

**AUDITED RESULTS FOR THE YEAR ENDED 31 MARCH 2018**

Dods is a market leading business intelligence, data, media, training and events company built on a reputation for delivering high quality, unbiased content across all our products and services.

**Financial Highlights****Adjusted results – continuing operations**

	<b>Year ended</b> <b>31-Mar-18</b>	Year ended 31-Mar-17	Variance
Recurring revenue (£)	<b>12.1m</b>	11.2m	8%
Repeat revenue (£)	<b>17.0m</b>	15.5m	10%
Future bookings (£)	<b>10.2m</b>	8.8m	16%
Total revenue (£)	<b>20.6m</b>	20.0m	3%
Subscription revenue (£)	<b>8.1m</b>	7.9m	3%
Gross margin (%)	<b>41%</b>	41%	0%
Adjusted EBITDA (£) *	<b>3.5m</b>	3.4m	3%
Adjusted basic EPS before tax (Pence)	<b>0.79p</b>	0.79p	0%
Cash at bank (£) **	<b>8.8m</b>	9.0m	(2%)
Investments/ loans in associates	<b>2.4m</b>	0.2m	1000%
Total assets (£)	<b>38.5m</b>	36.5m	5%
DSO (debtor days)	<b>31</b>	32	3%

\*EBITDA is calculated as earnings before interest, tax, depreciation, amortisation of intangible assets acquired through business combinations, share based payments and non-recurring items

\*\*After major cash investment expenditure relating to investments and acquisitions of £2.7m (2017: £0.2m)

\*\*Includes restricted cash of £1.3 million (2017: £1.3 million) held in a deposit account, in our name, supporting a lease agreement

**Statutory results – continuing operations**

	<b>Year ended</b> <b>31-Mar-18</b>	Year ended 31-Mar-17
Total revenue (£)	<b>20.6m</b>	20.0m
Profit before tax (£m)	<b>1.3m</b>	1.6m
Adjusted basic EPS (Pence)	<b>0.74p</b>	0.79p
Basic EPS (Pence)	<b>0.33p</b>	0.46p

**Operational highlights**

- Developed an acquisition strategy and pipeline
- Acquired 30% of the enlarged issued share capital of Social 360 Limited in November 2017
- Launched three new proprietary Dods products: Unifeye, Dods Signals and Dods People Plug-In
- Subscriber retention rates of 94%
- Added the National Institute of Health and Care Excellence (“NICE”) to Dods portfolio of contracted healthcare events and engagements clients with the award of their prestigious annual conference for the next three years
- Added the Caribbean Development Bank to Dods portfolio of international training clients with an agreement to provide two-year Public Policy Analysis and Management training programme
- Awarded the Scottish Magazine of the Year 2017, including winning Editor of the Year and Business and Professional magazine through *Holyrood Magazine*
- Launched a new Monday morning newsletter, ‘First Reading’ attracting over 8,000 subscribers in its first two months, and led the market through The House with an exclusive interview with the Prime Minister leading the news agenda for 24 hours

## **Board changes (post period end)**

- New Chief Executive Officer Simon Presswell to join Board, effective from 9 July 2018
- Having successfully completed turnaround, Cheryl Jones to step down from Board with effect from 1 August 2018
- David Hammond to succeed as Chairman following the Company's Annual General Meeting

*\* The Company will make further announcements regarding these appointments containing full details required by the AIM Rules for Companies, upon their formal appointment to the Board.*

## **Cheryl Jones, Chairman, commented:**

“This year, Dods Group made important progress in achieving its priorities. The Group has developed an acquisition strategy and pipeline, added talent and depth in growth areas of the business, created forward momentum to fuel high-value organic growth, and recruited a Group CEO to complete the on-going leadership team.

With the turnaround complete, the Group having been successfully re-positioned, and the senior management team now in place, I am announcing that I will be stepping down from the Board with effect from 1 August 2018, following the Annual General Meeting. It has been a privilege to work alongside the management and staff of Dods, and to serve as Chairman for the past four years.”

## **For further information, please contact:**

### **Dods Group plc via Alma PR**

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### **Cenkos Securities plc (Nominated Adviser and Broker)**

Nicholas Wells

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## **Chairman's statement**

This year, Dods Group has made important progress in achieving its priorities: developing an acquisition strategy and pipeline, adding talent and depth in growth areas of the business, creating forward momentum to fuel high-value organic growth, and recruiting a Group CEO to complete the on-going leadership team.

The Company reviewed its strategic position across the competitive landscape focusing on research, data analytics and digital content companies. This review led to the development of an acquisition pipeline with the aim of identifying targets with market leading capabilities in the provision of business-critical information services that may also add sector expertise or expand the geographical footprint of the business.

Subsequently, the Group acquired 30% of the enlarged issued share capital of Social 360 Limited (Social360) in November 2017 for £1.65 million in cash. Social360 was founded in 2009 by communications professionals, and provides comprehensive social media monitoring and reputation management products. Social360 provides products which are in demand by our clients and prospective customers and are also synergistic with our value proposition. Following the acquisition of Social360 two new proprietary Dods products were launched; Unifeye and Dods Signals.

For the fiscal year 2018, recurring revenues grew 8% to £12.0 million, subscriber retention rates were 94%, and future sales bookings increased 16% to £10.2 million creating double-digit sales growth momentum going into the new year. Total recognised revenue for the year was £20.6 million. Repeat sales increased 10% to £17.0 million, representing 83% of total recognised revenues.

Adjusted EBITDA was up slightly at £3.5 million compared to £3.4 million in the prior year. Dods' ability to generate cash remains strong. Cash conversion at the operational EBITDA level was 90% in the year resulting in a net cash balance of £8.8 million after investments of £2.2 million. The Company remains debt free.

## **Board Changes**

The Board is pleased to announce Simon Presswell will join the Company as Group CEO and Executive Director with effect from 9 July 2018. As an accomplished CEO and leader, Simon has worked across a range of high growth transformative businesses with a focus on driving shareholder returns, executing acquisition strategies, and delivering superior customer experiences. Simon's relevant industry and acquisition experience make him well suited to lead the organisation going forward.

The Directors are also pleased to announce that Dr. David Hammond will be joining the Board as non-executive Chairman immediately following the AGM. Dr. Hammond is an experienced international businessman having served on the boards of listed companies both sides of the Atlantic, including ADT and American Medical Response. Latterly, he led the successful buyout and subsequent sale of British Car Auctions.

The Company will make further announcements regarding the new board appointments in due course, containing full details required by the AIM Rules for Companies.

On 29 November 2017 there were a series of Board changes. The Board welcomed two Non-Executive Directors, Angela Entwistle and Mark Smith. Angela brings an extensive corporate communications background and AIM-listed board experience to the organisation. Mark has a long-standing track record of executive management in the media and communications markets, and is a qualified Chartered Accountant in England and Wales.

Guy Cleaver, CEO and Executive Director, resigned from the Board after serving as CEO from 4 August 2016. The Company would like to thank Guy for his 16 years of service to the Company, and his contributions during a time of change in the organisation.

As also announced on 29 November 2017, Sir William Wells and Lord Adonis stepped down from the Board after serving as Non-Executive Directors from December 2010 and January 2011 respectively. Sir William served as Chairman of the Audit Committee during the time of the turnaround, and his experience and support to the business was invaluable during the re-shaping of the organisation. Lord

Adonis brought significant industry and public-sector experience, providing valuable insight during a period of greatly changing times. We thank both of these Directors for their many contributions.

With the turnaround complete, the Group having been successfully re-positioned, and the senior management team now in place, I am announcing that I will be stepping down from the Board with effect from 1 August 2018, following the Annual General Meeting. It has been a privilege to work alongside the management and staff of Dods, and to serve as Chairman for the past four years.

**Outlook**

As a result of the positive response to new products, high subscriber retention rates and strong future sales bookings, the Group has significant run rate momentum coming out of FY2018 into the current financial year. The Board believes with the turnaround completed, the business transformation well underway and a new Group CEO to join in July, the Company is well positioned for organic and acquisitive growth.

I would like to thank our shareholders for their support and patience as we have developed Dods into a formidable competitor. Moreover, during the past year, our clients have demonstrated their loyalty and offered their valuable insights to our sales and client services teams for which I am grateful.

Lastly, I want to offer my immense gratitude to all of Dods' employees for their passion and commitment to excellence.

**Cheryl C. Jones**  
Chairman

## **Strategic report**

### **Addressing the data dilemma**

Trusted and relevant business intelligence has always been critical to business growth, but never more so than in the digital age with a whole new 'trust dynamic' within the vast Big Data and digital spectrum.

### **COMPETITIVE POSITION**

Dods is an unrivalled business intelligence, media, training and events company uniquely entrenched in all aspects of the UK and EU political, public sector and special policy area communities. Through our flagship media brands, including The House, PoliticsHome, Holyrood, the Parliament Magazine, Civil Service World and PublicTechnology, we provide unique routes between our communities enabling strategic engagement. Dods has built a reputation for high-quality, unbiased original content in each of its eco-systems which has resulted in dedicated audiences and a loyal client base.

The brands offer integrated campaigns that secure a continued stakeholder dialogue and consistent messaging across all activities on Dods' platforms. These engagements include high profile events from Civil Service Live & Awards to the MEP Awards, Westminster Briefings, NHS Expo, Public Sector ICT and a full portfolio of summits and round tables.

Our business intelligence, data solutions and targeted engagement converge into a single platform to help customers manage, influence and win business. This end-to-end solution provides critical decision support to our customers. By embedding into customer workflows, Dods helps solve complex business challenges as an efficient single solution which provides speed-to-market customer benefit. Dods supports 1/3 of FTSE 100 companies across a variety of industries.

Dods' client value model is geographically scalable and can be replicated across multiple ecosystems. The model allows us to align with our clients' areas of strategic business concerns and to promote capabilities at critical stages of their plans.

The flexibility of our end-to-end solutions allow Dods to align client priorities and promote their key issues and capabilities at the right time or at critical stages. To facilitate our customers as they navigate and influence their key audiences, Dods provides a single point of contact to coordinate eco-system expertise and access to markets.

### **ADDING A NEW DIMENSION**

Trusted and relevant business intelligence has always been critical to business growth, but never more so than in the digital age with a whole new 'trust dynamic' within the vast Big Data and digital spectrum. Customers demand fewer more trusted suppliers to be more agile, changing as their business changes. We believe that we are uniquely positioned to address these requirements and grow our business alongside our customers and channel partners.

Our core data-insights driven intelligence and political and public-sector consulting equip customers with knowledge critical to their business success — highlighting threats and opportunities in real-time. Whether it's public policy monitoring, political influencers or public tenders that present challenges or opportunities, our experts will tailor Dods Monitoring, Dods People, Research or Training services to get clients the vital information at the right time.

As our customers and potential clients react to the data dilemma, they demand fewer more trusted suppliers, suppliers to be more agile and to provide speed-to-market solutions for their business challenges. Moreover, according to analysts, client spend in the Comms & PR industry is in excess of \$30 billion globally, yet the industry has often struggled to prove a hard ROI. Investors who recognised the potential in MarTech and AdTech are flocking to PRTech now.

Understanding these market dynamics, Dods has invested in a market-leading PRTech company, Social360. Through proprietary products provided to Dods by Social360, Dods is uniquely positioned to address these changing market dynamics and grow our business alongside our customers and channel partners.

## **STRATEGIC INNOVATION**

Dods Signals is a new social media listening service that is synergistic with our current information and monitoring subscription services. Dods Signals applies technology to automate data aggregation and customises social insights based on client-specific criteria established during an account manager-led discovery process.

Highly customisable and written by experts, our new Unifeye reputational intelligence reports highlight stakeholder perceptions and corporate reputation from over 50 million digital media sources in 70 languages, applying a sentiment score and tracking Reputation Value Index (RVI). Our Unifeye solution enables corporate communication professionals to switch focus from the non-core undertaking of data collection from digital sources to taking action based on critical insight.

Our solution allows clients teams to become more effective dealing with consistency of messaging, public perception and customer touch points across their organisations as inefficient silos are eliminated. As a result, client corporate messages reach audiences faster and are more authentic.

### **Shaping the future**

Central to Dods' growth plans are the continued development of enterprise-wide sector expertise and market leading high value services which provide recurring revenues, repeat sales, superior client retention rates, and the development of an acquisition strategy.

## **REVENUE QUALITY AND VALUE**

Steady subscription revenues with high client retention, and strong sector specific, content driven events and training, underpinned the robust growth of repeat revenues for FY2018.

Total revenue for the year was £20.6 million (2017: £20.0 million). Repeat revenues for FY2018 were £17.0 million; an increase of 10% over the prior year. Future bookings sold in FY2018 to be delivered in the future fiscal years were £10.2 million versus £8.8 million in the prior year, a 16% increase.

Subscriber revenues represent 40%, and total recurring revenues represent 59% of the Company's total recognised revenue for FY18. Subscriber retention levels are 94%.

## **SECTOR EXPERTISE**

Dods has identified high potential growth sectors to further diversify and grow its client portfolio. These industry targets have been the focus of new marketing and sales client and sector based programmes, which include key account management teams that provide a single point of contact for clients and prospective customers. These additional growth sectors include energy, financial services, healthcare and pharma, high tech, and manufacturing. At 31 March 2018, these high potential sectors represented 31% of the Company's revenue.

Utilising the Company's end-to-end capabilities and cross selling programmes, the organisation has implemented ongoing initiatives designed to enhance the share of wallet with existing clients, and to offer perspective customers the opportunity to consolidate suppliers. For FY2018, 33% of Dods' revenue reflects client purchases of three or more services, 19% purchasing more than four services, and 9% purchasing more than five services. These higher value service relationships supported the strong gross margin of 41% continuing year over year.

## **PEOPLE AND SCALE**

During FY18, the Company consolidated all event programme management under a single Managing Director. This role was designed to bring accelerated growth, scalability, and flexibility to support both UK and EU environments. Additionally, the organisation expanded the training department skill base to provide greater capacity to service international markets. Revenues for the events services were £7.8 million an 11% increase over the prior year, and training services were up 16% over prior year to £1.5 million.

Dods doubled its investment in the marketing function during the second half of FY2018. New management and talent was brought into the organisation to provide further specialisation in digital commercialisation, and to support organic and acquisitive growth opportunities. Digital revenues represent £8.5 million of total revenue, a 10% increase over the prior year. Print media was down £0.1 million to £1.8 million (2017: £1.9 million) with revenue from research, polling and ancillary services down £0.4 million to £0.9 million (2017: £1.3 million) as the Group concentrated on improving revenue quality as stated above. The Company will look to address this in the coming fiscal year.

In addition to the staff in London, Dods has well-established operational teams throughout its regional branches in Edinburgh, Brussels, and Paris. Geographically, the Company's revenue is now 78% UK based, 18% EU based, with the balance of 4% being in the US and the rest of the world.

### **ACQUISITIONS AND INVESTMENTS**

The acquisition strategy is designed to identify opportunities that provide access to new sectors or services, or bring adjacent core competencies to the business.

In FY18, the Group purchased 30% of the enlarged share capital of Social 360 Limited (Social360) for £1.65 million in cash with an option to purchase the balance of the current existing shares. Social360 is registered in the UK with offices in London and New York.

Following this transaction, the Group launched a new social media monitoring product branded DODS Signals, and a Reputation Value Index analysis service branded Unifeye. Dods and Social360 share a common view of the corporate communications marketplace. In particular, both share a dedication to providing critical information services on a real-time, daily and weekly basis which are comprehensive and highly tailored.

### **TECHNOLOGY AND COMPLIANCE**

Expanding on the Cyber Essentials certification awarded in FY16, Dods attained ISO27001 Information Security certification in FY17. The annual audit for this certification, our processes, procedures and Information Security Management System (ISMS) was passed in January 2018.

Additionally, our ISO27001 framework forms the basis of our GDPR (General Data Protection Regulation) compliance. Dods has adopted the best practice of a risk-based approach to our handling of personally identifiable information. The organisation has reviewed its data handling processes and procedures, contractual terms and conditions, and extended our ISMS (Information Security Management System) in accordance with the GDPR legislation.

**Cheryl C. Jones**  
Chairman

### **CFO Review**

During the year, the Group set its emphasis on developing an acquisition strategy and pipeline, enhancing the infrastructure for further organic and acquisition growth and increasing the talent pool to enable it to deliver on these priorities going forward. In addition, since 2014, the Group has replaced or ceased non-core operational revenue of £4.0 million with the aim of improving the quality of revenue by increasing recurring and repeat income streams.

### **Acquisition strategy**

As part of the Group's acquisition strategy, the Board continues to evaluate its options in terms of sector focus to create a balanced portfolio of services that is in line with market demand. The Group has been reviewing its strategic positioning across business-critical information services, mapped out industry snapshots, identified industry trends and major players in the following sectors:

- Data
- Market Research
- Digital Media

In line with this, the Group aims to provide business critical information services to certain highly regulated sectors that have a natural propensity for buying such services and are adjacent and complimentary to its current offering.

In addition, it is looking to expand its digital distribution capabilities, further monetise its digital offering, and enhance its data analytics capabilities which will allow the Group to commercialise the vast amounts of data it owns.

## Revenue and operating results

For FY18, subscription revenue for the year increased by £0.2 million to £8.1 million (2017: £7.9 million) with other recurring revenue of £4.0 million (2017: £3.3 million). Total recognised recurring revenue was £12.1 million (2017: £11.2 million) an increase of £0.9 million. Moreover, repeat revenue, which includes all recognised recurring revenue, was £17.0 million (2017: £15.5 million) an uplift of £1.5 million, illustrating the improvement in the quality of the Group's revenue.

The results for the year show total revenue of £20.6 million compared to £20.0 million for the previous year. Print media was down £0.1 million to £1.8 million (2017: £1.9 million) with revenue from research, polling and ancillary services down £0.4 million to £0.9 million (2017: £1.3 million) as the Group concentrated on improving revenue quality as stated above. The Company will look to address this in the coming fiscal year. Adjusted EBITDA was £3.5 million (2017: £3.4 million). Amortisation of intangible assets acquired through business combinations totalled £0.4 million (2017: £0.6 million) and amortisation of software was £0.5 million (2017: £0.4 million).

The statutory profit before tax for the year was £1.3 million (2017: £1.5 million) after non-recurring talent recruitment, acquisition related costs, redundancy and other costs of £1.0 million (2017: £0.2 million).

During this financial year the Group incurred a full annual rental cost and increased business rates for the London office. On a like for like comparison this equated to an increase of £0.5 million from the previous year.

### *Other operating Income*

Income arising from litigation which was settled during the year.

### *Non-recurring items*

During the year, the Group incurred £1.0 million of non-recurring costs (2017: £0.2 million). The largest expense of £0.4 million (2017: £nil) relates to mapping the competitive landscape, creating an acquisition database and research notes, an acquisition pipeline and enhancing market knowledge. A further £0.2 million (2017: £0.03 million) costs are for professional fees incurred on due diligence work.

Other major expense relates to redundancy/severance of £0.3 million (2017: £0.1 million) of which £0.2 million is due to the former CEO settlement and the balance relates to finalising legacy changes. The Group incurred £0.1 million (2017: £nil) of exceptional recruitment costs in the financial year.

## Taxation

Tax payments of £43,000 (2017: £60,000) relating to overseas operations were made during the year. The Group now forecasts UK tax charges going forward. Consequently, the tax charge for the year is £0.18 million (2017: credit of £16,000). Whilst the Group continues to seek to optimise its tax position going forward, it is expected that the effective tax rate will increase.

## Earnings per share

Normalised earnings per share (before non-trading items, discontinued operations, share based payments credits, amortisation of intangible assets acquired through business combinations and associate income) was 0.74 pence (2017: 0.79 pence). Basic earnings per share was 0.33 pence (2017: 0.46 pence).

## Dividends and share buyback

The Directors do not propose to pay a dividend (2017: £nil). The Board, during the year, reflected on the opportunity to pay a dividend and elected not to as its current acquisition strategy will enable the Group to use any excess cash to fund capital enhancing acquisitions.

Regarding a share buyback scheme, having consulted its advisers, the Board decided not to implement one as again it decided there are opportunities to use excess cash more efficiently by funding earnings enhancing acquisitions.

## Assets

Non-current assets consisted of goodwill and intangibles of £21.6 million (2017: £22.0 million), property, plant and equipment of £2.3 million (2017: £2.4 million), investments in associates of £1.7 million (2017: £nil) and long-term loans to associates of £0.7 million (2017: £0.2 million).

Inventories and trade receivables increased by £0.7 million to £3.5 m (2017: £2.8 million), largely

because of increases in prepayments and other receivables. The Group had a cash balance of £8.8 million (2017: £9.0 million), and had no borrowings at the year end.

Current liabilities increased by £0.7 million to £9.2 million (2017: £8.5 million) as a result of increases in trade payables and accruals and deferred income in the year. There was no change in the deferred tax liability of £0.8 million (2017: £0.8 million).

Total assets of the Group were £38.5 million (2017: £36.5 million) with the main movements being the investments and loans to associates. Total equity increased by £1.3 million to £28.6 million (2017: £27.3 million) mainly reflecting the increase in retained profit for the year.

*Liquidity and capital resources*

Net interest and finance income during the 12 months amounted to £2,000 (2017: £19,000).

During the year, underlying cash conversion was in line with expectations. The Group generated £3.1 million (2017: £3.4 million) of cash from its operating activities.

The Group used £3.4 million in investing activities (2017: £3.1 million). £1.7 million was for the acquisition of a 30% stake in Social360, acquisition related costs of £0.5 million (2017: £nil), a further long-term loan to associate Sans Frontieres Associates of £0.5 million (2017: £0.2 million), £0.3 million on property, plant and equipment (2017: £2.5 million) and investment in software and hardware for our technology platforms of £0.5 million (2017: £0.4 million).

**Nitil Patel**

Chief Financial Officer

**CONSOLIDATED INCOME STATEMENT**  
for the year ended 31 March 2018

Continuing operations	Note	Year ended 31 March 2018	Year ended 31 March 2017
		£'000	£'000
<b>Revenue</b>	3	20,586	19,965
Cost of sales		(12,239)	(11,729)
<b>Gross profit</b>		<b>8,347</b>	8,236
Administrative expenses		(5,286)	(4,835)
Other operating income		444	-
<b>Adjusted EBITDA</b>		<b>3,505</b>	3,401
Depreciation of tangible fixed assets	9	(357)	(301)
Amortisation of intangible assets acquired through business combinations	8	(408)	(584)
Amortisation of software intangible assets	8	(466)	(368)
Non-recurring items	4		
Non-recurring acquisition research costs and professional fees		(557)	(28)
Talent costs		(110)	-
Other non-recurring items		(308)	(193)
<b>Operating profit</b>		<b>1,299</b>	1,927
Net finance costs		21	(380)
Share of loss of associate		(9)	-
<b>Profit before tax</b>		<b>1,311</b>	1,547
Income tax credit/(charge)	5	(182)	16
<b>Profit for the year attributable to equity holders of parent company</b>		<b>1,129</b>	<b>1,563</b>
<b>Profit per share</b>			
Basic	6	0.33p	0.46p
Diluted	6	0.33p	0.46p

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
for the year ended 31 March 2018

	Year ended 31 March 2018	Year ended 31 March 2017
	£'000	£'000
<b>Profit for the year</b>	<b>1,129</b>	1,563
<b>Items that will be subsequently reclassified to Profit and Loss</b>		
Exchange differences on translation of foreign operations	95	(86)
<b>Other comprehensive income for the year</b>	<b>95</b>	(86)
<b>Total comprehensive income in the year attributable to equity holders of parent company</b>	<b>1,224</b>	1,477

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**As at 31 March 2018**

	Note	31 March 2018 £'000	31 March 2017 £'000
<b>Non-Current assets</b>			
Goodwill	7	13,282	13,282
Investment in associates		1,684	-
Intangible assets	8	8,308	8,711
Property, plant and equipment	9	2,327	2,423
Long term loan receivable		700	200
<b>Total fixed assets</b>		<b>26,301</b>	<b>24,616</b>
<b>Current assets</b>			
Inventories		12	35
Trade and other receivables	11	3,469	2,805
Cash and bank balances	11	7,491	7,767
Restricted cash held in deposit account	11	1,266	1,266
<b>Total Current assets</b>		<b>12,238</b>	<b>11,873</b>
<b>Total assets</b>		<b>38,539</b>	<b>36,489</b>
<b>Capital and reserves</b>			
Issued capital	12	17,096	17,088
Share premium		8,142	8,105
Other reserves		409	409
Retained profit		2,913	1,784
Share option reserve		44	36
Translation reserve		(59)	(154)
<b>Total equity</b>		<b>28,545</b>	<b>27,268</b>
<b>Current liabilities</b>			
Trade and other payables		9,231	8,458
<b>Total current liabilities</b>		<b>9,231</b>	<b>8,458</b>
<b>Non-current liabilities</b>			
Deferred tax liability		763	763
<b>Total non-current liabilities</b>		<b>763</b>	<b>763</b>
<b>Total Equity and Liabilities</b>		<b>38,539</b>	<b>36,489</b>

The accompanying notes form an integral part of this consolidated statement of financial position.

These financial statements were approved by the Board of Directors and were signed on its behalf by:

Nitil Patel  
Chief Financial Officer  
6 June 2017

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
for the year ended 31 March 2018

	Share capital	Share premium	Merger reserve	Retained earnings	Translation reserve	Share option reserve	Total shareholders' Funds
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>At 1 April 2016</b>	<b>17,083</b>	<b>8,057</b>	<b>409</b>	<b>221</b>	<b>(68)</b>	<b>27</b>	<b>25,729</b>
Total comprehensive income							
Profit for the year	-	-	-	1,563	-	-	1,563
Other comprehensive loss							
Currency translation differences	-	-	-	-	(86)	-	(86)
Share based payment	-	-	-	-	-	9	9
Transactions with the owners							
Exercise of share options	-	-	-	-	-	-	-
Issue of ordinary shares	5	48	-	-	-	-	53
<b>At 31 March 2017</b>	<b>17,088</b>	<b>8,105</b>	<b>409</b>	<b>1,784</b>	<b>(154)</b>	<b>36</b>	<b>27,268</b>
Total comprehensive income							
Profit for the year	-	-	-	1,129	-	-	1,129
Other comprehensive loss							
Currency translation differences	-	-	-	-	95	-	95
Share based payment	-	-	-	-	-	8	8
Transactions with the owners							
Issue of ordinary shares	8	37	-	-	-	-	45
<b>At 31 March 2018</b>	<b>17,096</b>	<b>8,142</b>	<b>409</b>	<b>2,913</b>	<b>(59)</b>	<b>44</b>	<b>28,545</b>

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
for the year ended 31 March 2018

	Note	Year ended 31 March 2018 £'000	Year ended 31 March 2017 £'000
<b>Profit for the year</b>		1,129	1,563
Depreciation of property, plant and equipment	9	357	301
Amortisation of intangible assets acquired through business combinations	8	408	584
Amortisation of other intangible assets	8	466	368
Share based payments charge		8	9
Net finance costs		21	380
Non-recurring acquisition research costs and professional costs		557	-
Income tax charge/(credit)		182	(16)
<b>Operating cash flows before movements in working capital</b>		<b>3,128</b>	<b>3,189</b>
Change in inventories		23	6
Change in trade and other receivables		(664)	(615)
Change in trade and other payables		671	897
<b>Cash generated by operations</b>		<b>3,158</b>	<b>3,477</b>
Taxation paid		(43)	(60)
<b>Net cash from operating activities</b>		<b>3,115</b>	<b>3,417</b>
<b>Cash flows from investing activities</b>			
Interest and similar income received		2	19
Non-recurring acquisition research costs and professional fees		(557)	-
Investment in associate		(1,650)	-
Acquisition to property, plant and equipment	9	(261)	(2,530)
Additions to intangible assets	8	(471)	(411)
Long term loan to associate		(500)	(200)
<b>Net cash used in investing activities</b>		<b>(3,437)</b>	<b>(3,122)</b>
<b>Cash flows from financing activities</b>			
Proceeds from issue of share capital		45	53
Foreign exchange contracts		-	(399)
<b>Net cash used in financing activities</b>		<b>45</b>	<b>(346)</b>
<b>Net (decrease)/ increase in cash and cash equivalents</b>		<b>(277)</b>	<b>(51)</b>
Opening cash at bank		9,033	9,083
Effect of exchange rate fluctuations on cash held		1	1
<b>Closing cash at bank</b>		<b>8,757</b>	<b>9,033</b>
Cash and cash equivalents		7,491	7,767
Restricted cash held in deposit accounts		1,266	1,266
<b>Closing cash at bank</b>		<b>8,757</b>	<b>9,033</b>

**Notes to the financial statements**  
**31 March 2018**

**1. STATEMENT OF ACCOUNTING POLICIES**

Dods Group PLC is a Company incorporated in England and Wales.

The consolidated financial statements of Dods Group PLC have been prepared and approved by the directors in accordance with International Financial Reporting Standards as endorsed by the International Accounting Standards Board and as adopted by the EU ("adopted IFRS"). The Company has elected to prepare its parent company financial statements in accordance with FRS 102; these are presented after the notes to the consolidated financial statements.

The Group financial statements consolidate those of the Company and its subsidiaries (together referred to as the "Group"). The parent company financial statements present information about the Company as a separate entity and not about its Group.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these Group financial statements. Judgements made by the directors in the application of these accounting policies that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 2.

**Standards adopted**

There are no IFRS or IFRIC interpretations that are effective for the first time for the financial year beginning on or after 1 April 2017 that have had a material impact on the Group.

**Basis of preparation**

The financial information, which comprises the consolidated income statement, consolidated statement of comprehensive income, consolidated balance sheet, consolidated cash flow statement, consolidated statement of changes in equity and related notes, does not constitute full accounts within the meaning of s435 (1) and (2) of the Companies Act 2006. The auditors have reported on the Group's statutory accounts for the each of the years ended 31 March 2018 and 2017 which do not contain any statement under s498 of the Companies Act 2006 and are unqualified. The statutory accounts for the year ended 31 March 2017 have been delivered to the Registrar of Companies and the statutory accounts for the year ended 31 March 2018 will be filed with the registrar in due course.

The financial statements have been prepared in accordance with applicable accounting standards, and under the historical cost accounting rules, except for goodwill which is stated at the lower of previous carrying value and fair value less costs to sell.

The following Group entities are exempt from audit by virtue of Section 479A of the Companies Act 2006. Dods Group PLC has provided statutory guarantees to the following entities in accordance with Section 479C of the Companies Act 2006:

Fenman Limited

Total Politics Limited

Holyrood Communications Limited

**Going Concern**

The Group had net current assets as at 31 March 2018 of £3.00 million (2017: £3.42 million). The Directors have considered the implications for Going Concern below, for a period of at least twelve months from the signing of these accounts.

The Board remains satisfied with the Group's funding and liquidity position.

The Board remains mindful regarding the uncertainties inherent in the current economic conditions. The Group's forecasts and projections, taking account of reasonable changes in trading performance given these uncertainties, show the Group operating within its current cash flow with significant headroom going forward.

On the basis of these forecasts, and given the level of available cash, the Board has concluded that the going concern basis of preparation continues to be appropriate.

**Basis of consolidation**

Subsidiaries are entities controlled by the Group. Control is achieved where the Group is exposed, or has rights to variable returns and has the ability to affect those returns. The results of subsidiaries acquired or sold are included in the consolidated financial statements from the date control commences to the date control ceases. Where necessary, adjustments are made to the results of the acquired subsidiaries to align their accounting policies with those of the Group. All intra-group transactions, balances, income and expenditure are eliminated on consolidation.

### **Business combinations**

Business combinations are accounted for using the acquisition method at the acquisition date, which is the date on which control is transferred to the Group. In assessing control, the Group takes into consideration potential voting rights that currently are exercisable.

The Group measures goodwill as the fair value of the consideration transferred (including the fair value of any previously-held equity interest in the acquiree) and the recognised amount of any non-controlling interest in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as at the acquisition date. When the excess is negative, a bargain purchase gain is recognised immediately in the income statement.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in the income statement.

### **Revenue recognition – sale of goods**

Revenue is measured at the fair value of consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales-related taxes, and provisions for returns and cancellations.

Revenue on books or magazines provided for clients is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, at the point of delivery, and the amount of revenue can be measured reliably.

### **Revenue recognition – sale of services**

Revenue in respect of subscription-based services, including online services and licensing, is recognised on a straight-line basis over the period of subscription or licence. The unrecognised element is carried within creditors as deferred revenue.

Revenue in respect of advertising services is recognised on publication. Where publications are printed and distributed in more than one volume, the fair value of the revenue attributable to each volume is recognised as it is distributed.

Where long term training is provided together with training materials, the fair value of the materials provided to delegates is recognised as revenue upon distribution. The remaining revenue is recognised in stages as courses occur.

When long term training programmes are designed on a client's behalf, revenue relating to the conception, set-up and design of the programme is recognised when the first event occurs. Revenue in relation to the organisation and administration of the programme is recognised over the programme's life.

Revenue on all one-off events and conferences is recognised as they occur. Cash received in advance and directly attributable costs relating to future events are deferred. Losses anticipated at the balance sheet date are provided in full.

### **Leases**

When the Group enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease or similar hire purchase contract. All other leases are treated as operating leases.

Operating lease rentals are charged to the income statement on a straight-line basis over the period of the lease. Lease incentives are recognised in the income statement as an integrated part of the total lease expense.

### **Post-retirement benefits – defined contribution**

The Group contributes to independent defined contribution pension schemes. The assets of the schemes are held separately from those of the Group in independently administered funds. The amount charged to the income statement represents the contributions payable to the schemes in respect of the accounting period.

### **Share based payment**

The Group operates a number of equity-settled, share-based compensation plans. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense with a corresponding increase in equity. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, but excluding the impact of any non-market related vesting conditions. Non-market related vesting conditions are included in assumptions about the number of options that are expected to vest. At each balance sheet date, the Group revises its estimates of the number of options that are expected to vest. It recognises the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to equity.

Deferred tax is recognised where it is probable that tax relief will be available on the difference between exercise price and market price at the balance sheet date.

### **Non-recurring items**

Non-recurring items are items which in management's judgement need to be disclosed by virtue of their size, incidence or nature. Such items are included within the income statement caption to which they relate and are separately

disclosed either in the notes to the consolidated financial statements or on the face of the consolidated income statement.

Non-recurring items are not in accordance with any specific IFRS definition and therefore may be different to other companies' definition of non-recurring items.

### **Taxation**

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

Current tax is based on taxable profit for the year and any adjustment to tax payable in respect of previous years. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

The Group's assets and liabilities for current tax are calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

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

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

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

Deferred tax is calculated at the tax rates enacted or that are expected to apply (substantively enacted) at the balance sheet date when the liability is settled or the asset is realised. Deferred tax is charged or credited to the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority or the Group intends to settle its current tax assets and liabilities on a net basis.

### **Goodwill**

Goodwill represents the difference between the cost of acquisition of a business and the fair value of identifiable assets, liabilities and contingent liabilities acquired. Identifiable intangibles are those which can be sold separately or which arise from legal rights regardless of whether those rights are separable. Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to cash generating units and is tested annually for impairment. Any impairment is recognised immediately in the income statement and is not subsequently reversed.

### **Intangible assets**

Intangible assets acquired by the Group are stated at cost less accumulated amortisation and impairment losses, if any. Intangible assets are amortised on a straight-line basis over their useful lives in accordance with IAS 38 Intangible Assets. Assets are not revalued. The amortisation period and method are reviewed at each financial year end and are changed in accordance with IAS 8 Accounting Policies, "Changes in Accounting Estimates and Errors" if this is considered necessary. The estimated useful lives are as follows:

Publishing rights 10-75 years (one specific right is deemed to have a UEL of 75 years)

Brand names 15-20 years

Customer relationships 1-8 years

Customer list 4 years

Order books 1 year

Other assets 1 year

Software which is not integral to a related item of hardware is included in intangible assets and amortised over its estimated useful lives of between 4-6 years. The salaries of staff employed in the development of new software relating to our information services products, and salaries of staff employed in building our digital platform architecture within the Group are capitalised into software.

## **Impairment**

The carrying amounts of the Group's intangible assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill the recoverable amount is estimated each year at each balance sheet date.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the cash-generating unit). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units that are expected to benefit from the synergies of the combination.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in the income statement. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

## **Property, plant and equipment**

Property, plant and equipment is stated at cost less accumulated depreciation and impairment losses, if any.

Depreciation is provided to write off the cost less estimated residual value of property, plant and equipment by equal instalments over their estimated useful economic lives as follows:

Leasehold improvements	Over the shorter of the life of the asset or lease period
Equipment, fixtures and fittings	3-7 years

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date.

## **Inventories, work in progress and long-term contracts**

Inventories are stated at the lower of cost and net realisable value. Work in progress consists of internal and third-party editorial and production costs prior to print, which are capitalised for new publications and substantial updates of continuing publications. Work in progress is valued at the lower of cost and net realisable value being the recoverable amount based on anticipated forward sales from the first print run. Inventories are expensed through cost of sales.

## **Cash**

Cash includes cash on hand and in banks. Cash in banks earn interest at the respective bank deposit rates.

Restricted cash deposits relate to accounts where withdrawals are restricted under contractual agreements. This amounts to £1,266,000 (2017: £1,266,000) in the current year and relates to a rental deposit held in the Group's name which is subject to a guarantee in favour of the landlord of the London premises of the Group.

## **Provisions**

A provision is recognised in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

## **Financial liabilities and equity instruments**

Financial assets and financial transactions are recognised on the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after

deducting all of its liabilities, and includes no contractual obligations upon the Group to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Group, and, where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

#### **Derivative financial instruments**

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates. The Group uses foreign exchange forward contracts to hedge these exposures. The Group does not apply hedge accounting. The Group does not use derivative financial instruments for speculative purposes.

#### **Foreign currencies**

The individual financial statements of each Group company are presented in the currency of the primary economic environment in which it operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each Group company are expressed in pounds sterling, which is the presentation currency of the Group.

In preparing the financial statements of the individual companies, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated but remain at the exchange rate at the date of the transaction.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in the income statement for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in the income statement for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the period ended on the balance sheet date. Exchange rate differences arising, if any, are recognised directly in equity in the Group's translation reserve. Such translation differences are recognised as income or as expense in the income statement in the period in which the operation is disposed of.

#### **Associated companies**

Associated companies are entities over which the Group has significant influence, but not control, generally accompanied by a shareholding giving rise to voting rights of 20% and above but not exceeding 50%. Investments in associated companies are accounted for in the consolidated financial statements using the equity method of accounting less impairment losses, if any.

Investments in associated companies are initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Goodwill on associated companies represents the excess of the cost of acquisition of the associate over the Group's share of the fair value of the identifiable net assets of the associate and is included in the carrying amount of the investments.

In applying the equity method of accounting, the Group's share of its associated companies' post-acquisition profits or losses are recognised in the income statement and its share of post-acquisition other comprehensive income is recognised in other comprehensive income. These post-acquisition movements and distributions received from the associated companies are adjusted against the carrying amount of the investment. When the Group's share of losses in an associated company equals or exceeds its interest in the associated company, including any other unsecured non-current receivables, the Group does not recognise further losses, unless it has obligations or has made payments on behalf of the associated company.

Unrealised gains on transactions between the Group and its associated companies are eliminated to the extent of the Group's interest in the associated companies. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Gains and losses arising from partial disposals or dilutions in investments in associated companies are recognised in the income statement. Investments in associated companies are derecognised when the Group loses significant influence. Any retained interest in the entity is remeasured at its fair value. The difference between the carrying amount of the retained investment at the date when significant influence is lost and its fair value is recognised in the income statement.

## **Financial assets**

### *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 presented as current assets, except for those expected to be realised later than 12 months after the balance sheet date which are presented as non-current assets. Loans and receivables are presented as trade and other receivables and cash and cash equivalents on the balance sheet.

### *Impairment*

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognises an allowance for impairment when such evidence exists.

## **2. ACCOUNTING ESTIMATES, JUDGEMENTS AND ADOPTED IFRS NOT YET EFFECTIVE**

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

### **a) Capitalisation of internal costs and assessment of their future recoverability**

Management has capitalised costs incurred in relation to the development of internally generated intangible assets. The main area where costs have been capitalised has been summarised below:

#### *i) Development of software*

The salaries of staff employed in the development of new software within the Group have been capitalised into software, within other intangible assets. These development costs are then expensed over the estimated useful life of the software, being 4-6 years.

Management estimate the extent to which internally generated intangibles will be recovered by assessing future earnings. This is based on past revenue performance and the likelihood of future releases. Future sales performance varies from such assessments and changes to provisions against specific publications may be necessary.

### **b) Intangible assets**

When the Group makes an acquisition, management review the business and assets acquired to determine whether any intangible assets should be recognised separately from goodwill. If such an asset is identified, it is valued by discounting the probable future cash flows expected to be generated by the asset over the estimated life of the asset. Where there is uncertainty over the amount of economic benefit and the useful life, this is factored into the calculation. Judgements and estimations are also used by the Directors for the value in use calculation for impairment purposes of goodwill and other intangible assets. Details of goodwill and intangible assets are given in notes 7 and 8.

### **c) Investments**

The Group takes into account the power over its investee, its exposure and rights to variable returns from its involvement with the investee, and its ability to use the power over the investee to affect the amount of the investor's return to determine whether the investment is treated as an associate or a controlling interest. See note 10 for further details.

### **d) Recoverability of trade receivables**

Trade receivables are reflected net of estimated provisions for doubtful accounts. This provision is based on the ageing of receivable balances and historical experience. Details of trade receivables are given in note 10.

### **e) Deferred tax**

Deferred tax assets and liabilities require management judgement in determining the amounts to be recognised. In particular, judgement is used when assessing the extent to which deferred tax assets should be recognised with consideration given to the timing and level of future taxable income.

Details of judgements and estimates in relation to the impairment of goodwill are given in note 7.

## **Adopted IFRS not yet applied**

The Group has not yet adopted certain new standards, amendments and interpretations to existing standards which have been published but are only effective for our accounting periods beginning on or after 1 April 2018 or later

periods. These new pronouncements are listed below:

- IFRS 15 'Revenue from Contracts with Customers' (effective periods beginning on or after 1 January 2018); IFRS 15 presents new requirements for the recognition of revenue, replacing IAS 18 'Revenue', IAS 11 'Construction Contracts', and several revenue-related interpretations. The new standard establishes a control-based revenue recognition model and provides additional guidance in many areas not covered in detail under existing IFRSs, including how to account for arrangements with multiple performance obligations, variable pricing, customer refund rights, supplier repurchase options, and other common complexities. Management has started to assess the impact of the new Standard, and has identified that the accounting treatment of customer contracts will not be affected.
- IFRS 9 'Financial Instruments' (effective periods beginning on or after 1 January 2018); 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. The Group is assessing the potential impact on its consolidated financial statements resulting from the application of IFRS 9. These changes are effective for the Group's year ending 31 March 2019: and
- IFRS 16 'Leases' (effective periods beginning on or after 1 January 2019); IFRS 16 requires the recognition of the majority of lease assets and liabilities by lessees on the balance sheet and is effective for the Group's year ending 31 March 2020. The Group is currently evaluating the impact of the adoption of this standard on its financial position and operating results. The profile of the Group's principal leases is shown in note 25.

The Company has considered the other new standards, interpretations and amendments to published standards that are effective for the Group and concluded that they are either not relevant to the Group or that they would not have a significant impact on the Company's financial statements

The Group continues to monitor the potential impact of other new standards and interpretations which may be endorsed by the European Union and require adoption by the Group in future accounting periods.

### 3 Segmental information

#### Business segments

The Group considers that it has one operating business segment, being the provision of key information and insights into the political and public policy environments around the UK and European Union.

The Group's principal activity is the curation and aggregation of high quality information and data and the provision of services through a combination of online information and digital services, training courses, conferences and events publications and other media. The Group operates primarily in the UK, Belgium and France and has market-leading positions in much of its portfolio. These products and services can be paired and bundled to provide solutions.

No client accounted for more than 10% of total revenue.

#### Geographical segments

The following table provides an analysis of the Group's performance and assets by geographical market. Segment revenue is based on the geographical location of customers and segment assets on the basis of location of assets.

	Revenue by geographical market		Carrying amount of segment assets		Additions to property, plant and equipment and intangible assets	
	Year ended 31 Mar 2018 £'000	Year ended 31 Mar 2017 £'000	Year ended 31 Mar 2018 £'000	Year ended 31 Mar 2017 £'000	Year ended 31 Mar 2018 £'000	Year ended 31 Mar 2017 £'000
UK	16,469	15,972	38,413	36,711	732	2,932
Rest of world	4,117	3,993	126	138	-	18
Continuing operations	20,586	19,965	38,539	36,849	732	2,950

## Operating segments

The following table provides an analysis of the Group's performance by revenue stream.

	<b>Year ended 31 Mar 2018 £'000</b>	Year ended 31 Mar 2017 £'000
Contracted	12,480	12,018
Subscription	8,106	7,947
<b>Total</b>	<b>20,586</b>	<b>19,965</b>

## 4 Non-recurring items

	<b>Year ended 31 Mar 2018 £'000</b>	Year ended 31 Mar 2017 £'000
Non-recurring acquisition research costs and professional fees	<b>557</b>	28
Talent costs	<b>110</b>	-
Other		
Redundancy and people related costs	<b>275</b>	76
Legacy IT related costs	-	106
Office relocation	-	11
Other	<b>33</b>	-
<b>Total</b>	<b>975</b>	221

Redundancy and people related costs represent the effect of a Group initiative to appropriately restructure the business and reduce costs.

Legacy IT software maintenance costs reflect payments required to bring our software maintenance agreements up to date.

Acquisition costs reflect the costs incurred to date in line with the Groups acquisition strategy. Talent costs relate to the recruitment of senior management for roles which have been newly created within the Group.

## 5 Taxation

	Year ended 31 Mar 2018	Year ended 31 Mar 2017
	£'000	£'000
<b>Current tax</b>		
Current tax on income for the year at 19% (2017: 20%)	162	60
	-	-
<b>Overseas tax</b>		
Current tax expense on income for the year at 19% (2017: 20%)	20	-
<b>Total current tax expense</b>	<b>182</b>	<b>60</b>
<b>Deferred tax</b>		
Origination and reversal of temporary differences	98	(36)
Effect of change in tax rate	(12)	(40)
Adjustments in respect of prior periods	(86)	-
<b>Total deferred tax (income)/charge</b>	<b>-</b>	<b>(76)</b>
<b>Total income tax (credit)/charge</b>	<b>182</b>	<b>(16)</b>

The tax charge for the period differs from the standard rate of corporation tax in the UK of 19% (2017: 20%).

The differences are explained below:

	Year ended 31 Mar 2018	Year ended 31 Mar 2017
	£'000	£'000
<b>Income tax reconciliation</b>		
Profit before tax	1,311	1,547
<b>Notional tax charge at standard rate of 19% (2017: 20%)</b>	<b>246</b>	<b>309</b>
<b>Effects of:</b>		
Expenses not deductible for tax purposes	(2)	135
Non-qualifying depreciation	121	-
Accelerated capital allowances and temporary differences	-	(40)
Adjustments to tax charge in respect of prior periods	(87)	(250)
Research and development claim	(74)	(67)
Deferred tax recognised	(22)	(128)
Utilisation of tax losses and tax credits	-	25
<b>Total income tax charge/(charge)</b>	<b>182</b>	<b>(16)</b>

## 6 Earnings per share

	Year ended 31 Mar 2018	Year ended 31 Mar 2017
	£'000	£'000
Profit attributable to shareholders	1,129	1,563
Add: non-recurring items net of tax	975	221
Add: amortisation of intangible assets acquired through business combinations	408	584
Add: net exchange losses	23	331
Add/(deduct): share based payment	8	9
<b>Adjusted profit attributable to shareholders post tax</b>	<b>2,543</b>	<b>2,708</b>

	Year ended 31 Mar 2018	Year ended 31 Mar 2017
	Ordinary shares	Ordinary shares
<b>Weighted average number of shares</b>		
In issue during the year - basic	341,524,286	340,305,953
Adjustment for share options	250,000	1,785,000
<b>In issue during the year - diluted</b>	<b>341,774,286</b>	<b>342,090,953</b>
<b>Earnings per share</b>		
Basic	0.33p	0.46 p
Diluted	0.33p	0.46 p
<b>Adjusted Earnings per share</b>		
Basic	0.74p	0.79 p
Diluted	0.74p	0.79 p

## 7 Goodwill

	Year ended 31 Mar 2018	Year ended 31 Mar 2017
	£'000	£'000
<b>Cost and Net book value</b>		
Opening balance	13,282	13,282
<b>Closing balance</b>	<b>13,282</b>	<b>13,282</b>

Goodwill acquired in a business combination is allocated at acquisition to the cash-generating units (CGUs) that are expected to benefit from that business combination. The carrying amount of goodwill has been allocated as follows:

	Year ended 31 Mar 2018	Year ended 31 Mar 2017
	£'000	£'000
Dods	13,282	13,282
	<b>13,282</b>	<b>13,282</b>

Goodwill is not amortised but tested annually for impairment with the recoverable amount being determined from value in use calculations. The key assumptions for the value in use calculations are those regarding the discount rate, growth rates and forecasts of income and costs.

The Group assessed whether the carrying value of goodwill was supported by the discounted cash flow forecasts of the Group based on financial forecasts approved by management covering a five-year period, taking in to account both past performance and expectations for future market developments. Management has used a five-year model using an underlying growth rate of 5%. Management estimates the discount rate using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to media businesses.

The impairment charge was £nil (2017: £nil).

## CGU

The recoverable amount of the CGU is determined from value in use calculations.

Value in use was determined by discounting future cash flows generated from the continuing use of the titles and was based on the following most sensitive assumptions:

- cash flows for 2018/19 were projected based on the budget for 2018/19
- cash flows for years ending 31 March 2018 to 2021 were prepared using underlying growth rates at an average of 5%, based on management's view on likely trading and likely growth;
- this assumption is based upon both assumed increases in revenue from yield improvements and expansion of markets and also strict cost control;
- cash flows beyond 2021 are extrapolated using 2% growth rate;
- cash flows were discounted using the CGU's pre-tax discount rate of 9.66%.

Based on the above sensitivity assumptions the calculations disclosed significant headroom against the carrying value of goodwill for the CGU. The Directors carried out a number of sensitivity scenarios on the data. In the Directors view there is not any key assumption that the Directors based their determination upon that would cause the CGU's carrying amount to exceed its recoverable amount.

## 8 Intangible assets

	Assets acquired through business combinations	Software	Total
	£'000	£'000	£'000
<b>Cost</b>			
At 1 April 2016	24,215	4,058	28,273
Reclassified to property, plant and equipment		(79)	(79)
Additions - externally generated	-	39	39
Additions – internally generated	-	372	372
Disposals	-	(1,954)	(1,954)
At 31 March 2017	24,215	2,436	26,651
Reclassified to property, plant and equipment	-	-	-
Additions - externally generated	-	-	-
Additions – internally generated	-	471	471
Disposals	-	-	-
<b>At 31 March 2018</b>	<b>24,215</b>	<b>2,907</b>	<b>27,122</b>
<b>Amortisation</b>			
At 1 April 2016	16,367	2,646	19,013
Reclassified to property, plant and equipment	-	(71)	(71)
Disposals	584	368	952
Charged in year	-	(1,954)	(1,954)
At 31 March 2017	16,951	989	17,940
Reclassified to property, plant and equipment	-	-	-
Charged in year	408	466	874
Disposals	-	-	-
<b>At 31 March 2018</b>	<b>17,359</b>	<b>1,455</b>	<b>18,814</b>
<b>Net book value</b>			
At 31 March 2016	7,848	1,412	9,260
At 31 March 2017	7,264	1,447	8,711
<b>At 31 March 2018</b>	<b>6,856</b>	<b>1,452</b>	<b>8,308</b>

## Assets acquired through business combinations

	Publishing rights	Brand names	Customer relationships	Customer lists	Other assets	Total
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Cost</b>						
At 31 March 2016	19,193	1,277	2,951	640	154	24,215
At 31 March 2017	19,193	1,277	2,951	640	154	24,215
<b>At 31 March 2018</b>	<b>19,193</b>	<b>1,277</b>	<b>2,951</b>	<b>640</b>	<b>154</b>	<b>24,215</b>
<b>Amortisation</b>						
At 31 March 2016	11,408	1,277	2,888	640	154	16,367
Charged in year	532	-	52	-	-	584
At 31 March 2017	11,940	1,277	2,940	640	154	16,951
Charged in year	397	-	11	-	-	408
<b>At 31 March 2018</b>	<b>12,337</b>	<b>1,277</b>	<b>2,951</b>	<b>640</b>	<b>154</b>	<b>17,359</b>
<b>Net book value</b>						
At 31 March 2016	7,785	-	63	-	-	7,848
At 31 March 2017	7,253	-	11	-	-	7,264
<b>At 31 March 2018</b>	<b>6,856</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,856</b>

The remaining useful economics lives of the intangible assets are as follows:

- Dods	75 years
- Total Politics	20 years
- Holyrood	20 years
- Software intangibles	4-6 years

The carrying value of publishing rights with a useful economic life of 75 years is £4.2 million (2017: £4.3 million).

Included within intangible assets are internally generated assets with a net book value of £1,420,464 (2017: £1,335,000).

## 9 Property, plant and equipment

	Leasehold improvements	Equipment and fixtures and fittings	Total
	£'000	£'000	£'000
<b>Cost</b>			
At 31 March 2016	642	615	1,257
Reclassified from fixed intangible assets	-	79	79
Additions	1,709	821	2,530
Disposals	(623)	(425)	(1,048)
At 31 March 2017	1,728	1,090	2,818
Additions	216	45	261
Disposals	-	(63)	(63)
<b>At 31 March 2018</b>	<b>1,944</b>	<b>1,072</b>	<b>3,016</b>
<b>Depreciation</b>			
At 31 March 2016	542	529	1,071
Reclassified from fixed intangible assets	27	44	71
Charge for the year	160	141	301
Disposals	(623)	(425)	(1,048)
At 31 March 2017	106	289	395
Charge for the year	173	184	357
Disposals	-	(63)	(63)
<b>At 31 March 2018</b>	<b>279</b>	<b>410</b>	<b>689</b>
<b>Net book value</b>			
At 31 March 2016	100	86	186
At 31 March 2017	1,622	801	2,423
<b>At 31 March 2018</b>	<b>1,665</b>	<b>662</b>	<b>2,327</b>

The Group did not have any assets recognised from obligations under finance leases in either the current or prior year.

## 10 Investments in associates

Set out below are the associates and joint ventures of the Group as at 31 March 2018 which, in the opinion of the directors, are individually immaterial to the Group. The entities listed below have share capital consisting solely of ordinary shares, which are held directly by the Group. The country of incorporation or registration is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

Name of entity	Place of business/ Country of incorporation	% ownership	Nature of relationship	Measurement method	Carrying amount (£'000)
Sans Frontieres Associates	England	40	Associate (i)	Equity method	-
Social 360 Limited	England	30	Associate (ii)	Equity method	1,684
<b>Total equity accounted</b>					<b>1,684</b>

- (i) On 16th February 2017, the Group purchased 40% of the issued share capital of Sans Frontieres Associates (SFA), a company registered in England and Wales, with a carrying value of £40. The carrying value of the investment in the associate at year end was £nil (2017: £nil).

SFA's objective is to redefine the approach taken to international geopolitical and crisis communications consulting. It is a strategic investment for the Group as SFA's core capabilities and international reach is in keeping with the trends and changing market requirements seen by the Group.

As at the year end the Group had loaned SFA £700,000 (2017: £200,000). The total unsecured loan of £700,000 carries no interest rate charge and is repayable in 4 years' time.

After taking into account the Group's power over its investee, its exposure and rights to variable returns from its involvement with the investee, and its ability to use the power over the investee to affect the amount of investor's return, the Directors have concluded that the Group does not have a controlling interest in SFA as it is not able to direct the activities of SFA. Therefore, SFA has been accounted for as an associate in these financial statements.

- (ii) On 16th November 2017, the Group purchased 30% of the enlarged share capital of Social 360 Limited (Social360), a company registered in England and Wales, for a carrying value of £1.68 million in cash including acquisition costs. Social360 provides intelligent digital media monitoring and analysis. It is a strategic investment for the Group which complements the monitoring services already provided by the Group.

The acquisition includes a contractual option for the Group, at its sole discretion, to purchase the balance of the current existing shares between 24 and 36 months from completion, at a valuation based upon Social360's prevailing EBITDA. It is considered that the fair value of the option at the balance sheet date is £nil.

The aggregate total share of loss recognised from immaterial associates is £9,122. The aggregate total share of loss from immaterial associates is £163,122, of this £154,000 has not been recognised as Dods have no contractual liability to cover the losses of the Associate and recognising such losses would result in a negative carrying amount for the investment in Associate.

## 11 Other financial assets

	<b>Year ended 31 Mar 2018 £'000</b>	Year ended 31 Mar 2017 £'000
<b>Trade and other receivables</b>		
Trade receivables	1,755	1,645
Other receivables	368	592
Prepayments and accrued income	1,346	568
	<b>3,469</b>	2,805

Trade and other receivables denominated in currencies other than sterling comprise £135,677 (31 March 2017: £214,358) denominated in Euros.

	<b>Year ended 31 Mar 2018 £'000</b>	Year ended 31 Mar 2017 £'000
<b>Cash at bank</b>		
Cash and cash equivalents	7,491	7,767
Restricted cash held in deposit account	1,266	1,266
	<b>8,757</b>	9,033

Cash includes £1,379,000 (2017: £278,000) denominated in Euros.

Included in cash at bank is a rental deposit of £1,266,000 (2017: £1,266,000) held in a bank account in the Group's name which is subject to a guarantee in favour of the landlord of the London premises of the Group.

## 12 Called-up share capital

	9p deferred shares Number	1p ordinary shares Number	£'000
Issued share capital at 31 March 2017	151,998,453	340,840,953	17,088
Exercise of share options	-	800,000	8
<b>At 31 March 2018</b>	<b>151,998,453</b>	<b>341,640,953</b>	<b>17,096</b>

At an extraordinary meeting of shareholders on 7 February 2012 members adopted a new set of Articles of Association and also a capital reorganisation.

The Articles of Association have taken advantage of the Companies Act 2006 in which there is no need to have an authorised share capital and therefore nothing is disclosed.

The capital reorganisation took place on the same date and split the issued share capital into two. Deferred shares, holders of which do not have the right to receive notice of any general meeting of the Company or any right to attend, speak or vote at such meeting. The deferred shareholders are not entitled to receive any dividend or other distribution and shall on a return of assets in a winding up of the Company entitle the holders only to the repayment of 1pence in aggregate. The deferred shares are also incapable of transfer and no share certificate will be issued.

During the year the Group issued 800,000 (2017: 535,000) ordinary shares on the exercise of employee share options for cash consideration of £44,000 (2017: £53,500) of which £8,000 (2017: £5,350) was credited to share capital and £37,000 (2017: £48,150) to share premium.

**ENDS**