28 June 2019 **Dods Group plc ("Dods", the "Company" or the "Group")**

AUDITED RESULTS FOR THE YEAR ENDED 31 MARCH 2019

Dods, a market leading business intelligence, data, events, media and training company, announces its audited results for the year ended 31 March 2019. The Group continues to enhance the business as a leading provider of Augmented Intelligence[2] with a strengthened new Board and senior management team.

Financial Highlights

Adjusted results – continuing operations

	Year ended 31-Mar-19	Year ended 31-Mar-18
Total revenue (£)	**21.3m**	20.6m
Gross margin (%)	**37%**	41%
Adjusted EBITDA (£) [1]	**1.5m**	3.5m
Adjusted EBIT (£) [2]	**(1.0m)**	2.3m
Non-recurring items (£)	**4.8m**	1.0m
Adjusted basic EPS (Pence)	**(0.12p)**	0.74p
Cash at bank – non-restricted (£)	**7.2m**	7.5m
Total assets (£)	**35.0m**	38.5m
Debtor days	**31**	31

1 Adjusted EBITDA is calculated as earnings before interest, tax, depreciation, amortisation of intangible assets, share of profit of associate, share-based payments and non-recurring items.
2 Adjusted EBIT is calculated as operating (loss) / profit plus non-recurring items.

Statutory results – continuing operations

	Year ended 31-Mar-19	Year ended 31-Mar-18
Total revenue (£)	**21.3m**	20.6m
(Loss) / profit before tax (£)	**(5.7m)**	1.3m
Adjusted basic EPS (Pence)	**(0.12p)**	0.74p
Basic EPS (Pence)	**(1.62p)**	0.33p

Board Changes in 2019

- New Chief Executive Officer Simon Presswell joined the Board on 9 July 2018
- Cheryl Jones, Chairman, stepped down from the Board on 1 August 2018
- David Hammond was appointed Non-Executive Chairman following the Company's Annual General Meeting on 1 August 2018
- Richard Boon was appointed as a Non-Executive Director on 14 August 2018.

Outlook

Whilst the UK market remains challenging and somewhat uncertain, the Board is confident that the Group's strategic initiatives, combined with selective investment opportunities, including the proposed acquisition of Meritgroup, is capable of sustainable profit streams in the longer term.

The start of the financial year has been encouraging and following completion of the proposed acquisition, the Group will benefit from an approximate 9-month contribution from the Meritgroup business in the current financial year. The Group continues to be cash generative and has strengthened and diversified its capabilities. The Board views the Group prospects with confidence.

Dr David Hammond, Chairman, commented:

"I would like to thank certain of our significant shareholders for their continued support, management for steering the Group through a difficult last quarter and our clients for their loyalty. Finally, I would like to acknowledge our employees for their dedication and commitment to the Group."

For further information, please contact:

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Dods Group plc

Strategic report
For the year ended 31 March 2019

Chairman's statement

2019 Financial Year
The Group's priorities at the beginning of the year were: developing an acquisition strategy and pipeline, adding talent and depth in growth areas of the business and creating forward momentum in the transition to higher margin products.

As outlined in the trading update issued on 21 January 2019, the Group faced challenging market conditions in the last few months of the financial year, which has had a significant impact on the Group's adjusted EBITDA and results for the year ended 31 March 2019. From a strategic review of the business, which is ongoing, the Group has focused on a strategy that seeks to deliver growth by increasing average client spend, pivoting away from policy dependent products, raising operating margins through increased commercialisation of the Group's proprietary data and enhancing its existing portfolio. The Group seeks to simplify and strengthen its core business to deliver sustainable shareholder value in the long term.

As a result, the Group strengthened the new leadership team, including the appointment of a Chief Information Officer (CIO) and Chief Revenue Officer (CRO) since the year end.

Significant Acquisition
Dods announced on 11 June 2019 its proposed acquisition of Meritgroup Limited ("Meritgroup"). The Board believes that this acquisition will be a transformational deal for the Group and will enable it to diversify its service offering into faster growing, higher margin activities.

The addition of Meritgroup brings a deep technical knowledge and expertise in the field of data engineering, machine learning and artificial intelligence to the Dods Group, which when combined with Dods' considerable expertise in analysis and content creation, it will make the enlarged Group a leading business intelligence organisation.

Meritgroup brings a highly educated, agile and diverse team with impressive technical capabilities based in Chennai, Mumbai and London which will enrich the existing operations of Dods Group in London, Edinburgh, Brussels and Paris. The addition of Meritgroup, via Merit Labs, will enable customers to rapidly test and adapt new technologies to transform their services. With an emphasis on remaining at the forefront of innovation in new technologies, Meritgroup will leverage the significant resident domain knowledge across the Group to drive actionable business outcomes for our customers.

Board Changes
Simon Presswell joined the Company as Group Chief Executive Officer (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 Company going forward.

Cheryl Jones, Chairman, stepped down from the Board on 1 August 2018.

I was appointed on the 1 August 2018 as Non-executive Chairman. I am an experienced international businessman having served on the Boards of several listed companies on both sides of the Atlantic, including ADT and American Medical Response and I also served for 6 years as a member of the Competition Commission.

Strategic report
For the year ended 31 March 2019

Chairman's statement (continued)

Richard Boon was appointed as a Non-executive Director on 14 August 2018. Richard is the chief investment officer of Artefact Partners and a Chartered Financial Analyst with 30 years of research, portfolio management and private equity experience.

This newly strengthened Board will be instrumental in delivering the stated priorities of the Group.

Outlook
Whilst the UK market remains challenging and somewhat uncertain, the Board is confident that the Group's strategic initiatives, combined with selective investment opportunities, including the proposed acquisition of Meritgroup, is capable of sustainable profit streams in the longer term.

The start of the financial year has been encouraging and following completion of the proposed acquisition, the Group will benefit from an approximate 9-month contribution from the Meritgroup business in the current financial year. The Group continues to be cash generative and has strengthened and diversified its capabilities. The Board views the Group prospects with confidence.

I would like to thank certain of our significant shareholders for their continued support, management for steering the Group through a difficult last quarter and our clients for their loyalty. Finally, I would like to acknowledge our employees for their dedication and commitment to the Group.

Dr David Hammond
Chairman

Strategic report
For the year ended 31 March 2019

CEO review

Dods today
A business intelligence leader in Public Policy, Political and Public Management sectors, Dods is renowned for its market expertise, research and training services, as well as iconic media brands and high-impact events. Through a single platform, Dods delivers critical business insight and stakeholder engagement channels.

We help customers achieve targeted growth, comply with regulatory changes, minimise risk, monitor reputation and gain exposure to key opinion-leaders. We serve customers in more than 50 countries across 6 continents, helping them understand and reach the dynamic UK and EU political and public sector spectrum.

Our integrated services generate exponential value and efficiency, resulting in high customer retention.

Consolidating our market-leading position
Due to digital communication channels, creation and dissemination of data and information is happening at a relentless speed. The need to extrapolate verified business-critical data and gain intelligence that is highly tailored to customer requirements is becoming paramount. Fully embedded in customer workflows, we understand the context and provide vital analytics and insights, as well as an end-to-end platform for stakeholder engagement. Our joined-up solutions deliver recurring, multi-year sustainable revenues and higher contract values through increased customer value creation.

1. Helping customers manage, influence and win business
Data-driven business insights
Dods business intelligence division focuses on delivering key public policy insights that highlight opportunities and threats in the associated sectors, as well as data solutions that monitor relevant opinion leaders across the political and public sector spectrum. Whether it's participating in public policy debates or winning public tenders, our experts will tailor Dods Monitoring, Dods People or Dods Research to get the vital information at the right time, critical to our customer success. With coverage across the UK and the EU, we provide a holistic view of key sectors to our clients.

Contextualised news and analysis
Our iconic media brands enjoy high customer loyalty among the political and public sector audiences, providing content and forum for the agenda of the day to be discussed. The House, PoliticsHome, Holyrood, the Parliament magazine, Civil Service World and PublicTechnology bring the expert commentary on the latest news, as well as unique engagement channels with our audiences across the political, public affairs and public management sectors in the UK and the EU.

Strategic stakeholder engagement
From niche to high-profile, our platforms help customers showcase capabilities, demonstrate thought leadership in a particular area, build awareness and foster partnerships. We provide unique routes-to-market and deliver a single outsourced solution to our clients. Targeted engagement events span Civil Service Live & Awards, MEP Awards, Westminster Briefings, NHS Expo, Public Sector ICT, Diversity and Inclusion and the full portfolio of summits, round tables and receptions.

Knowledge solutions

We deliver best practice training and bespoke programmes, as well as learning and development, on governance, communications and policy-making across the world. Dods Training works with national governments, embassies, civil servants, public and private sector bodies to help professionals extend their knowledge and skills in these areas, while Training Journal Awards help celebrate high-achievers within the Learning and Development industry.

2. Extending our footprint in core markets

Our focus has been on increasing the reach in our core markets by using our scalable model and domain expertise to deliver new services and increase revenue streams. We have successfully managed the landmark Security & Policing exhibition on behalf of the Home Office, as well as added the Chief Scientific Officer summit to our portfolio, while Dods Monitoring intelligence service brought the UK Public Affairs industry together at a new Public Affairs conference.

3. Optimising sustainable recurring revenues

Reflecting deep customer loyalty and strong market demand, the renewal rate for our core Business Intelligence subscription products has remained high, averaging 92%.

Through our integrated offering we are able to deliver more value to our customers:
- 38% of our clients buy two or more products
- 15% of our clients buy three or more products
- 5% of our clients buy four or more products

Towards Augmented Intelligence[2]

"You get the technology, but the human intervention is important too."
Public Affairs Executive, Dods customer

As we start to use advanced technology to secure the scale and depth of coverage across services, our human domain expertise becomes essential for providing contextualised analysis to our customers. We use technology to automate data aggregation and enhance it with our insight to produce actionable intelligence to clients, enabling them to switch focus from data collection to taking action based on this critical decision support.

Dods' core expertise is in identifying information across the complex political and public sector landscape, filtering for relevancy and highlighting implications of policy developments for specific organisations. Our focus now moves to bringing a new generation of products and services by applying machine learning to human intellect, creating Augmented Intelligence[2] to super-charge our subscription services model.

According to KPMG[*], Business Information providers investing in AI-enabled services combined with human domain expertise to offer workflow solutions, not just data & analysis, will capture a bigger slice of the sector's overall revenue.

* Source: KPMG 'Hunting growth: New ways to create value in B2B information and data services' (January 2019).

Significant acquisition

The acquisition of Meritgroup is a key milestone in our ambition to develop into a world-class Augmented Intelligence[2] business – a powerful proposition where AI technologies amplify human intellect to create more value to our customers, enabling them to act faster and with confidence.

Meritgroup powers world leading b2b information brands by providing proven data engineering services, innovative technology, in-demand talent and sector-specific expertise. Their proprietary methodology and machine learning capabilities underpin some of the most respected b2b brands.

Dods' products and services have been an integral part of our customers' workflows, so we understand where we can create most value by employing machine learning and AI to enhance our Policy & Public Sector subscription product portfolio.

Meritgroup's data processing and automation capabilities complement Dods' data and content curation and analytical competencies.

Critically, with this acquisition, we will gain technology capabilities to expand into providing commercial intelligence outside of our core Policy & Public Sectors and into global end-markets at pace. Serving customers across a range of sectors will enable us to increase and diversify our revenue streams, mitigate dependency on a highly volatile sector and build a more predictable and sustainable subscription business, yielding higher margins.

As both businesses are looking to utilise machine learning and advanced AI technologies in gaining efficiency and scale of data enhancement, and build better products and services for customers, we believe that combining resources will accelerate our progress.

Simon Presswell
Chief Executive Officer

Strategic report
For the year ended 31 March 2019

CFO Review

Despite 2019 being a challenging year, the Group experienced revenue growth of 3%. As the growth was mainly in events and training, which achieve a lower gross margin than our Business Intelligence (BI) and Digital Media products and as a consequence had a more profound impact on our margins and adjusted EBITDA. As we continue to advise, inform and connect businesses in the political and policy environment we will be looking to upgrade our digital offering in our BI products. The Group continues to reduce its reliance on print and advertising as it replaces these revenue sources with more reliable, recurring revenue streams, including increasing our subscription based revenues and multi-year contracts.

As stated previously, the Group set its emphasis on enhancing the development of an acquisition strategy and pipeline, embedding an infrastructure for further organic and acquisitive growth and increasing the talent pool to enable it to deliver on these priorities going forward. The acquisition of Meritgroup Limited and appointments of the CIO and CRO are results of this stated aim.

Adjusted results are prepared to provide a more comparable indication of the Group's core business performance by removing the impact of certain items including exceptional items (material and non-recurring), and volatile items predominantly relating to investment activities and other separately reported items.

In addition, the Group also measures and presents performance in relation to various other non-GAAP measures including adjusted operating profit and adjusted EBITDA. Adjusted results are not intended to replace statutory results. These have been presented to provide users with additional information and analysis of the Group's performance, consistent with how the Board monitors results.

Adjusted Operating Profit

	2019 £'000	2018 £'000
Operating (loss)/profit before tax	**(5,776)**	1,299
Other operating income	**-**	(444)
Impairment expense – investment in equity accounted associate	**1,231**	-
Impairment expense – intangible assets	**259**	-
Increased amortisation of software intangible assets	**1,230**	-
Amortisation of intangible assets acquired through business combinations	**351**	408
Non-recurring acquisition costs and professional fees	**2,239**	557
Other non-recurring items	**1,029**	418
Adjusted Operating Profit	**563**	2,238

Strategic report
For the year ended 31 March 2019

Revenue and operating results
The Group's revenue from continuing operations increased by 3% to £21.3 million (2018: £20.6 million) and gross profit decreased by approximately 5% to £7.9 million (2018: £8.3 million).

Gross margin decreased from 41% to 37% in the year. The decrease in gross margin was due to increased cost on delivery of events and change in the product mix sold in the year. Administration costs increased by 21% to £6.4 million (2018: £5.3 million) reflecting the increase in business rates of £100k, increased marketing spend of £260k, IT costs of £310k, in house legal (including GDPR compliance) of £125k and £260k due to Board changes and other plc related expenses.

Adjusted EBITDA decreased to £1.5 million (2018: £3.5 million) including £nil other operating income (2018: £0.4 million). Operating loss was £5.8 million (2018: profit of £1.3 million), after non-cash items including an amortisation charge of £0.4 million (2018: £0.4 million) for business combinations and a charge of £1.8 million (2018: £0.5 million) for intangible software assets. The depreciation charge in the year remained flat at £0.4 million (2018: £0.4 million). The increase in amortisation charge for software intangibles reflects the strategic review carried out by the new Board on the useful economic life of the software platform developed in-house by the Group. As a consequence of the review the amortisation charge increased by £1.3 million reflecting the shorter useful economic life of the intangible asset. Non-recurring acquisition related costs, impairment expense, people-related costs and other costs were £4.8 million (2018: £1.0 million). This was principally a result of increased acquisition costs of £2.2m (2018: £0.5m) and impairment losses.

The statutory loss before tax for the year was £5.7 million (2018: profit before tax of £1.3 million).

Taxation
As a result of the losses in the year the Group has taken a tax credit of £0.2 million (2018: charge of £0.18 million).

Earnings per share
Adjusted earnings per share, both basic and diluted, from continuing operations in the year were a loss of 0.12 pence (2018: earnings of 0.74 pence) and were based on the adjusted loss for the year of £0.4 million (2018: profit of £2.5 million) with a basic weighted average number of shares in issue during the year of 341,640,953 (2018: 341,524,286).

Earnings per share, both basic and diluted, from continuing operations in the year were a loss of 1.62 pence (2018: earnings of 0.33 pence) and were based on the net loss for the year of £5.5 million (2018: profit of £1.1 million).

Dividend
The Board is not proposing a dividend at this time (2018: £nil).

Strategic report
For the year ended 31 March 2019

Assets
Non-current assets consisted of goodwill of £13.3 million (2018: £13.3 million), intangible assets of £6.4 million (2018: £8.3 million) and property, plant and equipment of £2.1 million (2018: £2.3 million). The Group, since February 2017, has held a 40% stake in the issued share capital of Sans Frontières Associates (SFA) and has loaned SFA £0.7 million (2018: £0.7 million) at the year end. The loan is unsecured and carries no interest charge. Additionally, the Group has held a 30% stake in Social 360 since November 2017 which it carries at £0.5 million (2018: £1.7 million).

During the year, the new Board had undertaken a strategic review of the Group, including an assessment of carrying values of intangible assets and investments. The movement in intangible assets of £1.9m relates predominately to the reduction in the useful economic life of the software platform of Dods' business intelligence division. The impairment of the investment in Social360 reflects the new Board's internal assessment of the realisable carrying value of the investment based on actual performance of this associate.

Trade and other receivables increased by £0.1 million to £3.6 million (2018: £3.5 million).

Liabilities
Current liabilities increased by £2.3 million to £11.5 million (2018: £9.2 million) largely due to an increase in accruals and deferred income in the year. Included in the accruals is an amount for £1.5 million relating to acquisition costs (2018: £nil). There has been a £0.3m (2018: £nil) credit booked in the deferred tax liability of £0.5 million (2018: £0.8 million) largely reflecting timing differences.

Capital and Reserves
Total assets of the Group were £35.0 million (2018: £38.5 million) with the main movements being impairment, amortisation and non-recurring acquisition costs and professional fees. Total equity decreased by £5.5 million to £23.0 million (2018: £28.5 million), mainly reflecting the loss for the year.

Liquidity and capital resources
Net interest and finance income during the period amounted to £480 (2018: £21,000). The Group had an unrestricted cash balance of £7.2 million (2018: £7.5 million) and had no borrowings at the year end. The Group also held restricted cash of £1.3 million (2018: £1.3 million) supporting the lease agreement for the Company's London premises. The cash movement reflects a net working capital increase of £0.9 million (2018: £3.2 million) and an investing outflow of £1.0 million (2018: £3.4 million).

Nitil Patel
Chief Financial Officer

Dods Group plc

Consolidated income statement

For the year ended 31 March 2019

	Note	**2019 £'000**	2018 £'000
Revenue	3	**21,301**	20,586
Cost of sales		**(13,419)**	(12,239)
Gross profit		**7,882**	8,347
Administrative expenses		**(6,381)**	(5,286)
Other operating income	4	**-**	444
Adjusted EBITDA		**1,501**	3,505
Depreciation of tangible fixed assets	10	**(379)**	(357)
Amortisation of intangible assets acquired through business combinations	9	**(351)**	(408)
Amortisation of software intangible assets	9	**(1,789)**	(466)
Non-recurring items	5		
Non-recurring acquisition costs and professional fees		**(2,239)**	(557)
Impairment expense – investment in equity accounted associate		**(1,231)**	-
Impairment expense – intangible assets		**(259)**	-
People-related costs		**(332)**	(385)
Other non-recurring items		**(697)**	(33)
Operating (loss) / profit		**(5,776)**	1,299
Net finance costs		**-**	21
Share of profit / (loss) of associate	11	**50**	(9)
(Loss) / profit before tax		**(5,726)**	1,311
Income tax credit / (charge)	6	**197**	(182)
(Loss) / profit for the year		**(5,529)**	1,129
(Loss) / profit per share (pence)			
Basic	7	**(1.62p)**	0.33p
Diluted	7	**(1.62p)**	0.33p

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

Consolidated statement of comprehensive income
For the year ended 31 March 2019

	2019 £'000	2018 £'000
(Loss) / profit for the year	**(5,529)**	1,129
Items that may be subsequently reclassified to Profit and loss		
Exchange differences on translation of foreign operations	**(8)**	95
Other comprehensive (loss) / income for the year	**(8)**	95
Total comprehensive (loss) / income for the year	**(5,537)**	1,224

The accompanying notes form an integral part of this consolidated statement of comprehensive income.

Consolidated statement of financial position
As at 31 March 2019

	Note	**2019 £'000**	2018 £'000
Non-current assets			
Goodwill	8	**13,282**	13,282
Intangible assets	9	**6,421**	8,308
Property, plant and equipment	10	**2,063**	2,327
Investment in associates	11	**503**	1,684
Long-term loan receivable	11	**700**	700
Total non-current assets		**22,969**	26,301
Current assets			
Inventories		**16**	12
Trade and other receivables	12	**3,584**	3,469
Cash and cash equivalents	12	**7,160**	7,491
Restricted cash held in deposit account	12	**1,266**	1,266
Total current assets		**12,026**	12,238
Total assets		**34,995**	38,539
Capital and reserves			
Issued capital	15	**17,096**	17,096
Share premium		**8,142**	8,142
Other reserves		**409**	409
Retained (loss) / profit		**(2,616)**	2,913
Share option reserve		**55**	44
Translation reserve		**(67)**	(59)
Total equity		**23,019**	28,545
Current liabilities			
Trade and other payables	13	**11,489**	9,231
Total current liabilities		**11,489**	9,231
Non-current liabilities			
Deferred tax liability		**487**	763
Total non-current liabilities		**487**	763
Total equity and liabilities		**34,995**	38,539

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

Consolidated statement of changes in equity

For the year ended 31 March 2019

	Share capital £'000	Share premium reserve[1] £'000	Merger reserve[2] £'000	Retained earnings £'000	Translation reserve[3] £'000	Share option reserve[4] £'000	**Total shareholders' funds £'000**
At 1 April 2017	17,088	8,105	409	1,784	(154)	36	27,268
Total comprehensive income							
Profit for the year	-	-	-	1,129	-	-	1,129
Other comprehensive income							
Currency translation differences	-	-	-	-	95	-	95
Share-based payment	-	-	-	-	-	8	8
Transactions with owners							
Issue of ordinary shares	8	37	-	-	-	-	45
At 31 March 2018	**17,096**	**8,142**	**409**	**2,913**	**(59)**	**44**	**28,545**
Total comprehensive income							
Loss for the year	**-**	**-**	**-**	**(5,529)**	**-**	**-**	**(5,529)**
Other comprehensive loss							
Currency translation differences	**-**	**-**	**-**	**-**	**(8)**	**-**	**(8)**
Share-based payment	**-**	**-**	**-**	**-**	**-**	**11**	**11**
Transactions with owners							
Issue of ordinary shares	**-**	**-**	**-**	**-**	**-**	**-**	**-**
At 31 March 2019	**17,096**	**8,142**	**409**	**(2,616)**	**(67)**	**55**	**23,019**

1 The share premium reserve represents the amount paid to the Company by shareholders above the nominal value of shares issued.
2 The merger reserve represents accounting treatment in relation to historical business combinations.
3 The translation reserve comprises foreign currency translation differences arising from the translation of financial statements of the Group's foreign entities into sterling.
4 The share option reserve represents the cumulative expense recognised in relation to equity-settled share-based payments.

The accompanying notes form an integral part of this consolidated statement of changes in equity.

Consolidated statement of cash flows

For the year ended 31 March 2019

	Note	2019 £'000	2018 £'000
Cash flows from operating activities			
(Loss) / profit for the year		**(5,529)**	1,129
Depreciation of property, plant and equipment	10	**379**	357
Amortisation of intangible assets acquired through business combinations	9	**351**	408
Amortisation of other intangible assets	9	**1,789**	466
Impairment charges	5	**1,490**	-
Share-based payments charge		**11**	8
Share of profit of associate	11	**(50)**	-
Net finance costs		**-**	21
Non-recurring acquisition costs and professional fees		**400**	557
Income tax (credit) / charge	6	**(197)**	182
Operating cash flows before movement in working capital		**(1,356)**	3,128
Change in inventories		**(4)**	23
Change in trade and other receivables		**(114)**	(664)
Change in trade and other payables		**2,337**	671
Cash generated by operations		**863**	3,158
Taxation paid		**(166)**	(43)
Net cash from operating activities		**697**	3,115
Cash flows from investing activities			
Interest and similar income received		**12**	2
Non-recurring acquisition costs and professional fees		**(400)**	(557)
Investment in associates	11	**-**	(1,650)
Additions to property, plant and equipment	10	**(115)**	(261)
Additions to intangible assets	9	**(512)**	(471)
Long-term loan to associate	11	**-**	(500)
Net cash used in investing activities		**(1,015)**	(3,437)
Cash flows from financing activities			
Proceeds from issue of share capital		**-**	45
Interest and similar expenses paid		**(12)**	-
Net cash used in financing activities		**(12)**	45
Net decrease in cash and cash equivalents		**(330)**	(277)
Opening cash and cash equivalents		**8,757**	9,033
Effect of exchange rate fluctuations on cash held		**(1)**	1
Closing cash at bank		**8,426**	8,757
Comprised of:			
Cash and cash equivalents		**7,160**	7,491
Restricted cash held in deposit account		**1,266**	1,266
Closing cash at bank	12	**8,426**	8,757

The accompanying notes form an integral part of this consolidated statement of cash flows.

Notes to the consolidated financial statements
For the year ended 31 March 2019

1. Statement of significant accounting policies and judgements

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 consolidated 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, or as outlined in the 'Standards adopted' section below, 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 2018 that have had a material impact on the Group. The following have been adopted by the Group for the year:

• 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. Adoption of this standard has not had a material impact on the Group and there have been no changes to prior year figures as a result of adoption.

• 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. Adoption of this standard has not had a material impact on the Group and there have been no changes to prior year figures as a result of adoption.

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 2019 and 2018 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 2018 have been delivered to the Registrar of Companies and the statutory accounts for the year ended 31 March 2019 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 Ltd

Notes to the consolidated financial statements
For the year ended 31 March 2019

1. Statement of significant accounting policies and judgements (continued)

Going Concern
The Group had net current assets as at 31 March 2019 of £0.54 million (2018: £3.01 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 to, 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 profit or loss.

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 profit or loss.

Revenue recognition - sale of goods
Revenue is measured at the fair value of consideration received or receivable and represents amounts receivable for goods 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 performance obligation has been satisfied, 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, being the performance obligation. 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.

1. Statement of significant accounting policies and judgements (continued)

Revenue recognition - sale of services (continued)
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 profit and loss account 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 line item 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.

Notes to the consolidated financial statements
For the year ended 31 March 2019

1. Statement of significant accounting policies and judgements (continued)

Taxation (continued)
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 dated 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.

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 profit or loss.

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	20-75 years (one specific right is deemed to have a useful economic life 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

Notes to the consolidated financial statements
For the year ended 31 March 2019

1. Statement of significant accounting policies and judgements (continued)

Intangible assets (continued)
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 3-6 years. The salaries of staff employed in the development of new software relating to the Group's 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 profit or loss. 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
Inventories are stated at the lower of cost and net realisable value.

Notes to the consolidated financial statements
For the year ended 31 March 2019

1. Statement of significant accounting policies and judgements (continued)

Cash
Cash includes cash on hand and in banks.

Restricted cash deposits amount to £1,266,000 (2018: £1,266,000) 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 on 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.

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

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 profit or loss 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.

Notes to the consolidated financial statements
For the year ended 31 March 2019

1. Statement of significant accounting policies and judgements (continued)

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.

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.

In applying the equity method of accounting, the Group's share of its associated companies' post-acquisition profits or losses are recognised in profit or loss 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 profit or loss. 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 profit or loss.

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. The Group assesses expected credit losses associated with its trade and other receivables on a forward-looking basis. For trade receivables, the Group recognises gross amounts, less an allowance for bad debt based on expected credit losses. The Group considers its trade and other receivables to have a low credit risk. Cash and cash equivalents have a negligible credit risk.

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

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 amortised over the estimated useful life of the software, being 3-6 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 8 and 9. Details of judgements and estimates in relation to impairment of goodwill are given in note 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 11 for further details. Where a controlling interest exists, the investee is consolidated.

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.

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.

f) Classification of non-recurring costs and accrual of non-recurring acquisition costs
Expenses are recognised as non-recurring when they reflect one-off costs that are not part of the ongoing operations of the Group. In relation to non-recurring acquisition costs, as the proposed acquisition was substantially complete by the year end date, the Group has accrued all agreed acquisition costs.

g) Impairment of investment in associate
During the year, the Group impaired its investment in one of its associates. This impairment resulted from an updated valuation calculation which was based on a lower multiple of earnings as well as lower than expected earnings when compared with those at the acquisition date.

h) Recoverability of long-term loan receivable
Management assess the recoverability of the long-term loan receivable after taking into consideration the expected manner of recovery and expected and agreed recovery period. On the basis of the review undertaken by management the long-term loan receivable is deemed to be recoverable based upon expected future cashflows.

Notes to the consolidated financial statements
For the year ended 31 March 2019

2. Critical accounting estimates and judgments and adopted IFRS not yet effective (continued)

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 the Group's accounting periods beginning on or after 1 April 2019 or later periods. These new pronouncements are listed below:

• 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 but has at this stage decided to adopt the modified retrospective approach. Based on the Group's initial assessment, on adoption of IFRS 16, a 'right of use asset' of £4.5m - £5.5m will be recognised on balance sheet along with a corresponding 'lease liability' of £6.0m - £7.0m. Opening retained profits will be adjusted by between £0.2m and £1.0m and accrued rent by £1.0m. The asset and liability will be unwound over the term of the lease giving rise to interest expense and depreciation charge, which will replace the current operating lease expense.

The Group 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 Group'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 may 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. This is the basis on which operating results are reviewed and resources allocated by the senior management team.

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

Geographical segments
The following table provides an analysis of the Group's segment revenue by geographical market. Segment revenue is based on the geographical location of customers.

	2019 £'000	2018 £'000
UK	**16,183**	16,469
Rest of world	**5,118**	4,117
	21,301	20,586

Asset segment information has not been disclosed because this information is not reviewed by the senior management team for the purpose of allocating resources.

Notes to the consolidated financial statements
For the year ended 31 March 2019

4. Other operating income

For the prior year, other operating income of £444,000 arose from litigation.

5. Non-recurring items

	2019 £'000	2018 £'000
Non-recurring acquisition costs and professional fees	**2,239**	557
Impairment expense – investment in equity accounted associate	**1,231**	-
Impairment expense – intangible assets	**259**	-
People-related costs	**332**	385
Other		
- Branding and marketing	**206**	-
- Costs relating to ongoing strategic corporate review and initiatives	**244**	-
- Professional services	**129**	-
- Consultancy	**82**	-
- Other	**36**	33
	4,758	975

Non-recurring acquisition costs and professional fees reflect the costs incurred to date in line with the Group's acquisition strategy. Subsequent to the year end and as announced on 11 June 2019, the Group entered into an agreement to acquire 100 percent of the share capital of Meritgroup Limited and its subsidiaries. As the proposed acquisition was substantially complete by the year end date, the Group has accrued all agreed acquisition costs.

Impairment expense – investment in equity accounted associate relates to the Group's investment in Social 360 Limited – see note 11. Impairment expense – intangible assets relates to specific publishing rights – see note 9.

People-related costs result from the recruitment of senior management for roles which have been newly created within the Group. Also included are redundancy costs reflecting the effect of a Group initiative to appropriately restructure the business.

Other non-recurring costs include branding and marketing expenses, costs relating to ongoing strategic corporate review and initiatives, various legal fees and one-off consultancy expenses. Within branding and marketing expenses are costs for a branding exercise that did not proceed. Costs relating to ongoing strategic corporate review and initiatives include expenses relating to strategic branch and regional office reviews and other non-recurring event related costs.

Notes to the consolidated financial statements
For the year ended 31 March 2019

6. Taxation

	2019 £'000	2018 £'000
Current tax		
Current tax on income for the year at 19% (2018: 19%)	**-**	162
Adjustments in respect of prior periods	**37**	-
	37	162
Overseas tax		
Current tax expense on income for the year	**41**	20
Total current tax expense	**78**	182
Deferred tax		
Origination and reversal of temporary differences	**(120)**	98
Effect of change in tax rate	**13**	(12)
Adjustments in respect of prior periods	**(168)**	(86)
Total deferred tax income	**(275)**	-
Total income tax (credit) / charge	**(197)**	182

The tax (credit) / charge for the year differs from the standard rate of corporation tax in the UK of 19% (2018: 19%). A reconciliation is provided in the table below:

	2019 £'000	2018 £'000
(Loss) / profit before tax	**(5,726)**	1,311
Notional tax (credit) / charge at standard rate of 19% (2018: 19%)	**(1,088)**	246
Effects of:		
Expenses not deductible for tax purposes	**840**	(2)
Non-qualifying depreciation	**272**	121
Effect of deferred tax rate changes on realisation and recognition	**13**	-
Adjustments to tax charge in respect of prior periods	**(27)**	(87)
Research and development claim	**-**	(74)
Deferred tax not recognised / (recognised)	**3**	(22)
Utilisation of losses not provided for	**(155)**	-
Tax losses carried forward	**7**	-
Other	**(62)**	-
Total income tax (credit) / charge	**(197)**	182

Notes to the consolidated financial statements
For the year ended 31 March 2019

7. Earnings per share

	2019 £'000	2018 £'000
(Loss) / profit attributable to shareholders	**(5,529)**	1,129
Add: non-recurring items	**4,758**	975
Add: amortisation of intangible assets acquired through business combinations	**351**	408
Add: net exchange losses	**12**	23
Add: share-based payment expense	**11**	8
Adjusted post-tax (loss) / profit attributable to shareholders	**(397)**	2,543

	2019 Ordinary shares	2018 Ordinary shares
Weighted average number of shares		
In issue during the year – basic	**341,640,953**	**341,524,286**
Adjustment for share options	1,067,375	250,000
In issue during the year – diluted	**342,708,328**	**341,774,286**

	2019 Pence per share	2018 Pence per share
Earnings per share – continuing operations		
Basic	**(1.62)**	0.33
Diluted	**(1.62)**	0.33
Adjusted earnings per share – continuing operations		
Basic	**(0.12)**	0.74
Diluted	**(0.12)**	0.74

Notes to the consolidated financial statements
For the year ended 31 March 2019

8. Goodwill

	2019 £'000	2018 £'000
Cost and net book value		
Opening balance	**13,282**	13,282
Closing balance	**13,282**	13,282

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 entire carrying amount of goodwill of £13.282m has been allocated to the Dods CGU (2018: £13.282m).

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 (2018: £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 2019/20 were projected based on the budget for 2019/20
- cash flows for years ending 31 March 2021 to 2024 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 2024 are extrapolated using 2% growth rate;
- cash flows were discounted using the CGU's pre-tax discount rate of 9.69%.

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

Notes to the consolidated financial statements
For the year ended 31 March 2019

9. Intangible assets

	Assets acquired through business combinations[1] £'000	Software £'000	Total £'000
Cost			
At 1 April 2017	24,215	2,436	26,651
Additions – internally generated	-	471	471
At 31 March 2018	24,215	2,907	27,122
Additions – internally generated	-	512	512
Impairment	(259)	-	(259)
At 31 March 2019	**23,956**	**3,419**	**27,375**
Accumulated amortisation			
At 1 April 2017	16,951	989	17,940
Charge for the year	408	466	874
At 31 March 2018	17,359	1,455	18,814
Charge for the year	351	1,789	2,140
At 31 March 2019	**17,710**	**3,244**	**20,954**
Net book value			
At 31 March 2018	6,856	1,452	8,308
At 31 March 2019	**6,246**	**175**	**6,421**

1 Assets acquired through business combinations are disclosed in the table on the following page.

The £259K impairment for the year relates to Fenman publishing rights. The Fenman print products are loss making and as such an impairment has been recognised.

The increase in amortisation charge for intangibles reflects the strategic review carried out by the Board on the useful economic life of the software platform developed in-house by the Group. As a consequence of that review the amortisation charge increased by £1.3 million reflecting a shortened useful economic life of the intangible asset.

The useful economic lives of the intangible assets are as follows:

- Dods	75 years
- Total Politics	20 years
- Holyrood	20 years
- Software intangibles (current)	0-1 year (reflecting strategic review of useful life outlined above)
- Software intangibles (future)	3-6 years

The carrying value of publishing rights with a useful economic life of 75 years is £4.1 million (2018: £4.2 million).

Included within intangible assets are internally generated assets with a net book value of £0.2 million (2018: £1.4 million).

Notes to the consolidated financial statements
For the year ended 31 March 2019

9. Intangible assets (continued)

Assets acquired through business combinations comprise:

	Publishing rights £'000	Brand names £'000	Customer relationships £'000	Customer lists £'000	Other assets £'000	Total £'000
Cost						
At 1 April 2017	19,193	1,277	2,951	640	154	24,215
At 31 March 2018	19,193	1,277	2,951	640	154	24,215
Impairment	(259)	-	-	-	-	(259)
At 31 March 2019	**18,934**	**1,277**	**2,951**	**640**	**154**	**23,956**
Accumulated amortisation						
At 1 April 2017	11,940	1,277	2,940	640	154	16,951
Charge for the year	397	-	11	-	-	408
At 31 March 2018	12,337	1,277	2,951	640	154	17,359
Charge for the year	351	-	-	-	-	351
At 31 March 2019	**12,688**	**1,277**	**2,951**	**640**	**154**	**17,710**
Net book value						
At 31 March 2018	6,856	-	-	-	-	6,856
At 31 March 2019	**6,246**	**-**	**-**	**-**	**-**	**6,246**

Notes to the consolidated financial statements
For the year ended 31 March 2019

10. Property, plant and equipment

	Leasehold Improvements £'000	Equipment and Fixtures and Fittings £'000	Total £'000
Cost			
At 1 April 2017	1,728	1,090	2,818
Additions	216	45	261
Disposals	-	(63)	(63)
At 31 March 2018	1,944	1,072	3,016
Additions	66	49	115
At 31 March 2019	**2,010**	**1,121**	**3,131**
Accumulated depreciation			
At 1 April 2017	106	289	395
Charge for the year	173	184	357
Disposals	-	(63)	(63)
At 31 March 2018	279	410	689
Charge for the year	201	178	379
At 31 March 2019	**480**	**588**	**1,068**
Net book value			
At 31 March 2018	1,665	662	2,327
At 31 March 2019	**1,530**	**533**	**2,063**

11. Investments in associates

Set out below are the associates and joint ventures of the Group as at 31 March 2019 which, in the opinion of the directors, are individually not material 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	% ownership	Carrying amount 2018 £'000	Impairment 2019 £'000	Share of profit 2019 £'000	**Carrying amount 2019 £'000**
Sans Frontieres Associates Ltd[1]	40	-	-	-	-
Social 360 Limited[2]	30	1,684	(1,231)	50	**503**
		1,684	(1,231)	50	**503**

Place of business/country of incorporation of both entities is England. The Group accounts for both entities as equity-accounted associates. After a strategic review, the Board impaired the Group's investment in Social 360 Limited by £1,231,000.

1. On 16th February 2017, the Group purchased 40% of the issued share capital of Sans Frontieres Associates Limited (SFA), a company registered in England and Wales, for a carrying value of £40. The carrying value of the investment in the associate at year end was £nil (2018: £nil).

   SFA's objective is to redefine the approach taken to international geopolitical and crisis communications consulting.

   As at the year end the Group had loaned SFA £700,000 (2018: £700,000). The total unsecured loan of £700,000 carries no interest rate charge and is repayable in 2022. Recoverability is reviewed on an annual basis.

   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.

2. 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.

   The acquisition includes a contractual option for the Group, at its sole discretion, to purchase the balance of the current existing shares between November 2019 and November 2020, 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 (2018: £nil).

   During the year, after a strategic review, the Board impaired the Group's investment in Social 360 Limited by £1,231,000.

The total share of profit recognised from associates is £50,000 (2018: loss of £9,122), which is considered immaterial.

Notes to the consolidated financial statements
For the year ended 31 March 2019

12. Other financial assets

Trade and other receivables	2019 £'000	2018 £'000
Trade receivables	**1,959**	1,755
Other receivables	**359**	368
Prepayments and accrued income	**1,266**	1,346
	3,584	3,469

Trade and other receivables denominated in currencies other than Sterling comprise £269,729 (2018: £135,677) denominated in Euros.

Cash related	2019 £'000	2018 £'000
Cash and cash equivalents	**7,160**	7,491
Restricted cash held in deposit account	**1,266**	1,266
	8,426	8,757

Cash includes £1,794,301 (2018: £1,379,000) denominated in Euros.

Included in cash at bank is a rental deposit of £1,266,000 (2018: £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. Once the Group meets key adjusted EBIDTA performance metrics then the deposit becomes unrestricted.

13. Current liabilities

Trade and other payables	2019 £'000	2018 £'000
Trade creditors	**1,129**	2,014
Other creditors including tax and social security	**1,619**	1,325
Accruals and deferred income	**8,741**	5,892
	11,489	9,231

Current liabilities denominated in currencies other than Sterling compromise £25,824 (2018: £45,622) denominated in Euros and £24,893 (2018: £nil) denominated in USD.

14. Interest-bearing loans and borrowings

The Group has no borrowings.

Notes to the consolidated financial statements
For the year ended 31 March 2019

15. Issued capital

	9p deferred shares Number	1p ordinary shares Number	**Total £'000**
Issued share capital as at 1 April 2018	151,998,453	341,640,953	17,096
Issued share capital as at 31 March 2019	**151,998,453**	**341,640,953**	**17,096**

Holders of deferred shares 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 distribution and shall on a return of assets in a winding up of the Company entitle the holders only to the repayment of 1pence aggregate. The deferred shares are also incapable of transfer and no share certificate will be issued.

During the year the Group issued nil (2018: 800,000) ordinary shares on the exercise of employee share options for cash consideration of £nil (2018: £44,000) of which £nil (2018: £8,000) was credited to share capital and £nil (2018: £37,000) to share premium.

16. Events occurring after the reporting date

Subsequent to the year end balance date, the Group has announced its intention to purchase 100 percent of the share capital of Meritgroup Limited and its subsidiaries, for a consideration of £22.4m. Due to the proximity of the date of the announcement to the date these financial statements were authorised for issue, the Group considers it impracticable to produce disclosures required under IFRS 3 regarding the acquisition fair value of assets and liabilities to be acquired under the acquisition.

The Company has entered into a new 5-year £5m debt facility with Barclays Bank plc, the primary purpose of which is to part fund the Acquisition.

ENDS