards, amendments or interpretations effective for the first time for the financial year beginning on or after 1 January 2017 have had a material impact on the Company.

The following new accounting standards and interpretations have been published that are not mandatory for 31 December 2017 reporting periods and have not been early adopted by the Company:

#### **IFRS 9 'Financial instruments'**

IFRS 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets.

#### **Impact**

The Company has reviewed its financial assets and liabilities and is only expecting trade receivables to be impacted once the new standard is adopted on 1 January 2018.

The new impairment model for trade receivables requires the recognition of impairment provisions based on expected credit losses (ECL) rather than only incurred credit losses as is the case under IAS 39. The significant majority of the Group's debt instruments relate to trade receivables and as such have been tested using the new impairment model.

Based on the assessments undertaken to date, the Company does not expect a material change to the loss allowance for trade receivables. The Company has also reviewed all other financial assets and liabilities, including cash and cash equivalents, and no material impact is expected.

#### **Date of adoption by the Company**

Must be applied for financial years commencing on or after 1 January 2018. The Company will apply the new rules retrospectively from 1 January 2018, with the practical expedients permitted under the standard. Comparatives for 2017 will not be restated.

#### **IFRS 15 'Revenue from contracts with customers'**

IFRS 15 sets out the requirements for recognising revenue from contracts with customers, replacing all existing revenue standards. The standard requires entities to apportion revenue earned from contracts to individual performance obligations, on a stand-alone selling price basis, based on a five-step model framework.

#### **Impact**

The Company has performed an impact assessment on the FY17 revenue, the results of which indicate that there will not be a material change to the timing or quantum of revenue recognition.

# **Chiron Communications Limited**

## **Notes to the financial statements (continued)**

For the year ended 31 December 2017

### **1. General information (continued)**

#### **Date of adoption by the Company**

Must be applied for financial years commencing on or after 1 January 2018. The Company will apply the new rules retrospectively from 1 January 2018, with the practical expedients permitted under the standard. Comparatives for 2017 will not be restated.

#### **Other**

There are no other 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.

### **2. Significant accounting policies**

#### **Basis of accounting**

These financial statements have been prepared in accordance with FRS 101 'Reduced Disclosure Framework'. The financial statements have been prepared on a historical cost basis.

#### **Going concern**

The Company is profit making and has net assets but has net current liabilities. The Directors have obtained confirmation from Group companies that amounts owed to group undertakings of £56,324,000 will not be recalled within twelve months of signing these financial statements whilst the Company remains part of the Group if, by doing so, it would jeopardise the financial status of the Company. On this basis and with ongoing financial support from its parent Company Centaur Media Plc, the Directors consider that 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.

#### **Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for the sales of advertising space, subscriptions and individual publications and revenue from exhibitions and conferences, net of discounts and value added tax.

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities as described below.

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

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

#### **Interest receivable and similar 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.

#### **Finance costs**

Finance costs are recognised in profit or loss in the period in which they are incurred.

# **Chiron Communications Limited**

## **Notes to the financial statements (continued)**

For the year ended 31 December 2017

### **2. Significant accounting policies (continued)**

#### **Leases**

Agreements under which payments are made to owners in return for the right to use an asset for a period are accounted for as leases. Leases that transfer substantially all of the risks and rewards of ownership are recognised at the commencement of the lease term as finance leases within property, plant and equipment and debt at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Finance lease payments are apportioned between interest expense and repayments of debt. All other leases are classified as operating leases and the cost is recognised in income on a straight-line basis.

#### **Foreign currencies**

##### ***(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 profit or loss.

#### **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 statement of comprehensive income when employer contributions become payable.

#### **Taxation**

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

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

Deferred tax is provided in full, using the liability method, on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements 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 period when the liability is settled or the asset is realised. Deferred tax is charged or credited to the statement of comprehensive income, except when it relates to items charged or credited directly to equity, in which case the deferred tax is recognised in other comprehensive income.

#### **Investments**

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

# Chiron Communications Limited

## Notes to the financial statements (continued)

For the year ended 31 December 2017

### 2. Significant accounting policies (continued)

#### Property, plant and equipment

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

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

Residual values, where applicable, are reviewed annually against prevailing market rates at the balance sheet date for equivalent aged assets and depreciation rates adjusted accordingly on a prospective basis. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Each year, a review of the estimated useful economic life of each asset is carried out to ensure depreciation rates are appropriate.

#### Intangible assets

##### (i) Goodwill

Where the cost of a business acquisition exceeds the fair values attributable to the separable net assets acquired, the resulting goodwill is capitalised and allocated to the cash-generating unit ('CGU') or groups of CGUs that are expected to benefit from the synergies of the business combination. Goodwill has an indefinite useful life and is tested for impairment annually or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

Each brand is deemed to be a CGU. Goodwill is attributed to groups of CGUs but is reviewed at the segment level for the purposes of the Group's annual impairment review as this is the level that management monitors goodwill. Goodwill and acquired intangible assets are tested for impairment in accordance with IAS 36. In assessing whether a write-down of goodwill and acquired intangible assets is required, the carrying value of the segment is compared with its recoverable amount. Recoverable amount is measured based on value-in-use. Any impairment is recognised in the statement of comprehensive income. Impairment of goodwill is not subsequently reversed.

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

##### (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, websites and content | - 3 to 5 years |
|---|----------------|

#### 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 to sell and its value in use. An asset's value in use is calculated by discounting an estimate of future cash flows by the Group's pre-tax weighted average cost of capital.

# **Chiron Communications Limited**

## **Notes to the financial statements (continued)**

For the year ended 31 December 2017

### **2. Significant accounting policies (continued)**

#### **Inventories**

Work in progress comprises costs incurred relating to publications, exhibitions and conferences prior to publication date or the date of the event.

#### **Financial instruments**

##### ***(i) Financial assets***

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

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

##### ***(ii) Trade receivables***

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

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

##### ***(iii) Cash and cash equivalents***

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

##### ***(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.

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

##### ***(v) Trade payables***

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

##### ***(vi) Derivative financial instruments***

The Company does not hold any derivative financial instruments either for trading purposes or designated as hedges.

# **Chiron Communications Limited**

## **Notes to the financial statements (continued)**

For the year ended 31 December 2017

### **2. Significant accounting policies (continued)**

#### **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 recharged by its parent.

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. The fair value excludes the effect of non-market vesting conditions.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest. At each balance sheet date, the Company revises its estimate of the number of equity instruments expected to vest as a result of the effect of non-market-based vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to equity reserves.

#### **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.

#### **Dividends**

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

### **3. Critical accounting judgements and key sources of estimation uncertainty**

In the application of the Company's accounting policies, which are described in note 2, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

#### **Key sources of estimation uncertainty**

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

#### ***Depreciation and amortisation***

The Company exercises judgement to determine useful lives and residual values of property, plant and machinery and intangible assets. The assets are depreciated and amortised down to their residual values over their estimated useful lives.

#### ***Impairment of intangible assets***

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating unit based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate. The Company did not need to recognise any impairment losses on intangible assets in the year.

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## **Chiron Communications Limited**

### **Notes to the financial statements (continued)**

For the year ended 31 December 2017

#### **3. Critical accounting judgements and key sources of estimation uncertainty (continued)**

##### ***Recoverability of trade receivables***

The recoverability of trade receivables requires judgement. The Company uses all available evidence to determine the appropriate level of provision to record for impairment of trade receivables, including historical trends, collections post year end and the ageing of the receivables balance. Further details about trade receivables are included in note 14.



# Chiron Communications Limited

## Notes to the financial statements (continued)

For the year ended 31 December 2017

### 4. Revenue

|   | Year ended<br>31<br>December<br>2017<br>£'000 | Year ended<br>31<br>December<br>2016<br>£'000 |
|---|---|---|
| <b>Continuing operations</b>                    |   |   |
| Sales of goods and services                     | 31,270  | 33,094  |
| Revenue as disclosed in the income statement    | 31,270  | 33,094  |
| Interest receivable and similar income (note 6) | 1,063   | 648   |
| <b>Total revenue as defined in IAS 18</b>       | <b>2,333</b>                                  | <b>33,742</b>                                 |

An analysis of the Company's revenue by class of business is set out below.

|                 | Year ended<br>31<br>December<br>2017<br>£'000 | Year ended<br>31<br>December<br>2016<br>£'000 |
|-----------------|---|---|
| Advertising     | 11,092  | 14,291  |
| Events          | 15,854  | 15,319  |
| Premium content | 3,417   | 2,919   |
| Other           | 907   | 565   |
|                 | <b>31,270</b>                                 | <b>33,094</b>                                 |

An analysis of the Company's revenue by geographical market is set out below.

|                 | Year ended<br>31<br>December<br>2017<br>£'000 | Year ended<br>31<br>December<br>2016<br>£'000 |
|-----------------|---|---|
| <b>Revenue:</b> |   |   |
| United Kingdom  | 26,187  | 28,440  |
| Europe          | 2,169   | 2,335   |
| Rest of world   | 2,914   | 2,319   |
|                 | <b>31,270</b>                                 | <b>33,094</b>                                 |

## Chiron Communications Limited

### Notes to the financial statements (continued)

For the year ended 31 December 2017

#### 5. Staff costs

The average monthly number of employees was:

|                | Year ended<br>31<br>December<br>2017<br>No. | Year ended<br>31<br>December<br>2016<br>No. |
|----------------|---|---|
| Editorial      | 53  | 51  |
| Administration | 72  | 87  |
| Production     | 83  | 126   |
| Sales          | 91  | 89  |
|                | <u>299</u>                                  | <u>353</u>                                  |

Their aggregate remuneration comprised:

|                                | Year ended<br>31<br>December<br>2017<br>£'000 | Year ended<br>31<br>December<br>2016<br>£'000 |
|--------------------------------|---|---|
| Wages and salaries             | 14,386  | 16,069  |
| Social security costs          | 1,637   | 2,242   |
| Other pension costs (note 18)  | 566   | 633   |
| Share-based payments (note 17) | 149   | (16)  |
|                                | <u>16,738</u>                                 | <u>18,928</u>                                 |
| Exceptional redundancy costs   | 203   | 795   |
|                                | <u>16,941</u>                                 | <u>19,723</u>                                 |

Chiron Communications Limited pays all employees (including executive directors) of Group. The immediate parent company, Centaur Communications Limited holds contracts of service with all employees (including executive directors) of the Group. Certain employees work wholly for other group companies and their related costs are recharged to the relevant companies. The above disclosures are for employees that work wholly for Chiron Communications Limited. The total costs recharged in the year were £16,293,000 (2016: 10,896,000) for 248 (2016: 201) average number of employees.

Disclosure of directors' remuneration is included in note 21.

# Chiron Communications Limited

## Notes to the financial statements (continued)

For the year ended 31 December 2017

### 6. Interest receivable and similar income

|  | Year ended<br>31<br>December<br>2017<br>£'000 | Year ended<br>31<br>December<br>2016<br>£'000 |
|--|---|---|
| Interest receivable from group companies | 1,063   | 648   |
|  | <u>1,063</u>                                  | <u>648</u>                                    |

### 7. Finance costs

|                                     | Year ended<br>31<br>December<br>2017<br>£'000 | Year ended<br>31<br>December<br>2016<br>£'000 |
|-------------------------------------|---|---|
| Interest payable to group companies | 1,245   | 1,153   |
|                                     | <u>1,245</u>                                  | <u>1,153</u>                                  |

### 8. Tax

|   | Year ended<br>31<br>December<br>2017<br>£'000 | Year ended<br>31<br>December<br>2016<br>£'000 |
|---|---|---|
| Analysis of credit for the period       |   |   |
| Current tax:                            |   |   |
| UK Corporation tax                      | 1,010   | (1,778)                                       |
| Adjustments in respect of prior periods | (86)  | (67)  |
|   | <u>924</u>                                    | <u>(1,845)</u>                                |
| Deferred tax (note 13):                 |   |   |
| Current period                          | 199   | 26  |
| Adjustments in respect of prior periods | 6   | 77  |
|   | <u>1,129</u>                                  | <u>(1,742)</u>                                |

Corporation tax is calculated at 19.25% (2016: 20%) of the estimated taxable profit for the year.

# Chiron Communications Limited

## Notes to the financial statements (continued)

For the year ended 31 December 2017

### 8. Tax (continued)

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

|  | Year ended<br>31<br>December<br>2017<br>£'000 | Year ended<br>31<br>December<br>2016<br>£'000 |
|--|---|---|
| Profit/(loss) before tax                                 | 7,757   | (9,758)                                       |
| Tax at the UK corporation tax rate of 19.25% (2016: 20%) | 1,493   | (1,952)                                       |
| Effects of:  |   |   |
| Expenses not deductible for tax purposes                 | 10  | 227   |
| Other non-taxable items                                  | (29)  | (40)  |
| Impact of change in tax rates                            | 5   | 12  |
| Income not taxable for tax purposes                      | (2,686)                                       | -   |
| Adjustments to tax in respect of prior periods           | 80  | 11  |
| Tax credit for the year                                  | <u>(1,129)</u>                                | <u>(1,742)</u>                                |

The Finance (No 2) Act 2015, which provides for reductions in the main rate of corporation tax from 20% to 19% effective from 1 April 2017 and to 18% effective from 1 April 2020, was substantively enacted on 26 October 2015. These rate reductions have been reflected in the calculation of deferred tax at the statement of financial position date.

The Finance Act 2016, which provides for reductions in the main rate of corporation tax to 17% effective from 1 April 2020, was substantively enacted on 15 September 2016.

### 9. Profit/(loss) for the year

Profit/(loss) for the year has been arrived at after charging:

|  | Year ended<br>31<br>December<br>2017<br>£'000 | Year ended<br>31<br>December<br>2016<br>£'000 |
|--|---|---|
| Net foreign exchange losses                                      | 38  | 172   |
| Operating lease rentals – land and buildings (note 19)           | 1,564   | 1,564   |
| Rental income for sub-lease of properties under leases (note 19) | 715   | 578   |
| Depreciation of property, plant and equipment (note 11)          | 635   | 609   |
| Amortisation of intangible assets (note 10)                      | 2,097   | 1,692   |
| Trade receivables impairment                                     | 270   | 459   |
| Staff costs (note 5)   | <u>16,941</u>                                 | <u>19,723</u>                                 |

The members have not required the Company to obtain an audit of its accounts for the current period in accordance with section 476 of the Companies Act 2006.

The Company incurred costs on behalf of other fellow subsidiary undertakings for other audit assurance services in relation to an acquisition and disposal of £16,900 and £14,500 respectively. These were not recharged during the year.

# Chiron Communications Limited

## Notes to the financial statements (continued)

For the year ended 31 December 2017

### 9. Profit/(loss) for the year (continued)

In addition, operating profit/(loss) is stated after charging/(crediting) the following one-off items:

|   | Year ended<br>31<br>December<br>2017<br>£'000 | Year ended<br>31<br>December<br>2016<br>£'000 |
|---|---|---|
| Restructuring costs                               |   |   |
| Staff-related restructuring costs                 | 203   | 795   |
|   | <u>203</u>                                    | <u>795</u>                                    |
| Intercompany debt forgiven by fellow subsidiaries | (13,963)                                      | -   |
|   | <u>(13,760)</u>                               | <u>795</u>                                    |

During 2017, restructuring costs were incurred as a result of the reorganisation of the Human Resources function and exit from print.

Restructuring costs in 2016 relate to redundancy costs as a result of further specific restructuring activities.

Intercompany debt forgiven by fellow subsidiaries relates to a write off of intercompany balances with Ascent Publishing Limited of £11,319,000 and Centaur Consumer Exhibitions Limited £2,644,000 before they were disposed from the Centaur Media Plc Group.

### 10. Intangible assets

|                                  | Software<br>£'000 | Goodwill<br>£'000 | Total<br>£'000 |
|----------------------------------|-------------------|-------------------|----------------|
| <b>Cost</b>                      |                   |                   |                |
| At 1 January 2017                | 9,295             | 4,348             | 13,643         |
| Additions (separately acquired)  | 1,451             | -                 | 1,451          |
| Additions (internally generated) | 1,095             | -                 | 1,095          |
|                                  | <u>11,841</u>     | <u>4,348</u>      | <u>16,189</u>  |
| At 31 December 2017              |                   |                   |                |
| <b>Amortisation</b>              |                   |                   |                |
| At 1 January 2017                | 4,474             | -                 | 4,474          |
| Charge for the year              | 2,097             | -                 | 2,097          |
|                                  | <u>6,571</u>      | <u>-</u>          | <u>6,571</u>   |
| At 31 December 2017              |                   |                   |                |
| <b>Carrying amount</b>           |                   |                   |                |
| At 31 December 2017              | <u>5,270</u>      | <u>4,348</u>      | <u>9,618</u>   |
| At 31 December 2016              | <u>4,821</u>      | <u>4,348</u>      | <u>9,169</u>   |

## Chiron Communications Limited

### Notes to the financial statements (continued)

For the year ended 31 December 2017

#### 11. Property, plant and equipment

|                                 | Leasehold<br>improvements<br>£'000 | Fixtures<br>and<br>fittings<br>£'000 | Computer<br>equipment<br>£'000 | Total<br>£'000 |
|---------------------------------|------------------------------------|--------------------------------------|--------------------------------|----------------|
| <b>Cost or valuation</b>        |                                    |                                      |                                |                |
| At 1 January 2017               | 1,989                              | 620                                  | 1,513                          | 4,122          |
| Additions                       | 96                                 | 1                                    | 79                             | 176            |
| At 31 December 2017             | 2,085                              | 621                                  | 1,592                          | 4,298          |
| <b>Accumulated depreciation</b> |                                    |                                      |                                |                |
| At 1 January 2017               | 1,018                              | 399                                  | 808                            | 2,225          |
| Charge for the year             | 208                                | 78                                   | 349                            | 635            |
| At 31 December 2017             | 1,226                              | 477                                  | 1,157                          | 2,860          |
| <b>Carrying amount</b>          |                                    |                                      |                                |                |
| At 31 December 2017             | 859                                | 144                                  | 435                            | 1,438          |
| At 31 December 2016             | 971                                | 221                                  | 706                            | 1,897          |

#### 12. Fixed asset investments

|  | Subsidiary<br>undertakings<br>£'000 |
|--|-------------------------------------|
| <b>Cost</b>                              |                                     |
| At 31 December 2016 and 31 December 2017 | 2,000                               |
| <b>Impairment</b>                        |                                     |
| At 31 December 2016 and 31 December 2017 | 1,010                               |
| <b>Net book value</b>                    |                                     |
| At 31 December 2016 and 31 December 2017 | 990                                 |

Chiron Communications Limited holds 100% of the ordinary shares of Mayfield Publishing Ltd. This company is dormant and has not traded during the year or the preceding financial year and will remain dormant with no changes anticipated for the foreseeable future.

Mayfield Publishing Ltd is incorporated in England and Wales. The Directors believe that the carrying value of the investment is supported by its underlying net assets.

# Chiron Communications Limited

## Notes to the financial statements (continued)

For the year ended 31 December 2017

### 13. Deferred tax

The following are the major deferred tax assets recognised by the Company and movements thereon during the current and prior reporting period.

|                                       | Accelerated<br>capital<br>allowances<br>£'000 | Tax losses<br>£'000 | Other<br>timing<br>differences<br>£'000 | Total<br>£'000 |
|---------------------------------------|---|---------------------|---|----------------|
| At 1 January 2016                     | 154   | 55                  | 125                                     | 334            |
| Charge to profit or loss              | (40)  | (3)                 | (60)                                    | (103)          |
| At 31 December 2016                   | 114   | 52                  | 65                                      | 231            |
| Charge to profit or loss              | 145   | -                   | 54                                      | 199            |
| Adjustments in respect of prior years | 6   | -                   | -                                       | 6              |
| At 31 December 2017                   | <b>265</b>                                    | <b>52</b>           | <b>119</b>                              | <b>436</b>     |

Deferred tax assets and liabilities are offset where the Company has a legally enforceable right to do so.

### 14. Trade and other receivables

|                                    | 31 December<br>2017<br>£'000 | 31 December<br>2016<br>£'000 |
|------------------------------------|------------------------------|------------------------------|
| Trade receivables                  | 1,920                        | 3,787                        |
| Amounts owed by group undertakings | 55,937                       | 34,709                       |
| Other receivables                  | 1,427                        | 203                          |
| Prepayments and accrued income     | 1,218                        | 1,116                        |
|                                    | <b>60,502</b>                | <b>39,815</b>                |

Amounts owed by group undertakings are unsecured, repayable on demand, and bear interest at annual rate of 2.39% (2016: 2.43%).

### 15. Trade and other payables

|                                    | 31 December<br>2017<br>£'000 | 31 December<br>2016<br>£'000 |
|------------------------------------|------------------------------|------------------------------|
| Falling due within one year:       |                              |                              |
| Trade payables                     | 2,360                        | 3,624                        |
| Amounts owed to group undertakings | 56,324                       | 45,290                       |
| Accruals                           | 3,455                        | 2,411                        |
| Deferred income                    | 7,467                        | 6,918                        |
| Other payables                     | 1,279                        | 907                          |
|                                    | <b>70,885</b>                | <b>59,150</b>                |

Amounts owed by group undertakings are unsecured, repayable on demand, and bear interest at annual rate of 2.39% (2016: 2.43%).

# Chiron Communications Limited

## Notes to the financial statements (continued)

For the year ended 31 December 2017

### 16. Share capital

|  | 31 December<br>2017<br>£'000 | 31 December<br>2016<br>£'000 |
|--|------------------------------|------------------------------|
| <b>Authorised, issued and fully paid:</b>        |                              |                              |
| 40,000 (2016: 40,000) ordinary shares of £1 each | <u>40</u>                    | <u>40</u>                    |

### 17. Share-based payments

#### Equity-settled share option scheme

The Company participates in a number of share option schemes for senior employees. Options are exercisable on the shares of the parent Company at a price equal to the estimated fair value of the parent Company's shares on the date of grant. The vesting period is three years. If the options remain unexercised after a period of six months from the date of vesting the options expire. Options are forfeited if the employee leaves the Company before the options vest.

The 2014 Retention Plan was introduced in June 2014 and is now closed to new participants. Awards vested over a period of two or three years, with the only condition being continued employment. Awards were granted under this scheme in 2014 for no consideration and no exercise price. The Retention Plan did not result in the issue of any new ordinary shares as this plan was not approved by Shareholders. The awards were settled from the shares held in the Employee Benefit Trust during 2016.

No shares were exercised during the period. The options outstanding at 31 December 2017 had exercise prices of nil and a weighted average remaining contractual life of 1.7 years. In 2017, options were granted on 7 April and the aggregate of the estimated fair values of the options granted was £798,000. In 2016, options were granted on 30 March, 22 September and 4 October. The aggregate of the estimated fair values of the options granted on those dates is £950,000.

### 18. Retirement benefit schemes

The Company contributes to individual and collective money purchase pension schemes in respect of Directors and employees once they have completed the requisite period of service. The charge in the period in respect of these defined contribution schemes is shown in note 5. Included within other payables is an amount of £69,800 (2016: £79,200) payable in respect of money purchase pension schemes.

### 19. Operating lease arrangements

At the balance sheet date, the Company had outstanding commitments payable for future minimum lease payments under cancellable operating leases, which fall due as follows:

|   | 31 December<br>2017<br>£'000 | 31 December<br>2016<br>£'000 |
|---|------------------------------|------------------------------|
| Within 1 year                           | 1,900                        | 1,900                        |
| Later than 1 year and less than 5 years | <u>2,375</u>                 | <u>4,275</u>                 |
|   | <u>4,275</u>                 | <u>6,175</u>                 |



# Chiron Communications Limited

## Notes to the financial statements (continued)

For the year ended 31 December 2017

### 19. Operating lease arrangements (continued)

At the balance sheet date, the Company had outstanding commitments receivable for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

|   | 31 December<br>2017<br>£'000 | 31 December<br>2016<br>£'000 |
|---|------------------------------|------------------------------|
| Within 1 year                           | 695                          | 494                          |
| Later than 1 year and less than 5 years | 499                          | 791                          |
|   | <u>1,194</u>                 | <u>1,285</u>                 |

The Company's operating leases do not include any significant leasing terms or conditions.

At 31 December 2017, the Company had contracted with tenants to receive payments in respect of operating leases on land and buildings.

All lease commitments relate to land and buildings.

In November 2013, the Company signed a new lease for the entire Wells Street building. Three parts of the building are sub-let to tenants.

### 20. Contingent liabilities

The Company, along with fellow subsidiary undertakings, has granted a cross guarantee in favour of its bankers in respect of £nil (2016: £17.5m) bank borrowings of the ultimate parent undertaking, Centaur Media Plc. The total facility available to the Group is £25.0m and is available through to August 2019.

### 21. Related party transactions

As a wholly owned subsidiary of Centaur Communications Limited, which is 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.

Directors' remuneration, analysed under the headings required by Company law is set out below.

|   | Year ended<br>31<br>December<br>2017<br>£'000 | Year ended<br>31<br>December<br>2016<br>£'000 |
|---|---|---|
| <b>Aggregate Directors' remuneration</b>                |   |   |
| Emoluments  | 318   | 402   |
| Company contributions to money purchase pension schemes | 23  | 26  |
|   | <u>341</u>                                    | <u>428</u>                                    |

# Chiron Communications Limited

## Notes to the financial statements (continued)

For the year ended 31 December 2017

### 21. Related party transactions (continued)

|  | Year ended<br>31 December<br>2017<br>£'000 | Year ended<br>31 December<br>2016<br>£'000 |
|--|--|--|
| <b>Highest paid director's remuneration</b>  |  |  |
| Emoluments   | 286  | 205  |
| Company contributions to money purchase pension schemes  | 16   | 14   |
|  | <u>302</u>                                 | <u>219</u>                                 |
|  | Year ended<br>31 December<br>2017<br>£'000 | Year ended<br>31 December<br>2016<br>£'000 |
| <b>The number of directors who:</b>  |  |  |
| Are members of a money purchase pension scheme   | 1  | 2  |
| Had awards receivable in the form of shares in the parent Company under a long-term incentive scheme | <u>1</u>                                   | <u>2</u>                                   |

Andria Gibb and Swag Mukerji did not receive any emoluments in respect of services to the Company, which are considered incidental to their duties on behalf of the Group. Amounts paid by the Company in respect of these Directors were recharged to Centaur Media Plc, where the relevant disclosures are made. The above disclosures are in relation to Grainne Brankin (resigned 30 June 2017) and Linda Smith, who were the only Directors remunerated by the Company.

### 22. Controlling party

In the opinion of the directors, the Company's ultimate parent company and ultimate controlling party is Centaur Media Plc, a Company incorporated in England and Wales and registered at Wells Point, 79 Wells Street, London, W1T 3QN. The parent undertaking of the largest and smallest group, which includes the Company and for which group accounts are prepared, is Centaur Media Plc. Copies of the group financial statements of Centaur Media Plc are available from <http://www.centaurmedia.com/investors/financial-performance/company-reports-presentations>.