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COMPANY NO: 4050382

Citywire Holdings Limited

CONSOLIDATED ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2018



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Company Information

Directors	Lawrence Lever David Turner Kevin Gundle Richard Lander Mark Wood Abel Clark Nick Collard George Ball Guy Dawson Stefan Reichenbach Gareth David Williams
Registered office	1 st Floor 87 Vauxhall Walk London SE11 5HJ
Registered number	04050382
Auditors	Grant Thornton UK LLP Chartered Accountants Statutory Auditor 101 Cambridge Science Park Milton Road Cambridge CB4 0FY
Bankers	Svenska Handelsbanken AB (publ) London Bridge Branch 3rd Floor 11-15 Borough High Street London SE1 9SE

Group Strategic Report

Introduction

Citywire Holdings Limited and its subsidiaries, ("Citywire") operates websites, publishes financial magazines for professional investors, creates unique data and holds events around the world.

Business review

Citywire is an independent financial information business. Our philosophy is to produce valuable content to help people make better financial decisions.

Citywire's business activities encompass the following:

Data: we create and sell data on the performance of individual fund managers. Our database has the career histories of over 16,000 individual managers running funds in over 40 countries.

Publications: we have print titles aimed at professional investors. These are controlled circulation and attract advertising from financial services groups. The two weeklies are called New Model Adviser and Citywire Wealth Manager, while the monthly is Citywire Selector. We also have publications published in Italy, Germany, Switzerland, Asia, Latin America and the US domestic market.

Events: we hold Events in both the UK and internationally. Both segments performed strongly.

Online: we run and operate over 40 websites which serve primarily professional investor communities in the UK, Europe, Asia, USA and Latin America. Our Italian and German websites are both in local language.

Content: we create content typically for asset management customers.

Our customers tend to be asset management groups, and other financial services businesses.

Principal risks and uncertainties

The following risks could impact our future performance:

Attracting and retaining the right number of good quality staff

We spend a long time on recruiting the right staff with interviews, psychometric and IQ tests. We strive to make Citywire an attractive place to work with a range of benefits, extra-curricular activities and focused attention on each individual's performance.

Information is an asset that Citywire has a duty and responsibility to protect

The availability of complete and accurate information is essential to the Organisation functioning in an efficient manner and to providing products and services to customers.

Our Information Security Policy sets out a framework for protecting Citywire's information assets:

- to protect Citywire's information from all threats, whether internal or external, deliberate or accidental
- to enable secure information sharing
- to encourage consistent and professional use of information
- to ensure business continuity and minimise business damage
- to protect the organisation from legal liability and the inappropriate use of information

Group Strategic Report (continued)

Financial key performance indicators

	2018	2017
Annualised turnover growth	8%	8%
Net profit margin on ordinary activities before taxation	14%	17%

Financial performance and risk management

Citywire Holdings Limited qualifies as a medium-sized company.

We are a profitable, cash generative business. The company has no bank borrowing and substantial cash resources. Up until now all growth has been organic.

Results and dividends

The group made a profit after taxation of £4,223,846 (2017: £4,998,724). Dividends of £3,642,460 (2017: £3,969,066) were proposed and paid during the year.

Personnel

We continue to attract very high-quality people to Citywire. We continue to invest in IT, production, office management, research, business intelligence, sales, and editorial resources.

Awards and surveys

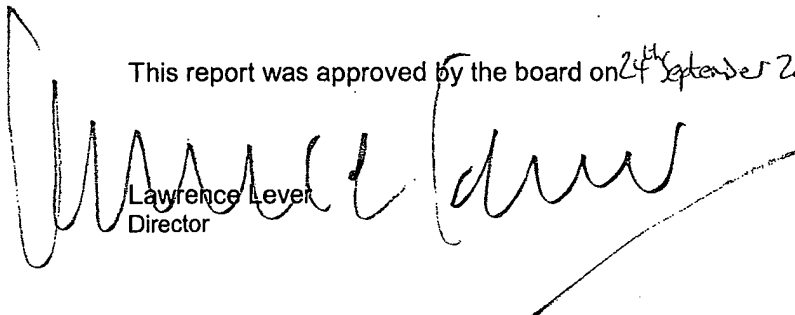
Citywire and its journalists continue to win awards. By way of example in 2018:

A number of our journalists won individual awards. Citywire's New Model Adviser magazine won the Personal Finance Society (PFS) trade press and personal finance publication of the year. New Model Adviser won Headlinemoney Financial B2B Title 2018 and favoured weekly trade publication in the PIMS UK readership survey. We also won the British Journalism Award for Specialist Media in the finance category.

Future prospects

Citywire continues to expand its operations outside of the UK, where we have seen significant growth in the US market. We are therefore hoping to see further growth in both revenues and profits in 2019.

This report was approved by the board on 24th September 2019 and signed on its behalf.


Lawrence Lever
Director

Directors' Report

The directors present their report and the financial statements for the year ended 31 December 2018.

Directors

The directors of the company are set out on page 1. All the directors served throughout the year.

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'). 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 and 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;
- 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 directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Donations

During the year, the group made charitable donations of £80,215 (2017: £88,108).

Directors' Report (continued)

Disclosure of information to auditor

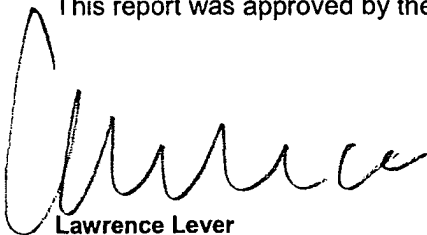
The directors confirm that:

- so far as director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all the steps that ought to have been taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

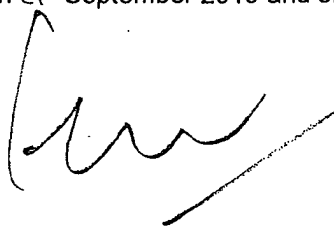
Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 24th September 2019 and signed on its behalf.



Lawrence Lever
Director



Independent Auditors' Report To The Shareholders Of Citywire Holdings Limited

Opinion

We have audited the financial statements of Citywire Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2018 which comprise the Group Statement of Total Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2018 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Independent Auditors' Report To The Shareholders Of Citywire Holdings Limited (continued)

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matter on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 4 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Paul Brown
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Cambridge, England

Date: 16 October 2019

Group Statement of Total Comprehensive Income
for the year ended 31 December 2018

	Note	2018 £	2017 £
Turnover	3	37,306,580	34,654,476
Operating expenses		<u>(32,162,134)</u>	<u>(28,636,214)</u>
Operating profit	4	5,144,446	6,018,262
Interest receivable and similar income	6	25,016	22,531
Interest payable and expenses	7	<u>(47,662)</u>	<u>(49,530)</u>
Profit on ordinary activities before taxation		5,121,800	5,991,263
Tax on profit on ordinary activities	8	<u>(897,954)</u>	<u>(992,539)</u>
Profit on ordinary activities after taxation		4,223,846	4,998,724
Other comprehensive income			
Gain on foreign currency translation		<u>23,042</u>	<u>115,415</u>
Total comprehensive income for the year – due to the owners of the parent company		4,246,888	5,114,139

The company has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own Statement of Comprehensive Income.

All activities are classed as continuing activities.

The notes on pages 14 to 29 form part of these financial statements.

Consolidated Balance Sheet
at 31 December 2018

	Note	2018 £	2017 £
Fixed assets			
Intangible assets	11	4,279	6,929
Tangible assets	12	675,657	382,210
		<u>679,936</u>	<u>389,139</u>
Current assets			
Debtors	15	9,163,552	8,946,768
Cash at bank and in hand	16	5,637,584	4,812,066
		<u>14,801,136</u>	<u>13,758,834</u>
Creditors: amounts falling due within one year	17	(7,620,624)	(6,943,897)
		<u>7,180,512</u>	<u>6,814,937</u>
Net current assets		7,180,512	6,814,937
		<u>7,860,448</u>	<u>7,204,076</u>
Total assets less current liabilities		7,860,448	7,204,076
Creditors: amounts falling due after more than one year	18	(1,658,983)	(1,658,983)
		<u>6,201,465</u>	<u>5,545,093</u>
Provisions for liabilities			
Deferred taxation	20	(20,801)	(22,410)
Dilapidation provision	20	(50,000)	-
		<u>6,130,664</u>	<u>5,522,683</u>
Capital and reserves			
Ordinary share capital	21	699,339	699,339
Share premium account	22	5,630	5,630
Profit and loss account	22	7,132,522	6,551,136
Own shares held by EBT	22	(1,744,656)	(1,748,209)
Translation reserve	22	37,829	14,787
		<u>6,130,664</u>	<u>5,522,683</u>

The notes on pages 14 to 29 form part of these financial statements.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 24th September 2019.

Lawrence Lever
Director

Registered number 04050382

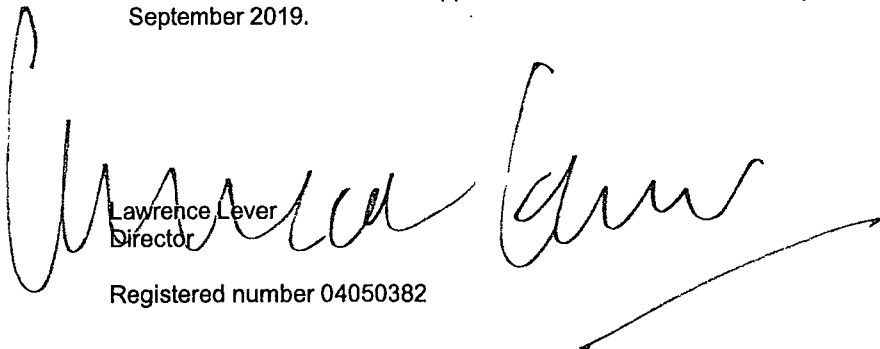
Company Balance Sheet
at 31 December 2018

	Note	2018 £	2017 £
Fixed assets			
Investments	13	4,194,550	4,194,550
Current assets			
Debtors: amounts due after more than one year	15	8,553,575	20,548,241
Cash at bank and in hand	16	527,951	1,320,320
		<u>9,081,526</u>	<u>21,868,561</u>
Creditors: amounts falling due within one year	17	<u>(8,556,446)</u>	<u>(22,578,863)</u>
Net current (liabilities)		<u>525,080</u>	<u>(710,302)</u>
Total assets less current liabilities		<u>4,719,630</u>	<u>3,484,248</u>
Creditors: amounts falling due after more than one year	18	<u>(1,658,983)</u>	<u>(1,658,983)</u>
		<u>3,060,647</u>	<u>1,825,265</u>
Capital and reserves			
Ordinary share capital	21	699,339	699,339
Share premium account	22	5,630	5,630
Profit and loss account	22	4,100,334	2,868,505
Own shares held by EBT	22	(1,744,656)	(1,748,209)
		<u>3,060,647</u>	<u>1,825,265</u>

The notes 14 to 29 form an integral part of these financial statements.

The Company made a profit after tax of £4,874,289 in the year 31 December 2018 (2017: £4,648,311).

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 24th September 2019.


Lawrence Lever
Director

Registered number 04050382

Consolidated Statement of Changes in Equity

For the year ended 31 December 2018

	Translation Reserve	Ordinary share capital	Share premium	Profit and Loss Account	Own shares held by EBT	Total
	£	£	£	£	£	£
At 1 January 2018	14,787	699,339	5,630	6,551,136	(1,748,209)	5,522,683
Comprehensive income for the year						
Gain on foreign exchange	23,042	-	-	-	-	23,042
Profit for the year	-	-	-	4,223,846	-	4,223,846
Total comprehensive income for the year	<u>23,042</u>	<u>-</u>	<u>-</u>	<u>4,223,846</u>	<u>-</u>	<u>4,246,888</u>
Dividends paid	-	-	-	(3,642,460)	-	(3,642,460)
Consideration received for sale of own shares	-	-	-	-	3,553	3,553
Total transactions with owners	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,642,460)</u>	<u>3,553</u>	<u>(3,638,907)</u>
As at 31 December 2018	<u><u>37,829</u></u>	<u><u>699,339</u></u>	<u><u>5,630</u></u>	<u><u>7,132,522</u></u>	<u><u>(1,744,656)</u></u>	<u><u>6,130,664</u></u>

Consolidated Statement of Changes in Equity

For the year ended 31 December 2017

	Translation Reserve	Ordinary share capital	Share premium	Profit and Loss Account	Own shares held by EBT	Total
	£	£	£	£	£	£
At 1 January 2017	(100,628)	699,339	5,630	5,521,478	(2,140,458)	3,985,361
Comprehensive income for the year						
Loss on Foreign Exchange	115,415	-	-	-	-	115,415
Profit for the year	-	-	-	4,998,724	-	4,998,724
Total comprehensive income for the year	<u>115,415</u>	<u>-</u>	<u>-</u>	<u>4,998,724</u>	<u>-</u>	<u>5,114,139</u>
Dividends paid	-	-	-	(3,969,066)	-	(3,969,066)
Consideration received for sale of own shares	-	-	-	-	392,249	392,249
Total transactions with owners	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,969,066)</u>	<u>392,249</u>	<u>(3,576,817)</u>
As at 31 December 2017	<u><u>14,787</u></u>	<u><u>699,339</u></u>	<u><u>5,630</u></u>	<u><u>6,551,136</u></u>	<u><u>(1,748,209)</u></u>	<u><u>5,522,683</u></u>

Company Statement of Changes in Equity

For the year ended 31 December 2018

	Ordinary share capital £	Share premium £	Profit and Loss account £	Own shares held by EBT £	Total £
At 1 January 2018	699,339	5,630	2,868,505	(1,748,209)	1,825,265
Comprehensive Income for the year					
Profit for the year	-	-	4,874,289	-	4,874,289
Total comprehensive Income for the year	-	-	4,874,289	-	4,874,289
Dividends paid	-	-	(3,642,460)	-	(3,642,460)
Consideration received for sale of own shares	-	-	-	3,553	3,553
Total transactions with owners	-	-	(3,642,460)	3,553	(3,638,907)
At 31 December 2018	<u>699,339</u>	<u>5,630</u>	<u>4,100,334</u>	<u>(1,744,656)</u>	<u>3,060,647</u>

Company Statement of Changes in Equity

For the year ended 31 December 2017

	Ordinary share capital £	Share premium £	Profit and Loss account £	Own shares held by EBT £	Total £
At 1 January 2017	699,339	5,630	2,189,260	(2,140,458)	753,771
Comprehensive Income for the year					
Profit for the year	-	-	4,648,311	-	4,648,311
Total comprehensive income for the year	-	-	4,648,311	-	4,648,311
Dividends paid	-	-	(3,969,066)	-	(3,969,066)
Consideration received for sale of own shares	-	-	-	392,249	392,249
Total transactions with owners	-	-	(3,969,066)	392,249	(3,576,817)
At 31 December 2017	<u>699,339</u>	<u>5,630</u>	<u>2,868,505</u>	<u>(1,748,209)</u>	<u>1,825,265</u>

Consolidated Cash Flow Statement

For the year ended 31 December 2017

	Note	2018	2017
Cash flows from operating activities			
Profit for the financial year		4,223,846	4,998,724
Adjustments for:			
Amortisation of intangible assets		6,796	14,337
Depreciation of tangible assets		245,676	182,425
Dilapidation provision		50,000	--
Foreign exchange differences		(27,310)	115,415
Interest charged		47,662	49,530
Interest received		(25,016)	(22,531)
Taxation		897,954	7,626
Decrease/(increase) in trade and other debtors		(1,167)	1,617,758
Increase in trade and other creditors		875,497	(446,736)
Rent deposit		(165,265)	-
Cash from operations		<u>6,128,673</u>	<u>6,516,548</u>
Income taxes paid		(1,098,333)	(1,089,177)
Net cash generated from operating activities		<u>5,030,340</u>	<u>5,427,371</u>
Cash flows from investing activities			
Proceeds from sale of tangible assets		-	(11,328)
Purchases of intangible assets		(4,146)	-
Payments to acquire tangible fixed assets		(539,123)	(246,009)
Interest received		25,016	22,531
Net cash used in investing activities		<u>(518,253)</u>	<u>(234,806)</u>
Cash flows from financing activities			
Interest paid		(47,662)	(49,530)
Dividends paid		(3,642,460)	(3,969,066)
Purchase of own shares from Employee Benefit Trust		3,553	392,249
Redemption of preference shares		-	(184,331)
Net cash flow from financing activities		<u>(3,686,569)</u>	<u>(3,810,678)</u>
Net increase in cash and cash equivalents		825,518	1,381,887
Cash and cash equivalents at the beginning of the year		4,812,066	3,430,179
Cash and cash equivalents at the end of the year		<u>5,637,584</u>	<u>4,812,066</u>

The notes 14 to 29 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

General information

Citywire Holdings Limited is a limited company domiciled in England and Wales. The principal activity of the group is financial publishing and the provision of individual fund manager data to independent financial advisers, financial institutions and private investors. The registered office of Citywire Holdings Limited is 1st Floor, 87 Vauxhall Walk, London, SE11 5HJ.

Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Company's accounting policies (see note 2).

The following principal accounting policies have been applied:

Going concern

The group has continued to generate a profit and the directors have every expectation that the group and the parent company have adequate resources to continue in operational existence for the foreseeable future and have adopted the going concern basis of accounting in preparing these financial statements.

Basis of consolidation

The consolidated financial statements present the results of Citywire Holdings Limited and all of its subsidiary undertakings drawn up to 31 December ("the Group") as they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full. No profit and loss account is presented for Citywire Holdings Limited as permitted by section 408 of the Companies Act 2006.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance Sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Total Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 1 January 2014.

Revenue Accounting Policy

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the group and the revenue can be reliably measured. Revenue represents amounts mainly derived from events, subscriptions and advertising and is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Events – revenue generated through sponsorship of events is recognised upon completion of the event. Amounts received or invoiced in advance are included within deferred income.

Licensing – revenue comprises annual subscription fees for the provision of financial information and analytics and is recognised over the period in which the service is provided. Amounts received in advance of the provision of services are included within deferred income.

Advertising (online) – revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- The amount of revenue can be reliably measured;
- It is probable that the group will receive the consideration due under the contract.

Advertising (print) – revenue generated from magazine advertising is recognised upon publication of the magazine.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

1. ACCOUNTING POLICIES (CONTINUED)

Taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Total Comprehensive Income, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date.

Valuation of Investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value. In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of any bank overdrafts that are repayable on demand and form part of the Group's cash management.

Financial instruments

The Group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

1. ACCOUNTING POLICIES (CONTINUED)

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Total Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

Finance Costs

Finance costs are charged to the Consolidated Statement of Total Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

Pension contributions

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the Consolidated Statement of Total Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Group in independently administered funds.

Foreign currencies

Functional and presentation currency

The company's functional and presentational currency is GBP. In the consolidation, the group's assets and liabilities from operations abroad are converted according to the exchange rates in force on the date of the consolidated balance sheet. The income and expense items are converted at the average exchange rates for the period unless these fluctuate significantly. The exchange differences arising, if any, are classified as consolidated equity and are included in the "Other comprehensive income" item in the group statement of consolidated comprehensive income. These conversion differences are recognised as income or expenses in the period during which the investment is made or disposed of.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

1. ACCOUNTING POLICIES (CONTINUED)

Foreign currencies (continued)

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Consolidated Statement of Total Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

Intangible assets

Intangible assets comprise goodwill and software.

Goodwill represents the difference between amounts paid on the acquisition of a business and the fair value of the Group's share of its identifiable assets and liabilities at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Consolidated Statement of Total Comprehensive Income over its estimated useful economic life.

Computer software is initially recognised at cost. After recognition, computer software is measured at cost less any accumulated amortisation and any accumulated impairment losses. Computer software is amortised over its estimated useful economic life of 2 years.

Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. The Group adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Group. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The rates of depreciation are as follows:

Office equipment	33.33 % per annum
Furniture & fittings	20.00 % per annum

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income' in the Consolidated Statement of Total Comprehensive Income.

Operating leases: Lessee

Rental payments under operating lease are charged to profit or loss on a straight line basis over the period of the lease. Lease incentives are spread over the lease term on a straight line basis.

Employee benefit trust

The employee benefit trust is a separately administered discretionary trust for the benefit of employees, the assets of which comprise shares in the company. Consistent with the treatment outlined in FRS 102, the material assets, liabilities, income and costs of the ESOP are consolidated within these financial statements. Until such time as the company's own shares held by the trust vest unconditionally in employees, the consideration paid for the shares is deducted in arriving at shareholders' funds.

Disclosure exemptions

The company has taken advantage of the disclosure exemptions under FRS 102 "The Financial Reporting Standard applicable in UK and Ireland" not to prepare its own Statement of Cash Flows on the grounds that a Group Statement of Cash Flows has been prepared.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Certain of the amounts included in the financial statements involve the use of judgement and/or estimation.

These judgements and estimates are based on management's best knowledge of the relevant facts and circumstances, having regard to prior experience, but actual results may differ from the amounts included in the financial statements. Judgements and assumptions made by management include the following:

Management have made a judgement not to include a charge relating to share based payments in the Statement of Total Comprehensive Income, due to the immaterial effect the charge would have on the financial statements.

3. TURNOVER

	2018 £	2017 £
Print Advertising	8,072,926	7,284,811
Digital Advertising	7,287,939	7,287,939
Licensing	4,728,632	5,193,531
Events	16,861,097	14,605,554
Other	355,986	370,683
	<u>37,306,580</u>	<u>34,654,476</u>

Analysis of turnover by country of destination:

	2018 £	2017 £
United Kingdom	17,631,982	18,341,085
Rest of Europe	13,288,701	11,840,649
Rest of the World	6,385,897	4,472,742
	<u>37,306,580</u>	<u>34,654,476</u>

4. OPERATING PROFIT

	2018 £	2017 £
Operating profit is stated after charging:		
Depreciation of tangible fixed assets	245,676	182,425
Amortisation of intangible fixed assets, including goodwill	6,796	14,337
Operating lease rentals	468,937	369,267
Defined contribution pension cost	588,658	565,691
	<u>1,310,067</u>	<u>1,131,720</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. AUDITORS' REMUNERATION

	2018 £	2017 £
Fees payable to the Group's auditor and its associates for the audit of the annual accounts:		
Company	9,000	8,800
Subsidiaries	21,000	18,700
	<u>30,000</u>	<u>27,500</u>
Fees payable to the Group's auditor and its associates in respect of:		
Other services relating to taxation	6,400	6,400
Tagging of financial statements for tax purposes	2,900	2,900
	<u>39,300</u>	<u>36,800</u>

6. INTEREST RECEIVABLE AND SIMILAR INCOME

	2018 £	2017 £
Bank interest receivable	12,919	5,731
Loan interest receivable - employee loans	12,097	16,800
	<u>25,016</u>	<u>22,531</u>

7. INTEREST PAYABLE AND SIMILAR CHARGES

	2018 £	2017 £
Dividend paid on Redeemable A Preference shares	47,662	49,530
	<u>47,662</u>	<u>449,530</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. TAXATION

	2018 £	2017 £
Taxation charge for the year		
UK Corporation tax at 19% (2017: 19.25%)	1,105,662	1,270,247
Adjustments in respect of previous periods	(204,285)	(285,334)
	<hr/>	<hr/>
Total current tax	901,377	984,913
Deferred tax		
Origination and reversal of timing differences	4,162	7,626
	(7,585)	-
	<hr/>	<hr/>
Total current tax	(3,423)	7,626
	<hr/>	<hr/>
Tax on profit on ordinary activities	897,954	992,539
	<hr/> <hr/>	<hr/> <hr/>
Current tax reconciliation:		
	2018 £	2017 £
Profit on ordinary activities before taxation	5,121,800	6,432,787
	<hr/>	<hr/>
Theoretical tax at UK corporation tax rate 19% (2017: 19.25%)	973,142	1,210,633
Effects of:		
Expenses not deductible for tax purposes	137,378	68,248
Adjustments to tax charge in respect of prior periods	(211,743)	(285,334)
Difference in tax rates	(823)	(1,008)
	<hr/>	<hr/>
	897,954	992,539
	<hr/> <hr/>	<hr/> <hr/>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

9. EMPLOYEES

The average monthly number of employees, including directors, during the year was as follows:

	2018	2017
Office and administration	<u>202</u>	<u>190</u>

Staff costs, including directors' remuneration, were as follows:

	2018 £	2017 £
Wages and salaries	11,208,759	11,143,390
Social security costs	1,301,184	1,208,679
Cost of defined contribution scheme	588,658	565,691
	<u>13,098,601</u>	<u>12,917,760</u>

10. DIRECTORS' REMUNERATION

Group emoluments of the company's directors during the year were as follows:

	2018	2017
Directors' remuneration	2,391,734	2,176,552
Pension costs	41,411	72,984
	<u>2,433,145</u>	<u>2,249,536</u>
	No	No
The number of directors accruing benefits under money purchase schemes	<u>4</u>	<u>4</u>

Total options held by the directors as at 31 December 2018 were 787,702 at 46p per share and 64,000 at 70p per share.

The emoluments of the highest paid director, excluding pension contributions were £571,172 (2017: £533,697). The contributions to money purchase pension schemes for the highest paid director were £12,148 (2017: £25,316)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11. INTANGIBLE ASSETS

Group	Goodwill on Consolidation £	Goodwill £	Software £	Total £
Cost				
At 1 January 2018	136,923	4,430,917	142,863	4,710,703
Additions	-	-	4,146	11,328
Disposals	-	-	-	(7,459)
At 31 December 2018	136,923	4,430,917	147,009	4,714,849
Amortisation				
At 1 January 2017	136,923	4,430,917	135,934	4,703,774
Charge for the period	-	-	6,796	6,796
At 31 December 2017	136,923	4,430,917	142,730	4,710,570
Net book value				
At 31 December 2018	-	-	4,279	4,279
At 31 December 2017	-	-	6,929	6,929

12. TANGIBLE ASSETS

Group	Furniture & fittings £	Office equipment £	Construction in progress £	Total £
Cost				
At 1 January 2018	696,204	841,854	-	1,538,058
Additions	123,428	270,365	145,330	539,123
Disposals	(36,615)	-	-	(36,615)
At 31 December 2018	783,017	1,112,224	145,330	2,040,571
Depreciation				
At 1 January 2017	590,814	565,034	-	1,155,848
Charge for the year	58,252	187,424	-	245,676
Disposals	(36,615)	-	-	(36,615)
At 31 December 2018	612,454	752,460	-	1,364,914
Net book value				
At 31 December 2018	170,563	359,764	145,330	675,657
At 31 December 2017	105,390	276,820	-	382,210

NOTES TO THE FINANCIAL STATEMENTS (Continued)

13. FIXED ASSET INVESTMENTS

	Investments in subsidiaries £
Cost	
As at 1 January 2018	4,194,550
	<hr/> <hr/>
At 31 December 2018	4,194,550
	<hr/> <hr/>

The company has taken advantage of merger relief under section 612 of The Companies Act 2006 for acquisitions of 100% equity holding in a subsidiary. In such cases, the investment is recorded at the nominal value of shares issued and no share premium is recognised.

Subsidiary undertaking of Citywire Holdings Ltd	Country	Voting rights	Capital and reserves	Profit/ (loss)	Principal activity
Russell Administration Ltd	England	100%	667,491	(137,753)	Group services
Citywire Financial Publishers Ltd	England	100%	3,664,496	4,066,419	Financial publishers
MrsCohen.com Ltd	England	100%	11,823	-	Dormant
SmallerCo.com Ltd	England	100%	19,644	-	Dormant
Citywire Ltd	England	100%	21,200	-	Dormant
Mrs Cohen Incorporated Ltd	England	100%	9,684	-	Dormant
Scratch Design Ltd	England	100%	1	-	Dormant

Subsidiary undertaking of Citywire Financial Publishers Ltd	Country	Voting rights	Capital and reserves	Profit/ (loss)	Principal activity
Citywire GmbH	Germany	100%	200,782	41,628	Financial publishers
Citywire PTE Ltd	Singapore	100%	148,228	61,839	Financial publishers
Citywire Hong Kong	Hong Kong	100%	190,611	(1,498)	Financial publishers
Citywire US LLC	United States of America	100%	(558,745)	272,716	Financial publishers
Citywire Srl	Italy	100%	(95,411)	46,754	Financial publishers

14. PARENT COMPANY - PROFIT FOR THE YEAR

The Parent Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Profit and Loss Account in these financial statements. The profit after tax of the Parent Company for the year was £4,874,289 (2017: £4,648,311)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

15. DEBTORS

	Group 2018	Group 2017	Company 2018	Company 2017
	£	£	£	£
Due within one year				
Trade debtors	4,743,747	4,523,614	-	-
Other debtors	2,534,677	1,860,686	649,810	728,265
Prepayments	1,717,029	2,562,468	-	-
Deferred tax	2,834	-	2,834	-
Amounts due from group undertakings	-	-	7,900,931	19,819,976
	<u>8,998,287</u>	<u>8,946,768</u>	<u>8,553,575</u>	<u>20,548,241</u>
Due after more than one year				
Refundable rent deposit	165,265	-	-	-
	<u>9,163,552</u>	<u>8,946,768</u>	<u>8,553,575</u>	<u>20,548,241</u>

16. CASH AND CASH EQUIVALENTS

	Group		Company	
	2018	2017	2018	2017
Cash at bank and in hand	5,637,584	4,812,066	527,951	1,320,320
	<u>5,637,584</u>	<u>4,812,066</u>	<u>527,951</u>	<u>1,320,320</u>

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Trade creditors	428,348	552,082	-	-
Corporation tax	492,160	691,057	3,568	3,568
Other taxation and social security	2,475,978	2,249,708	-	-
Other creditors and accruals	4,224,138	3,451,050	1,179,233	(28,045)
Amounts due to group undertakings	-	-	7,377,340	22,603,340
	<u>7,620,624</u>	<u>6,943,897</u>	<u>8,556,446</u>	<u>22,578,863</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

18. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	2018 £	2017 £	2018 £	2017 £
Redeemable A Preference shares of £1 each	1,658,983	1,843,314	1,658,983	1,843,314
	<u>1,658,983</u>	<u>1,843,314</u>	<u>1,658,983</u>	<u>1,843,314</u>

Preference share capital:

	2018 £	2017 £
Issued, allotted, called up and fully paid Redeemable A Preference shares of £1 each	1,658,983	1,843,314
	<u>1,658,983</u>	<u>1,843,314</u>

Rights of share classes – dividends

The holders of Redeemable A Preference shares shall be entitled to be paid a dividend out of profits available for distribution and from time to time resolved by the directors to be distributed, in priority to holders of any other class of shares in the share capital of the company at the annual rate 2.867%.

Dividends on the Redeemable Preference shares are accrued in the period to which they relate and included in other creditors on the balance sheet.

Rights of non-equity share classes – winding up

Surplus assets remaining after the settlement of liabilities upon the occurrence of a Liquidity Event, shall be applied in the following manner and order of priority:

- First, to pay Preferred shareholders, if they have not issued a conversion election, 150% of the issue price of such shares plus any declared but unpaid dividends
- Second, in paying the Preference and A Preference shareholders the nominal value of their shares
- Third, in paying the Preference and A Preference shareholders a premium equal to the Preferential Dividend and A Preferential Dividend whether declared or not compounded for accounting periods or part thereof for which a dividend on the shares has not been paid, and
- Fourth, in distributing the balance amongst the holders of Ordinary, 'A' Ordinary shares, IV shares and DT shares.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

18. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR (CONTINUED)

Rights of share classes – voting

Each Ordinary share and Redeemable Convertible Preferred share will have one vote. 'A' Ordinary Shares and IV Shares confer the right to receive notice and attend but not to vote at a general meeting of the Company. Preference shares and A Preference shares confer the right to receive notice of but not to attend or vote at a general meeting of the Company unless:

- At the date of the notice convening the meeting the Preferential Dividend or A Preferential Dividend payable on any fixed dividend date has not been declared or remains unpaid for a period of three years after any relevant fixed dividend date; or
- The business of the general meeting includes consideration of a resolution to wind up the company or any other resolution which directly or adversely varies any of the rights attached to the Preference shares or A Preference shares
- DT shares confer the right to vote on a poll at the rate of 5 votes for every DT shareholder.

Rights of share classes – redemption

Upon the occurrence of a Non-Qualified IPO, change of control or a sale of the company, the Redeemable Convertible Preferred shareholders, are entitled to issue a Conversion Election or be redeemed in full (prior to and in preference to the redemption of any other equity security) by payment by the Company to the holders of such shares, 150% of the Issue Price of the Preferred shares plus all accrued dividends.

In the event that prior to the fifth anniversary of the Issue Date a Listing or a Change of Control or a sale of the company has not occurred, or on a four year Preference Redemption then, at the option of the shareholders the Preferred shares shall be redeemed in full by the payment by the Company to the holders of such shares, 110% of the Issue Price of the Preferred shares plus all unpaid arrears and accruals on dividends.

The company may redeem all or some of the Redeemable Preference shares outstanding at any time on the earlier of 30 September 2004 or a sale, Listing or Change of Control. The amount payable in respect of each Preference share be the total of:

- the nominal amount of such Preference share; and
- a premium equal to the amount of the Preferential Dividend whether declared or not compounded for each accounting period or part thereof in respect of which a Preferential Dividend has not been paid.

The company may redeem all or some of the Redeemable A Preference shares outstanding at any time on the earlier of 31 July 2014 or a sale, Listing or Change of Control. The amount payable in respect of each Preference share be the total of:

- the nominal amount of such Preference share

Rights of share classes – conversion

Each holder of Preferred shares may at any time elect to convert the whole but not part of its holding of such shares in fully paid Ordinary shares at the then applicable Conversion Rate.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

19. FINANCIAL INSTRUMENTS

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Financial assets				
Financial assets that are debt instruments measured at amortised cost	11,153,002	11,196,366	21,868,561	21,868,561
	<u>11,153,002</u>	<u>11,196,366</u>	<u>21,868,561</u>	<u>21,868,561</u>
Financial liabilities				
Financial liabilities that are debt instruments measured at amortised cost	4,677,641	4,003,132	22,575,295	22,575,295
	<u>4,677,641</u>	<u>4,003,132</u>	<u>22,575,295</u>	<u>22,575,295</u>

Financial assets measured at amortised cost comprise cash, trade and other debtors and amounts owed by group undertakings (company only).

Financial liabilities measured at amortised cost comprise trade creditors, other creditors and accruals, and amounts owed to group undertakings (company only).

20. PROVISIONS FOR LIABILITIES

	2018	2017
	£	£
Deferred taxation	(22,410)	(22,410)
Dilapidation	(50,000)	-
	<u>(72,410)</u>	<u>(22,410)</u>

The movement in the deferred taxation provision during the year was:

	2018	2017
	£	£
(Provision) brought forward	(14,784)	(34,096)
Charged to profit or loss (see note 8)	(7,626)	19,312
(Provision) carried forward	<u>(22,410)</u>	<u>(14,784)</u>

The dilapidation provision relates to the lease of office space that started during the year.

21. CALLED UP SHARE CAPITAL

	2018	2017
	£	£
Issued, allotted, called up and fully paid		
9,121,815 'A' Ordinary Shares of 1p each	91,218	91,218
57,037,322 Ordinary shares of 1p each	570,373	570,373
3,145,650 IV Ordinary shares of 1p each	31,457	31,457
629,130 DT Ordinary shares of 1p each	6,291	6,291
	<u>699,339</u>	<u>699,339</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

21. CALLED UP SHARE CAPITAL (CONTINUED)

The group has a share option scheme for all employees. Options are exercisable at a price equal to the average market price of the company's shares on the date of grant. The options vest immediately when granted. The options are settled in equity once exercised. If the options remain unexercised after a period of 10 years from the date of grant the options expire. Options are forfeited if the employee leaves the company. At 31 December 2018, 3,870,572 (2017: 4,087,072) options at an exercise price of 46 pence per share, remained unexercised.

22. RESERVES

Profit and loss account

Profit and loss account includes all current and prior period retained profits and losses.

Share premium account

Share premium account represents the difference between the price received by the company when issuing ordinary shares compared to the nominal value of those shares.

Own shares held by EBT

An employee benefit trust was set up by Citywire Holdings Limited during the year ended 31 December 2012 to promote wider share ownership among employees. The trust purchased 3,000,000 ordinary shares and A ordinary shares of 1p each of Citywire Holdings Limited for £1,085,405 for the purposes of share based remuneration. During the year, 70,500 (2017: 954,842) ordinary shares were transferred out of the trust at a cost of £31,743 (2017: £481,184) following the exercise of staff share options. Loan drawdowns during the year amounted to £28,190 (2017: £88,935). Consideration received on exercise was £28,160 (2017: £86,786).

As at 31 December 2018 the trust holds 3,388,276 (2017: 3,384,454) ordinary shares and 159,781 (2017: 174,281) A ordinary shares in Citywire Holdings Limited.

Translation Reserve

Translation Reserve includes all foreign currency translations in respect of overseas subsidiaries on consolidation.

23. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2018, the group had future minimum lease payments under non-cancellable operating leases as follows:

	2018 £	2017 £
Not later than one year	138,424	113,832
Later than one year and not later than 5 years	1,377,210	138,424
Later than five years	1,500,000	-
	<u>1,915,634</u>	<u>252,256</u>

The group recognised £468,937 (2017: £369,267) of rent expense in relation to operating leases during the year. A refundable deposit amounting to £165,265 was also made by the group for a long-term lease of an office space, presented as "Debtors" in the Consolidated Statement of Financial Position.

24. PENSION COMMITMENTS

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £588,658 (2017: £565,690).

NOTES TO THE FINANCIAL STATEMENTS (Continued)

25. RELATED PARTY TRANSACTIONS

The Company is exempt under paragraph 33.1A of FRS 102 from the requirements to disclose transactions with other members of the group headed by Citywire Holdings Limited on the basis that they are all wholly owned entities.

At 31 December 2018, Nick Collard, a director of the company, owed Citywire Holdings Limited £175,000 (2017: £175,000). The balance outstanding at the year-end relates to a non-recourse loan on which no interest is paid.

At 31 December 2018, George Ball, a director of the company owed Citywire Holdings Limited £124,500 (2017: £124,500). The loan has an interest rate of 2.5%.

Key management personnel compensation for the financial year totalled £3,096,965 (2017: £3,072,181).

26. ULTIMATE CONTROLLING PARTY

The directors have confirmed that there is no ultimate controlling party.