

**Catalyst Media Group plc**

**Report and financial statements for the year ended 30 June 2019**

**CATALYST MEDIA GROUP PLC**  
**Report and financial statements for the year ended 30 June 2019**  
**Contents**

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	Page:
Directors, Secretary and Advisors	2
Chairman's statement	3
Strategic report	6
Directors' report	8
Corporate Governance Statement	11
Independent auditors' report	15
Consolidated statement of comprehensive income	18
Consolidated statement of financial position	19
Consolidated statement of changes in equity	20
Consolidated statement of cash flows	22
Company statement of financial position	23
Company statement of changes in equity	24
Company statement of cash flows	25
Notes to the financial statements	26
Notice of Annual General Meeting	42
Form of Proxy	45

**CATALYST MEDIA GROUP PLC**  
**Report and financial statements for the year ended 30 June 2019**  
**Directors, Secretary and Advisors**

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**Directors**

Michael Rosenberg OBE  
Mark Hawtin  
Melvin Lawson  
Christopher Mills

Non-executive Chairman  
Non-executive Director  
Non-executive Director  
Non-executive Director

**Secretary**

CETC (Nominees) Limited  
Quadrant House  
4 Thomas More Square  
London E1W 1YW

**Registered office and Company registration number**

Quadrant House  
4 Thomas More Square  
London E1W 1YW  
Registration number: 03955206

**Solicitors**

Bircham Dyson Bell LLP  
50 Broadway  
London SW1H 0BL

**Nominated Adviser & Broker**

Strand Hanson Limited  
26 Mount Row  
London W1K 3SQ

**Registrars**

Neville Registrars Limited  
Neville House  
Steelpark Road  
Halesowen B62 8HD

**Auditors**

Haysmacintyre LLP  
10 Queen Street Place  
London EC4R 1AG

**Bankers**

National Westminster Bank Plc  
Hammersmith Branch  
22 Kings Mall  
London W6 0QD

**CATALYST MEDIA GROUP PLC**  
**Report and financial statements for the year ended 30 June 2019**  
**Chairman's statement**

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I am pleased to present the results for Catalyst Media Group plc ("CMG" or the "Company") for the year ended 30 June 2019, which incorporates our share of profits for Sports Information Services (Holdings) Ltd ("SIS") in which CMG has a 20.54% interest.

The main asset of CMG continues to be the 20.54% shareholding in SIS, which, as detailed below, sold SIS Live in October 2018. CMG equity accounts for its share in the profits of SIS.

As announced on 28 October 2019, SIS's profit before tax for the year ended 31 March 2019, including operating profits for SIS Live of £2.1 million and excluding profit on the sale of SIS Live of £17.8 million, of £2.9 million was impacted by the requirement to make additional provisions post the period end for the ongoing litigation with The Racing Partnership as detailed in the announcements of 8 May and 10 July 2019. SIS's cash balance has not been impacted by the provision. Including the profits on the sale of SIS Live of £17.8 million, SIS achieved a profit after tax of £18.3 million.

After taking account of CMG's share in the profits of SIS for its year ended 31 March 2019 of £3.8 million (2018: £1.0 million), CMG recorded a loss before taxation of £0.6 million (2018: profit of £0.95 million), following an impairment charge of £4.3 million of its carrying value of its interest in SIS (2018: £nil). Net assets at the year end were £14.7 million (69.7p per share) (2018: £26.5 million (126.2p per share)).

The Board of CMG (the "Board") has reviewed its investment in SIS and has taken account of the change in the business structure of SIS following the sale of SIS LIVE. After discussion with SIS management on the future expected profitability of the ongoing businesses and taking account of the investment required to pursue new initiatives, the Board has decided that it would be appropriate to reduce the carrying value of the Company's interest in SIS in its accounts from £18.5 million before impairment to £14.3 million. In arriving at an appropriate valuation the Board has had regard to the strong net asset position of SIS and its substantial cash reserves and has also assumed that the continuing business will remain profitable, albeit at a lower rate than before.

As previously reported, following the sale of SIS LIVE in October 2018, SIS paid a dividend of approximately £40 million to its shareholders, of which £8.2 million was received by CMG. Upon receipt of such funds and taking into account the Company's position at that time, the Company distributed a total of £12.2 million to shareholders via a dividend of 58p per share in November 2018.

A further dividend of £5.0 million was paid by SIS to its shareholders in October 2019 and a total of £1.03 million was received by CMG. Taking into account the Company's then cash balance this was distributed by way of a 5p dividend to CMG shareholders.

### **SIS Betting – UK and Ireland Retail**

SIS continues to provide a core service based on content from Racecourse Media Group horseracing, SIS British Greyhound Service, Irish Horseracing, Chelmsford City Horseracing, 49s and International Horseracing on mid and long term agreements to over 97% of the UK and Irish retail market, including all the major UK bookmaking groups and the majority of the independent market.

Additionally, SIS supplies additional content and services to its UK and Irish retail customers to cover early morning and additional evening products and has recently extended these services adding Spanish, US and various South American horseracing.

**CATALYST MEDIA GROUP PLC**  
**Report and financial statements for the year ended 30 June 2019**  
**Chairman's statement**

**SIS Betting – International & Online**

In the year SIS has launched twenty 24/7 channels covering horseracing, greyhound racing, virtual racing and mixed channels, having secured content covering the whole 24-hour period – content includes Melbourne Raceclub, Palermo, LARC, South Korean, PARXs, Spanish horseracing as well the UK and Irish horseracing and greyhound racing.

SIS has over 26 channels designed to maximise betting opportunities for international retail and online operators and has signed numerous international and online operators to multi year agreements and continues to progress its strategy to increase distribution, in both new and existing international and online markets, using proprietary production technology as well as streaming and data pricing services.

**SIS Results**

As announced on 28 October 2019, SIS's profit before tax for the year ended 31 March 2019, including operating profits for SIS Live and excluding profit on the sale of SIS Live, was £2.9 million.

SIS's cash balance at 31 March 2019 was approximately £70 million and SIS declared and paid a dividend of £5.0 million in October 2019.

The results of SIS for the year ended 31 March 2019 are as follows:

	31 March 2019			31 March 2018		
	Before individually significant items* £'000	Individually significant Items* £'000	Total £'000	Before individually significant items* £'000	Individually significant Items* £'000	Total £'000
<b>Turnover</b>	241,404	–	<b>241,404</b>	191,490	–	<b>191,490</b>
Operating expenses	(234,018)	(5,147)	<b>(239,165)</b>	(183,137)	(1,774)	<b>(184,911)</b>
<b>Group operating profit</b>	7,386	(5,147)	<b>2,239</b>	8,353	(1,774)	<b>6,579</b>
Profit on disposal of tangible fixed assets	–	–	–	51	–	<b>51</b>
Profit on disposal of operations	17,836	–	<b>17,836</b>	–	–	–
Other interest receivable and similar income	619	–	<b>619</b>	297	–	<b>297</b>
Interest payable and similar expenses	(6)	–	<b>(6)</b>	(16)	–	<b>(16)</b>
<b>Profit before taxation</b>	25,835	(5,147)	<b>20,688</b>	8,685	(1,774)	<b>6,911</b>
Tax on profit	(3,391)	978	<b>(2,413)</b>	(2,150)	337	<b>(1,813)</b>
<b>Profit after taxation</b>	22,444	(4,169)	<b>18,275</b>	6,535	(1,437)	<b>5,098</b>

Notes: \*Individually significant items in 2019 relate to litigation fees and in 2018 they relate to the Pension ETV exercise.

**Share of net assets and liabilities of associate**

	31 March 2019	31 March 2018
Net assets	119,521	142,440
Net liabilities	(55,688)	(61,340)
Net equity	63,833	81,100

## **India**

As previously reported, the claim in respect of the Indian project continues to be pursued but the outcome remains uncertain. The legal and associated costs relating to this claim have been significantly reduced but are still impacting profits.

## **Current Trading**

As previously announced, the Department for Digital, Culture, Media and Sport concluded the Triennial Review in 2018, announcing a reduction in Fixed Odds Betting Terminals ("FOBT") maximum stakes from £100 to £2. In the period since the reduction came in to force in April 2019, SIS has seen a reduction in the number of UK Licensed Betting Offices from approximately 9,250 to approximately 8,250, which is slightly lower than SIS's management expected.

Six months on from the FOBT change, SIS's performance is ahead of SIS management's expectations and the investment and progress in Digital and International markets has continued, with recent announcements by SIS including the launch of a World Greyhound Tote product launched in the US market, expansion into South America both for retail and online customers, and a number of new retail and online customers in Europe for its Watch and Bet 24/7 channels.

Whilst the core UK and Irish Retail market declines at predicted rates, the business sees its long-term future aligned with the international and multichannel operations of major betting companies. The focus on both International and Online and the move to a new target operating model is also securing significant cost savings across SIS.

SIS's profitability for the year to March 2020 is in line with SIS's management's expectations.

## **Outlook**

As stated above, SIS expects profits to be in line with its management expectations for the year ending March 2020 and accordingly, cash reserves are expected to remain high. On that basis, the Board expects further dividends to be declared by SIS going forward, though the quantum and timing of such dividends is not yet known.

Operating costs for CMG are expected to remain at the current very low level and on receipt of any further dividends from SIS, the Board intendeds to continue to make appropriate distributions to shareholders.

## **AGM**

The next Annual General Meeting of CMG will take place on 20 January 2020. Formal Notice of the meeting is set out at the end of the report and accounts together with the form of proxy.

**Michael Rosenberg OBE**  
**Chairman**

19 December 2019

The Directors present their strategic report for the year ended 30 June 2019.

### **Principal activities and review of the business**

The principal activities of the business are outlined and reviewed in the Chairman's Statement. A review of the business is included within the Chairman's Statement.

### **Principal risks and uncertainties**

#### **Investment in SIS**

The principal strategic investment of the Group is its 20.54% holding in SIS. The Group is entitled to appoint one director to the board of SIS which currently comprises eight directors, of which five are appointed by shareholders, two are independent and one is the Chairman. Although it can influence the board on strategic decisions, the Group is not in a position to control the day-to-day business and affairs of SIS other than with the support of other directors and a majority of shareholders of SIS.

There are a number of risks and uncertainties associated with the business of SIS which could potentially have an adverse impact on the value of the Group's investment including the fact that the customers of SIS rely upon real time data and uninterrupted content delivery. Loss of content would result in reduced quality of services and potentially reduced income. Therefore SIS has adopted advanced disaster recovery solutions and has built back up facilities which are located around the country.

#### **Financial risk**

The Group is subject to financial risk through its exposure to financial assets and liabilities. The Group's main financial risk is its exposure to its investment in SIS.

#### **Credit risk**

The Group is not exposed to any credit risk.

#### **Liquidity risk**

There is a very low risk that the Group will encounter difficulty in meeting its financial obligations as they fall due, on the basis that the Group operates with minimal overheads and cash flow is well managed.

The Group's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due. The principal liabilities of the Group and Company arise in respect of administrative expenditure and trade and other payables. Trade and other payables are all payable within three months.

The Board receives cash flow projections on a regular basis as well as information on cash balances.

#### **Key Performance Indicators (KPIs)**

The Company's key performance indicators used by the Board in monitoring the general performance of the Group and its investments are:

### **Net asset value per share**

The net asset value per share of the Group was 90 pence as at 30 June 2019 (2018: 126.2 pence). The net asset value per share increased during the year to 30 June 2019 following an increase in retained profits with share capital remaining constant. The net asset value of the Group as at 30 June 2019 and 30 June 2018 is shown in the Group's consolidated statement of financial position on page 19.

### **Administrative expenses**

The Directors closely monitor the anticipated overheads for the Group and ensure that these are kept to a minimum.

### **Earnings per share (EPS)**

EPS shows the relative performance year-on-year of the Group's profitability measured as an amount of profit or loss attributable to one ordinary share. The calculation of earnings per share is based on the weighted average number of issued ordinary shares in issue for the financial year and the profit/(loss) after taxation attributable to ordinary shareholders. EPS in respect of operations for the year and the previous year is shown in the Group consolidated statement of comprehensive income on page 18.

### **Key Performance Indicators of Associate**

The Directors additionally monitor the performance of SIS in order to evaluate the general performance of the Group.

**Michael Rosenberg OBE**  
**Chairman**

19 December 2019

**CATALYST MEDIA GROUP PLC**  
**Report and financial statements for the year ended 30 June 2019**  
**Directors' Report**

The Directors present their annual report and the audited financial statements for the year ended 30 June 2019.

**Financial reporting**

The financial statements for 2019 have been prepared in accordance with the Group's accounting policies under International Financial Reporting Standards (IFRS) as adopted by the European Union.

**Results and dividends**

The Group made a total comprehensive profit (including its share of other comprehensive income of associate) after taxation of £0.3 million (2018: £1.1 million). Further details are shown in the Group consolidated statement of comprehensive income on page 18.

Dividends totalling £12.2 million (2018: £Nil) were declared and paid during the year.

**Directors**

The Directors of the Company during the period were:

Michael Rosenberg OBE	Chairman
Mark Hawtin	Non-executive Director
Melvin Lawson	Non-executive Director
Christopher Mills	Non-executive Director

The Company has Directors' and Officers' liability insurance in place. Directors attendance at Board meetings over the year were as follows:

Michael Rosenberg OBE	4
Mark Hawtin	2
Melvin Lawson	4
Christopher Mills	3

**Significant shareholdings**

The Directors are aware of the following shareholdings of 3% or more of the issued share capital of the Company as of 17 April 2019:

<b>Shareholders</b>	<b>Number of ordinary shares</b>	<b>% of issued ordinary share capital</b>
Lombard Odier Investment Managers Group	5,470,875	26.01%
Melvin Lawson	3,615,486	17.19%
Harwood Capital LLP	3,125,000	14.86%
C R Mishon	2,396,992	11.40%
Mark Hawtin	2,010,117	9.56%
Bank Julius Baer & Co Ltd	1,146,533	5.45%
Jersey House (Development) Ltd	1,000,000	4.75%
Mole Valley Asset Management	728,080	3.46%
Others	1,538,947	7.32%
<b>Total</b>	<b>21,032,030</b>	<b>100.00%</b>

## **Employees**

The Group had no other employees other than the Directors as at 30 June 2019.

The Directors' interests in the share capital of the Company are included in note 24.

## **Going concern**

The Directors can report that based on the Group's budgets and financial projections, they have satisfied themselves that the business is a going concern. The Board has a reasonable expectation that the Company and Group have adequate resources and facilities to continue in operational existence for the foreseeable future and therefore the accounts are prepared on a going concern basis.

## **Subsequent events**

Post the period end, the Company declared and paid a dividend of £1.05 million in November 2019. There were no other events subsequent to the Statement of Financial Position which require disclosure.

## **Auditors**

In the case of each person who was a Director at the time this report was approved:

- so far as that Director was aware there was no relevant available information of which the Company's auditors were unaware; and
- that Director has taken all steps that the Director ought to have taken as a Director to make himself or herself aware of any relevant audit information and to establish that the Company's auditors were aware of that information.

In accordance with section 489 of the Companies Act 2006, a resolution proposing that Haysmacintyre LLP be re-approved as auditors of the company will be put at the Annual General Meeting.

## **Directors' responsibilities**

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

Company law requires the Directors to prepare Group and Parent Company financial statements for each financial period. Under that law the Directors have elected to prepare the Group and the Parent Company financial statements in accordance with IFRS as adopted by the EU and applicable law.

**CATALYST MEDIA GROUP PLC**  
**Report and financial statements for the year ended 30 June 2019**  
**Directors' Report**

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Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Parent Company and of their profit or loss for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRS as adopted by the EU; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Parent Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and Parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group or Parent Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and Parent Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Financial statements are published on the Group's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Group's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

**Annual General Meeting**

Notice of the Annual General Meeting of the Company for 2019 is on page 42.

On behalf of the Board  
**Michael Rosenberg OBE**  
**Chairman**  
19 December 2019

## **CATALYST MEDIA GROUP PLC**

### **Corporate Governance Statement**

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As an AIM-quoted company, Catalyst Media Group plc (“CMG” or the “Company”) is required to apply a recognised corporate governance code, demonstrating how the Company complies with such corporate governance code and where it departs from it.

The Directors of the Company have formally taken the decision to apply the QCA Corporate Governance Code (the “QCA Code”). The Board recognises the principles of the QCA Code, which focus on the creation of medium to long-term value for shareholders without stifling the entrepreneurial spirit in which small to medium sized companies, such as CMG, have been created. The Company will provide annual updates on its compliance with the QCA Code in its Annual Report.

#### **The Board**

The Board is responsible to shareholders for the effective direction and control of the Company.

The Board recognises the importance of the high standards of good corporate governance prescribed in the QCA Code and seeks to apply its principles, insofar as practicable, having regard to the Company's current size, stage of development and resources. The Board is accountable to the Company's shareholders and takes account of their needs and expectations to the extent it is considered appropriate.

The Board comprises four Directors of all of whom are Non-executives, including the Chairman, reflecting a blend of different experience and backgrounds. The Board considers Michael Rosenberg OBE, the Chairman, to be an independent non-executive in terms of the QCA guidelines. Due to the size and shape of the Board, the Company has not appointed a senior independent director.

The Board meets on a regular basis, and at least four times a year, to discuss a whole range of significant matters including strategic decisions and performance. A procedure to enable Directors to take independent professional advice if required has been agreed by the Board and formally confirmed by all Directors. The Company's day-to-day operations are managed by Melvin Lawson and Alan Perrin, the Company Secretary. All Directors have access to the Company Secretary and any Director needing independent professional advice in the furtherance of his/her duties may obtain this advice at the expense of the Company.

There were four Board meetings during the year ended 30 June 2019. Michael Rosenberg OBE and Melvin Lawson were present at all meetings. Christopher Mills and Mark Hawtin were present at three and two of the Board meetings respectively.

Given the size and nature of CMG as a holding company for an investment in SIS, the Board considers it appropriate to have no executive directors.

In view of the fact that the only asset of the business is its 20.54% stake in SIS the Directors role is to review the investment in SIS from time to time through regular reports from our representation on the Board of SIS. This normally takes place through regular Board meetings of CMG. Accordingly, the Directors are considered to have sufficient time for their duties.

## **CATALYST MEDIA GROUP PLC**

### **Corporate Governance Statement**

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Details of the current Directors, their roles and background are as follows:

#### **Michael Samuel Rosenberg, OBE - Non-executive Chairman**

Michael Rosenberg OBE joined the Board of CMG in May 2004 and was appointed non-executive Chairman in December 2006.

He began his career at Samuel Montagu and Co Ltd, the merchant bank in 1957 and joined the Board in 1971. In 1974 he left the bank to co-found Allied Investments Ltd which became an international healthcare business over the next few years.

He was a founding director and shareholder of TVam the breakfast TV channel in 1982 together with Sir David Frost and others. He has been a director of David Paradine Ltd, the holding company for the business interests of the late Sir David Frost since 1974.

Michael was a director and later chairman of Numis Corporation Plc from 1989 till 1999. He has been chairman of Pilat Media Global plc since 2002, a media software company quoted on AIM, until its acquisition in March 2014 by Sintec Media. He is non-executive chairman of Starcom Systems Ltd, quoted on AIM, a non-executive director of Shefa Gems Ltd listed on the Standard list of the London Stock Exchange and was a non-executive director of Amiad Water Systems Ltd also quoted on AIM. He was a non-executive director of Dori Media Ltd which is a public but unlisted company previously listed on AIM. He was non-executive chairman of Photon Kathaas Productions Ltd, an Indian film production company previously quoted on AIM, until March 2014. He is an active mentor to the Princes Trust.

The role of the Chairman is to provide leadership of the Board and ensure its effectiveness on all aspects of its remit to maintain control of the Company. In addition, the Chairman is responsible for the implementation and practice of sound corporate governance. The Chairman is considered independent and has adequate separation from the day-to-day running of the Company.

#### **Mark Hawtin - Non-executive Director**

Mark Hawtin is an Investment Director at GAM International Limited with responsibility for long/short funds as well as a long only technology fund. He was formerly a partner of Marshall Wace LLP, one of Europe's leading hedge fund managers with more than \$12 billion under management until July 2007. Mr. Hawtin has an interest in 2,010,117 Ordinary Shares of 10p each in the Company representing 9.56% of the entire issued share capital.

#### **Melvin Lawson - Non-executive Director**

Melvin Lawson is an investor in technology companies and in Real Estate. He was managing director of A Beckman plc, a company formerly listed on the London Stock Exchange and is a non-executive director of Telecom Plus plc. Mr Lawson has an interest in 3,615,486 Ordinary Shares representing 17.19% of the entire issued share capital.

#### **Christopher Mills - Non-executive Director**

Christopher Mills was chief investment officer of J O Hambro Capital Management Limited, which he joined in 1993 and is currently Chairman and CIO of Harwood Capital Management. Mr Mills is also chief executive and investment manager of North Atlantic Smaller Companies Investment Trust PLC (a UK listed investment trust) and a director and investment manager of Oryx International Growth Fund Limited. He is a member and chief investment officer of Harwood Capital LLP, which is interested in 3,125,000 Ordinary Shares representing 14.86% of the entire issued share capital of the Company. Prior to joining the J O Hambro Capital Management group he worked from 1975 to 1993 for Samuel Montagu Limited, Montagu Investment Management Limited, and its successor company, Invesco MIM.

### **Application of the QCA Code**

CMG seeks to grow shareholder value through its approximate 20.54% interest in SIS. SIS is a leading supplier of products and services to the online and retail betting markets. The Company seeks to promote the long-term value for shareholders through both capital appreciation and the return of capital to shareholders as a result of its investment in SIS.

The Company remains committed to listening to, and communicating openly with, its shareholders to ensure that its strategy, business model and performance are clearly understood. The AGM is a forum for shareholders to engage in dialogue with the Board. Progress reports are also made via RNS and the main point of contact is Melvin Lawson, Non-Executive Director, who can be contacted on 020 7734 8111.

### **Board Committees**

#### *Audit Committee*

The Audit Committee, which consists of Melvin Lawson (Chairman of the Committee), Michael Rosenberg OBE, Mark Hawtin and Christopher Mills, will be responsible for the relationship with the Company's auditors, an in-depth review of the Company's financial reports, internal controls and any other reports that the Company may circularise. The terms of reference are to be reviewed on an annual basis, thus ensuring that the Audit Committee's duties adequately cover all those specific areas that are identified by the QCA Code, which includes a review of the cost effectiveness of the audit and non-audit services provided to the Company. The Committee meets twice a year, prior to the finalising and announcement of interim and annual results and, should it be necessary, would convene at other times.

#### *Remuneration Committees*

The Remuneration Committee which now consists of Mark Hawtin (Chairman of the Committee), Melvin Lawson and Christopher Mills, meets and considers, within existing terms of reference, the remuneration policy.

The Audit and Remuneration Committees consist solely of Non-executive directors.

The Company does not currently have a Nominations Committee, which the Board considers to be appropriate given the Company's size and nature, but it will continue to monitor the situation.

#### *Internal financial control*

The Group operates a system of internal financial control commensurate with its current size and activities, designed to ensure that the possibility of misstatement or loss is kept to a minimum. There is a comprehensive system in place for financial reporting and the Board receives a number of reports to enable it to carry out these functions in the most efficient manner. These procedures include the preparation of management accounts and other ad hoc reports. All transactions are subject to Director approval and all payments require approval by a minimum of two Directors. The Board has responsibility for the effectiveness of the internal financial control framework. Such a system can only provide reasonable and not absolute assurance against material misstatement.

The Group does not currently have, nor considers there is currently a need for an internal audit function.

Departure from the QCA Code:

In accordance with the AIM Rules for Companies, CMG departs from the QCA Code in the following way:

***Principle 3 – “Take into account wider stakeholder and social responsibilities and their implications for long-term success”***

Given the size and nature of CMG as a holding company for an investment in SIS, the Board has no direct interaction with wider stakeholders, which is not linked to long-term success. As such, the Board does not consider it appropriate to have a formal wider stakeholder procedure in place, as described and recommended in Principle 3 of the QCA Code.

***Principle 7 – “Evaluate board performance based on clear and relevant objectives, seeking continuous improvement.”***

Given the size and nature of CMG as a holding company for an investment in SIS, combined with the fact that it has no executive directors, the Board does not consider it appropriate to have a formal performance evaluation procedure in place, as described and recommended in Principle 7 of the QCA Code.

***Principle 8 – “Promote a corporate culture that is based on ethical values and behaviours”***

Whilst the Directors recognise their fiduciary duties to act in the best interest of all shareholders, as well as stakeholders, and set out to implement an effective corporate governance framework based on the QCA Code, the Company has no employees or customers so the Directors feel that the spirit of Principle 8 of the QCA Code is not applicable to CMG in its current business context.

Michael Rosenberg OBE  
*Non-Executive Chairman*

## Independent auditors' report to the members of Catalyst Media Group plc

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### Opinion

We have audited the financial statements of Catalyst Media Group plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 June 2019 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Parent Company Statements of Financial Position, the Consolidated and Parent Company Statements of Cash Flows, the Consolidated and Parent Company Statements of Changes in Equity, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 30 June 2019 and of the group's loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

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

### Conclusions relating to going concern

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

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

### Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

## Independent auditors' report to the members of Catalyst Media Group plc

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- **Impairment in associate:** The Group's investment in Sports Information Services (Holdings) Limited (SIS) is accounted for as an associate, including an element of goodwill. There is significant judgement with regards to future cash flows and assumptions included by the directors, which form the basis of the assessment of any potential impairment in value. Our response to this risk was to evaluate the directors' impairment review of the investment in associate by reviewing their assumptions to externally available information and data while also considering the reasonableness of their forecasts and the associated discount rates applied. We also conducted a review to ensure that there had been no material events from the dates of the consolidated financial statements of SIS for 31 March 2019 until the year end of the Group.

### **Our application of materiality**

Materiality for the Group Financial Statements as a whole was set at £380k, determined with reference to a benchmark of the Group's draft gross asset position of £18.9 million. We report to the Audit Committee any corrected or uncorrected misstatements arising exceeding £19k.

### **An overview of the scope of our audit**

Our audit scope included all subsidiary companies and was performed to component materiality. SIS was audited for the year ended 31 March 2019 by KPMG. Our audit work included a review of the KPMG audit files. The Group's revenue and majority of its profits, assets and liabilities are derived from its shareholding in SIS. Our audit procedures were therefore designed to reflect this, with our review of the KPMG audit files conducted with reference to the materiality levels set out above. Our audit work covered all other group profit, assets and liabilities directly and in total.

### **Other information**

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

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

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

### **Matters on which we are required to report by exception**

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

## Independent auditors' report to the members of Catalyst Media Group plc

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

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

### Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 9 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### Auditor's responsibilities for the audit of the financial statements

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

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

### Use of our report

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

Laura Mott (Senior Statutory Auditor)  
For and on behalf of Haysmacintyre LLP, Statutory Auditors

10 Queen Street Place  
London  
EC4R 1AG

Date: 19 December 2019

**CATALYST MEDIA GROUP PLC**  
**Report and financial statements for the year ended 30 June 2019**  
**Consolidated statement of comprehensive income**

	Note	Year ended 30 June 2019 £	Year ended 30 June 2018 £
Revenue	<b>3</b>	25,000	25,000
Cost of sales		-	-
Gross profit		25,000	25,000
Administrative expenses		(119,411)	(122,608)
Operating loss		(94,411)	(97,608)
Financial income	<b>9</b>	5,312	4,382
Financial costs	<b>10</b>	-	-
Net financial income		5,312	4,382
Share of profit of equity-accounted associate, net of tax	<b>2</b>	3,753,685	1,047,129
Impairment of equity-accounted associate		(4,270,701)	-
(Loss)/Profit before taxation		(606,115)	953,903
Taxation	<b>11</b>	16,623	18,076
(Loss)/Profit for the year		(589,492)	971,979
Share of other comprehensive profit of associate	<b>2</b>	915,673	147,272
Total comprehensive (loss)/profit for the year		326,181	1,119,251
Attributable to equity holders of the Company		326,181	1,119,251
(Loss)/Earnings per share:			
Basic	<b>12</b>	(2.80p)	4.62p
Diluted	<b>12</b>	(2.80p)	4.62p

The notes on pages 26 to 41 form part of these financial statements.

**CATALYST MEDIA GROUP PLC**  
**Report and financial statements for the year ended 30 June 2019**  
**Consolidated statement of financial position**

	Note	30 June 2019 £	30 June 2018 £
<b>Assets</b>			
<b>Non-current assets</b>			
Investment in associate	2	14,274,706	22,090,708
		<u>14,274,706</u>	<u>22,090,708</u>
<b>Current assets</b>			
Trade and other receivables	14	39,007	30,946
Cash and cash equivalents	15	383,612	4,451,635
		<u>422,619</u>	<u>4,482,581</u>
<b>Total assets</b>		<u>14,697,325</u>	<u>26,573,289</u>
<b>Equity and liabilities</b>			
<b>Capital and reserves attributable to equity holders of the parent</b>			
Share capital	16	2,103,202	2,103,202
Capital redemption reserve		711,117	711,117
Merger reserve		2,402,674	2,402,674
Retained profits		9,450,670	21,323,087
<b>Total equity</b>		<u>14,667,663</u>	<u>26,540,080</u>
<b>Current liabilities</b>			
Trade and other payables	18	29,662	30,243
Corporation tax payable	19	-	2,966
		<u>29,662</u>	<u>33,209</u>
<b>Total equity and liabilities</b>		<u>14,697,325</u>	<u>26,573,289</u>

The financial statements were approved by the Board of Directors and authorised for issue on 19 December 2019.

**Michael Rosenberg OBE**  
**Director**

**Company registration number: 03955206**

The notes on pages 26 to 41 form part of these financial statements.

**CATALYST MEDIA GROUP PLC**  
**Report and financial statements for the year ended 30 June 2019**  
**Consolidated statement of changes in equity**

	Attributable to equity holders of the Group					
30 June 2019	Share Capital	Share Premium	Capital Redemption Reserve	Merger Reserve	Retained Profits	Total Shareholders Equity
	£	£	£	£	£	£
At 1 July 2018	2,103,202	-	711,117	2,402,674	21,323,087	26,540,080
Loss for the year	-	-	-	-	(589,492)	(589,492)
Other comprehensive income:						
Share of other comprehensive profit of associate	-	-	-	-	915,673	915,673
Total comprehensive profit for the period		-		-	326,181	326,181
Dividends paid					(12,198,598)	(12,198,598)
At 30 June 2019	2,103,202	-	711,117	2,402,674	9,450,670	14,667,663

The notes on pages 26 to 41 form part of these financial statements.

The following describes the nature and purpose of each reserve within owners' equity:

Share capital	Amount subscribed for shares at nominal value.
Share premium	Amount subscribed for share capital in excess of nominal value.
Capital redemption reserve	Amounts arising from the purchase by the group of its own shares.
Merger reserve	Amounts arising from the merger of subsidiary investments.
Retained profits	Cumulative profit of the Group attributable to equity shareholders.

**CATALYST MEDIA GROUP PLC**  
**Report and financial statements for the year ended 30 June 2019**  
**Consolidated statement of changes in equity**

	<b>Attributable to equity holders of the Group</b>					
<b>30 June 2018</b>	<b>Share Capital</b>	<b>Share Premium</b>	<b>Capital Redemption Reserve</b>	<b>Merger Reserve</b>	<b>Retained Profits</b>	<b>Total Shareholders Equity</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
At 1 July 2017	2,103,202	-	711,117	2,402,674	20,203,836	25,420,829
Profit for the year	-	-	-	-	971,979	971,979
Other comprehensive income						
Share of other comprehensive profit of associate	-	-	-	-	147,272	147,272
Total comprehensive profit for the period	-	-	-	-	1,119,251	1,119,251
At 30 June 2018	2,103,202	-	711,117	2,402,674	21,323,087	26,540,080

**CATALYST MEDIA GROUP PLC**  
**Report and financial statements for the year ended 30 June 2019**  
**Consolidated statement of cash flows**

	<b>Note</b>	<b>Year ended 30 June 2019 £</b>	<b>Year ended 30 June 2018 £</b>
<b>Cash flow from operating activities</b>			
(Loss) / profit before taxation		(606,115)	953,903
Adjustments for:			
Share of profit from associate		(3,753,685)	(1,047,129)
Impairment of associate		4,270,701	-
Finance income		(5,312)	(4,382)
Corporation taxes recovered		4,365	17,505
<b>Net cash flow used in operating activities before changes in working capital</b>		<b>(90,046)</b>	<b>(80,103)</b>
Increase in trade and other receivables		1,229	(15,866)
Decrease in trade and other payables		(579)	(891)
<b>Net cash flow used in operating activities</b>		<b>(89,396)</b>	<b>(96,860)</b>
<b>Investing activities</b>			
Dividend received		8,214,659	3,080,651
Interest received		5,312	4,382
<b>Net cash flow from investing activities</b>		<b>8,219,971</b>	<b>3,085,033</b>
<b>Financing activities</b>			
Dividends paid		(12,198,598)	-
<b>Net cash flow used in financing activities</b>		<b>(12,198,598)</b>	<b>-</b>
<b>Net decrease in cash and cash equivalents in the year</b>		<b>(4,068,023)</b>	<b>2,988,173</b>
Cash and cash equivalents at the beginning of the year		4,451,635	1,463,462
<b>Cash and cash equivalents at the end of the year</b>	<b>15</b>	<b>383,612</b>	<b>4,451,635</b>

The notes on pages 26 to 41 form part of these financial statements.

**CATALYST MEDIA GROUP PLC**  
**Report and financial statements for the year ended 30 June 2019**  
**Company statement of financial position**

	Note	30 June 2019 £	30 June 2018 £
<b>Assets</b>			
<b>Non-current assets</b>			
Investments	13	14,274,706	16,750,000
		<u>14,274,706</u>	<u>16,750,000</u>
<b>Current assets</b>			
Trade and other receivables	14	39,007	30,946
Cash and cash equivalents	15	383,612	4,451,635
		<u>422,619</u>	<u>4,482,581</u>
<b>Total assets</b>		<u>14,697,325</u>	<u>21,232,581</u>
<b>Equity and liabilities</b>			
<b>Capital and reserves attributable to equity holders of the company</b>			
Share capital	16	2,103,202	2,103,202
Capital redemption reserve		711,117	711,117
Merger reserve		2,912,060	2,912,060
Retained profit		8,940,740	15,472,451
<b>Total equity</b>		<u>14,667,119</u>	<u>21,198,830</u>
<b>Current liabilities</b>			
Trade and other payables	18	30,206	30,785
Corporation tax payable	19	-	2,966
		<u>30,206</u>	<u>33,751</u>
<b>Total equity and liabilities</b>		<u>14,697,325</u>	<u>21,232,581</u>

The Company has taken advantage of the exemptions allowed under section 408 of the Companies Act 2006 and has not presented its own income statement in these financial statements. The Group profit for the year included a profit on ordinary activities after tax of £5,666,887 (2018: loss £22,670) in respect of the Company which is dealt with in the financial statements of the Parent Company.

The financial statements were approved by the Board of Directors and authorised for issue on 19 December 2019.

**Michael Rosenberg OBE**  
**Director**

**Company registration number: 03955206**

The notes on pages 26 to 41 form part of these financial statements

**CATALYST MEDIA GROUP PLC**  
**Report and financial statements for the year ended 30 June 2019**  
**Company statement of changes in equity**

**Attributable to equity holders of the Company**

<b>30 June 2019</b>	<b>Share Capital</b>	<b>Share Premium</b>	<b>Capital Redemption Reserve</b>	<b>Merger Reserve</b>	<b>Retained Profits</b>	<b>Total Shareholders Equity</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
At 1 July 2018	2,103,202	-	711,117	2,912,060	15,472,451	21,198,830
Profit for the year	-	-	-	-	5,666,887	5,666,887
Total comprehensive income for the year	-	-	-	-	5,666,887	5,666,887
Dividend paid	-	-	-	-	(12,198,598)	(12,198,598)
At 30 June 2019	2,103,202	-	711,117	2,912,060	8,940,740	14,667,119

**Attributable to equity holders of the Company**

<b>30 June 2018</b>	<b>Share Capital</b>	<b>Share Premium</b>	<b>Capital Redemption Reserve</b>	<b>Merger Reserve</b>	<b>Retained Profits</b>	<b>Total Shareholders Equity</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
At 1 July 2017	2,103,202	-	711,117	2,912,060	15,495,121	21,221,500
Loss for the year	-	-	-	-	(22,670)	(22,670)
Total comprehensive loss for the year	-	-	-	-	(22,670)	(22,670)
At 30 June 2018	2,103,202	-	711,117	2,912,060	15,472,451	21,198,830

**CATALYST MEDIA GROUP PLC**  
**Report and financial statements for the year ended 30 June 2019**  
**Company statement of cash flows**

	<b>Note</b>	<b>Year ended 30 June 2019 £</b>	<b>Year ended 30 June 2018 £</b>
<b>Cash flow from operating activities</b>			
Profit / (loss) before taxation		5,650,264	(40,746)
Adjustments for:			
Impairment of investment in subsidiary		2,475,294	-
Finance income		(5,312)	(4,382)
Dividend received		(8,214,659)	(3,080,651)
Corporation taxes recovered		4,365	17,505
		<u>(90,048)</u>	<u>(3,108,274)</u>
<b>Net cash flow used in operating activities before changes in working capital</b>			
Increase in trade and other receivables		1,231	3,012,334
Decrease in trade and other payables		(579)	(896)
		<u>(89,396)</u>	<u>(96,836)</u>
<b>Investing activities</b>			
Interest received		5,312	4,382
Dividend received		8,214,659	3,080,651
		<u>8,219,971</u>	<u>3,085,033</u>
<b>Net cash flow from investing activities</b>			
<b>Financing activities</b>			
Dividend paid		(12,198,598)	-
		<u>(12,198,598)</u>	<u>-</u>
<b>Net cash flow used in financing activities</b>			
<b>Net decrease in cash and cash equivalents in the year</b>			
		(4,068,023)	2,988,197
Cash and cash equivalents at the beginning of the year		4,451,635	1,463,438
		<u>383,612</u>	<u>4,451,635</u>
<b>Cash and cash equivalents at the end of the year</b>	<b>15</b>		

The notes on pages 26 to 41 form part of these financial statements.

## **1 Basis of preparation and significant accounting policies**

These consolidated financial statements of Catalyst Media Group plc have been prepared in accordance with accepted International Financial Reporting Standards (IFRSs), International Accounting Standards (IAS) and International Financial Reporting Interpretations Committee (IFRIC) interpretations (collectively "IFRSs") as adopted for use in the European Union and as issued by the International Accounting Standards Board and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The accounting policies listed below include those applicable to SIS, given its materiality to the Group as a whole.

Catalyst Media Group plc is a publicly limited company registered in England and Wales where it is domiciled for tax purposes.

The financial statements are prepared under the historical cost convention.

### **Companies Act s408 exemption**

The Company has taken advantage of the exemptions allowed under section 408 of the Companies Act 2006 and has not presented its own income statement in these financial statements. The Group profit for the year included a profit on ordinary activities after tax of £5,666,887 (2018: loss of £22,670) in respect of the Company which is dealt with in the financial statements of the Parent Company.

### **New financial reporting requirements**

The Group including SIS have applied the following new financial reporting standards for the first time in preparing its financial statements for the year ended 30 June 2019. There has been no material impact on the Group's financial statements.

- IFRS 9: Financial Instruments (effective as of 1 January 2018)
- IFRS 15: Revenue from Contracts with Customers (effective as of 1 January 2018)

### **Standards, interpretations and amendments to published standards not yet effective**

At the date of authorisation of these consolidated financial statements, the IASB and IFRIC have issued the following standards and interpretations which are effective for annual accounting periods beginning on or after the stated effective date. These standards and interpretations are not effective for and have not been applied in the preparation of these consolidated financial statements:

- IFRS 16: Leases (effective as of 1 January 2019)

The Directors anticipate that the adoption of these standards and interpretations will not have a material impact on the Group's financial statements in the period of initial adoption.

### **Basis of consolidation**

The consolidated financial statements include the results of the Company and all of its subsidiary undertakings. A subsidiary is an entity controlled, directly or indirectly, by the Company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

## **1 Basis of preparation and significant accounting policies (continued)**

The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The results of subsidiaries have been included from the date of acquisition using the merger method of accounting or the acquisition method of accounting as appropriate.

The consolidated financial statements present the results of the Company and its subsidiaries (“the Group”) as if they formed a single entity. Inter-company transactions and balances between Group companies are therefore eliminated in full.

### **Investments in subsidiaries**

Fixed asset investments in subsidiary undertakings are shown at cost less any necessary impairment. The cost of acquisition excludes directly attributable professional fees and other expenses incurred in connection with the acquisition, these costs are written off to the income statement.

### **Investment in associate**

The Group’s investment in its associate is accounted for using the equity method of accounting. An associate is an entity in which the Group has significant influence and which is neither a subsidiary nor a joint venture. Under the equity method, the investment in the associate is carried in the consolidated statement of financial position at cost plus post-acquisition changes in the Group’s share of net assets of the associate. The consolidated statement of comprehensive income reflects the share of the results of operations of the associate. Where there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes and discloses this, when applicable, in the statement of changes in equity. Profits and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate. Any dividend or distribution received from an associate is used to reduce its carrying value.

The financial statements of the associate are prepared to 31 March 2019, a period not greater than three months different to the reporting period. Where necessary, adjustments are made to bring the accounting policies of associates in line with those of the Group. This is therefore considered to reasonable time period as to give an adequate reflection of the Group’s investment. New financial reporting standards IFRS 9 and IFRS 15 came into effect as of 1 January 2018 and have been applied by the Group to these financial statements. A review was undertaken by the management of SIS to ascertain the impact of these new standards on the assets of SIS. From this review, it was concluded that there would be no material impact on the Group’s financial statements.

The directors consider that the Group does not hold such influence as to exert control over its investment in SIS. The Group currently holds a 20.54% shareholding in SIS.

The carrying value of the Group’s investment in its associate includes the excess consideration over net assets at the date of acquisition. Any excess value is analysed between separately identifiable intangible assets and goodwill. Goodwill is not amortised and is reviewed annually for impairment by way of a Directors’ assessment. Any separately identified intangible assets are amortised over their useful economic life.

## **1 Basis of preparation and significant accounting policies (continued)**

### **Impairment of non-financial assets**

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. 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. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

Impairment losses are recognised in profit or loss in those expense categories consistent with the function of the impaired asset, except for property previously revalued where the revaluation was taken to equity. In this case the impairment is also recognised in equity up to the amount of any previous revaluation. For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group makes an estimate of recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase.

The following criteria are also applied in assessing impairment of specific assets:

#### *Associates*

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss of the Group's investment in its associates. The Group determines at each reporting date whether there is any objective evidence that the investment in associate is impaired. If this is the case the Group calculates the amount of impairment as being the difference between the recoverable amount (being the higher of fair value less costs to sell and value in use) and carrying amount of the associate and recognises the amount in profit or loss.

### **Financial instruments**

#### *Financial assets*

The Group classifies its financial assets into one of the categories discussed below, depending on the purpose for which the asset was acquired.

#### *Loans and receivables*

**Cash and cash equivalents:** These include cash in hand, deposits held at call with banks and bank overdrafts.

## **1 Basis of preparation and significant accounting policies (continued)**

**Trade and other receivables:** These include amounts due to the group and prepayments and accrued income.

### *Financial liabilities*

The Group classifies its financial liabilities as:

*Financial liabilities measured at amortised cost.* The Group's financial liabilities at amortised cost include trade payables and other financial liabilities.

**Trade and other payables:** These are initially recognised at fair-value and then carried at amortised cost. These arise from the receipt of goods and services.

## **Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, and other sales taxes or duty. Revenue arising from the provision of services is recognised when and to the extent that the Group obtains the right to consideration in exchange for the performance of its contractual obligations.

Income from the equity accounted associate is recognised as outlined in note 2 to the accounts.

## **Taxation**

Tax expense or taxation recoverable represents the sum of the tax currently payable or recoverable and deferred tax.

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

Tax recoverable comprises amounts receivable in respect of consortium tax relief arising from the surrender of taxable losses to the Group's associated undertaking.

Deferred tax is recognised 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 are accounted for using the 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 profits will be available against which deductible temporary differences can be utilised.

The carrying amount of deferred tax assets 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 that are expected to apply in the period when the liability is settled or the asset 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.

## **1 Basis of preparation and significant accounting policies (continued)**

Deferred tax assets and liabilities are offset when the Group has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority on either the same taxable Group company or different Group entities which intend to settle current tax assets and liabilities on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be settled or recovered.

### **Operating profit and loss**

Operating profit and loss comprises revenues less cost of sales and administrative expenses, including exceptional expenditures where relevant. Operating profit and loss attributed to discontinued operations is included as part of the net result of these operations and is disclosed separately.

### **Pension scheme arrangements**

The Group's associate operates a defined benefit pension scheme however the Group itself does not operate a pension scheme.

For any defined benefit pension scheme in operation, the Group would require contributions to be made to separately administered funds.

### **Critical accounting estimates and judgements**

The Group makes estimates and assumptions concerning the future, which by definition will seldom result in actual results that match the accounting estimate. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below.

#### ***(i) Impairment of non-current assets***

The value of non-current assets is considered by the Directors at the end of each reporting period. Impairments are recognised on the bases outlined in note 1 to the accounts.

The directors consider the forecast income statements, statements and financial position and cash flows of SIS for a ten year period to review whether an impairment is required. This takes into consideration the forecast EBITDA, future events projected by management and the cash position of SIS.

**CATALYST MEDIA GROUP PLC**  
**Report and financial statements for the year ended 30 June 2019**  
**Notes to the financial statements**

**2 Investment in associate**

<b>Year Ended 30 June 2019</b>	<b>Group £</b>
<b>Cost</b>	
<b>At 1 July 2018</b>	<b>22,090,708</b>
Share of profit – 2019	3,753,685
Share of other comprehensive profit – 2019	915,673
Dividend received – 2019	(8,214,659)
Impairment of equity-accounted associate	(4,270,701)
<b>At 30 June 2019</b>	<b><u>14,274,706</u></b>

  

<b>Year Ended 30 June 2018</b>	<b>Group £</b>
<b>Cost</b>	
<b>At 1 July 2017</b>	<b>23,976,958</b>
Share of profit – 2018	1,047,129
Share of other comprehensive loss – 2018	147,272
Dividend received – 2018	(3,080,651)
<b>At 30 June 2018</b>	<b><u>22,090,708</u></b>

The Group's interest in the associate, SIS, a company incorporated in England and Wales, is held by Alternateport Limited. Alternateport Limited holds an investment of 20.54% in the equity share capital of SIS and is entitled to appoint a director and alternate director to the SIS board. This right has been exercised since acquisition. Alternateport Limited is a wholly owned subsidiary of Catalyst Media Holdings Limited, a wholly owned subsidiary of Catalyst Media Group plc.

A copy of the strategic forecast prepared by SIS was made available to the Directors of CMG showing management forecasts of the income statement, statement of financial position and statements of cash flow. SIS's management have assumed a relatively low level of future profits at a steady level over a period of ten years and applied a discount rate of 30% to arrive at a present value.

After reviewing the forecasts and other factors, the Directors concluded that the carrying value of the investment in SIS should be reduced to £14.3 million. The value of the investment in SIS has therefore been impaired by £4.3 million to achieve this.

**CATALYST MEDIA GROUP PLC**  
**Report and financial statements for the year ended 30 June 2019**  
**Notes to the financial statements**

**2 Investment in associate (continued)**

<b>Share of profit of associate</b>	<b>2019</b>	<b>2019</b>	<b>2019</b>	<b>2019</b>	<b>2018</b>
	<b>SIS</b>	<b>SIS</b>	<b>SIS Total</b>	<b>CMG</b>	<b>CMG</b>
	<b>Continuing</b>	<b>Dis-</b>		<b>share</b>	<b>share</b>
	<b>£'000</b>	<b>continued</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
		<b>£'000</b>			
Revenue:					
SIS Betting Services	222,504	-	222,504	47,263	36,753
SIS LIVE Services	-	18,900	18,900	2,321	2,579
Total revenue	222,504	18,900	241,404	49,584	39,332
Operating profit after individually significant items	119	2,120	2,239	1,517	1,716
Net interest receivable	613	-	613	126	58
Profit / (losses) on business wind down	-	17,836	17,836	2,606	(364)
Profit on disposal of joint venture	-	-	-	-	-
Profit on disposal of fixed asset	-	-	-	-	10
Profit before tax	5,879	14,809	20,688	4,249	1,420
Taxation	(547)	(1,866)	(2,413)	(496)	(372)
Share of profit after taxation	5,332	12,943	18,275	3,753	1,048
Net income from associate	5,332	12,943	18,275	3,753	1,048
Other comprehensive income:					
Actuarial gain	7,026	-	7,026	1,443	12
Deferred tax	(2,434)	-	(2,434)	(500)	34
Change in value of hedging instrument	(134)	-	(134)	(27)	101
	4,458	-	4,458	916	147
<b>Share of net assets and liabilities of associate</b>					
Net assets	119,521	-	119,521	24,550	29,257
Net liabilities	(55,688)	-	(55,688)	(11,438)	(12,599)
Net equity	63,833	-	63,833	13,112	16,658

As at 30 June 2019, SIS was continuing to deal with tax and legal issues that arose from the 2010 Commonwealth Games (CWG) in Delhi, India. SIS, via a partnership of the name of SIS Live, delivered the host broadcast production and facilities contract for the 2010 CWG. Given continuing scrutiny of the entire CWG project immediately after the closure of the Games, approximately 40% of the contract has still not been paid. A provision of £5.9 million was made in respect of this non-payment in the SIS financial statements for the year ended 31 March 2011.

As at 30 June 2019, SIS continued to be involved in a litigation case brought by The Racing Partnership ("TRP") and others against SIS's subsidiary, Sports Information Services Limited ("SISL"), and others. SISL has successfully defended two of the three claims and, following the year end, both SISL and TRP have been granted permission by the judge to appeal elements of the judgement. SISL have been ordered by the judge to pay 20% of TRP's costs.

**CATALYST MEDIA GROUP PLC**  
**Report and financial statements for the year ended 30 June 2019**  
**Notes to the financial statements**

SIS Live received a draft assessment in March 2014 from Indian tax authorities in relation to the year ended March 2011. SIS has strongly rejected the draft assessment, and continues to appeal it through the Indian judiciary system. As appeal proceedings continue it is not possible to quantify the potential tax liability that may arise of the subsequent recoverability of that amount through the courts and therefore no further provision has been made in the accounts of SIS.

**3 Revenue**

An analysis of the Group's revenue is as follows:

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Business administrative services	25,000	25,000
<b>Total revenue</b>	<u>25,000</u>	<u>25,000</u>

**4 Segmental analysis**

The Directors have determined the Group's operating segments based on the management information that is reviewed in order to strategically operate the business.

The Group operates in one segment; business administrative services. Business administrative services focuses on managing the strategic investment in SIS, including the provision of non-executive director services to SIS and the management of overheads.

Segmental performance is assessed based on the segment result after results of equity accounted investments, impairment charges, financial income, financial costs and before taxation expense

**Year ended 30 June 2019**

	<b>Business administrative services (including SIS investment) £</b>	<b>Total (per consolidated financial statements) £</b>
<b>Segment revenue</b>	<u>25,000</u>	<u>25,000</u>
Operating loss	(94,411)	(94,411)
Financial income	5,312	5,312
Financial costs	-	-
Share of profit of associate (note 2)	3,753,685	3,753,685
Impairment of associate	<u>(4,270,701)</u>	<u>(4,270,701)</u>
Segment loss	(606,115)	(606,115)
Tax	16,623	16,623
Share of other comprehensive income of associate	915,673	915,673
Consolidated profit for the year	<u>326,181</u>	<u>326,181</u>
Segment assets	<u>14,697,325</u>	<u>14,697,325</u>
Segment liabilities	<u>(29,662)</u>	<u>(29,662)</u>
Net assets	<u>14,667,663</u>	<u>14,667,663</u>

**CATALYST MEDIA GROUP PLC**  
**Report and financial statements for the year ended 30 June 2019**  
**Notes to the financial statements**

**4 Segmental analysis (continued)**

Year ended 30 June 2018

	<b>Business administrative services (including SIS investment) £</b>	<b>Total (per consolidated financial statements) £</b>
<b>Segment revenue</b>	25,000	25,000
Operating loss	(97,608)	(97,608)
Financial income	4,382	4,382
Financial costs	-	-
Share of profit of associate (note 2)	1,047,129	1,047,129
Segment loss	953,903	953,903
Tax	18,076	18,076
Share of other comprehensive income of associate	147,272	147,272
Consolidated profit for the year	1,119,251	1,119,251
Segment assets	26,573,289	26,573,289
Segment liabilities	(33,209)	(33,209)
Net assets	26,540,080	26,540,080

**5 Operating loss**

	<b>2019 £</b>	<b>2018 £</b>
<b>Operating loss for the year is stated after charging:</b>		
Auditors' remuneration (note 8)	12,000	10,400

**6 Staff numbers and costs**

There were no staff other than the Non-executive Directors during the current and prior year.

**7 Directors' emoluments**

Directors' emoluments for the year that each individual served as a director were as follows:

	<b>2019 £</b>	<b>2018 £</b>
Directors' fees (note 24)	45,256	45,247

**CATALYST MEDIA GROUP PLC**  
**Report and financial statements for the year ended 30 June 2019**  
**Notes to the financial statements**

**8 Auditors' remuneration**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Fees payable for the audit of the Group's financial statements	8,900	7,700
Fees payable for the audit of the Company's financial statements	3,100	2,700
	<u>12,000</u>	<u>10,400</u>

**9 Financial income**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Interest receivable	<u>5,312</u>	<u>4,382</u>

**10 Financial costs**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Interest payable	<u>-</u>	<u>-</u>

**11 Taxation (Group)**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Current tax	16,600	17,400
(Under) / Over provision in respect of prior periods	23	676
Total tax credit for the year	<u>16,623</u>	<u>18,076</u>

The difference between the total tax credit shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:

***Factors affecting tax charge for the year***

The tax assessed for the year is lower than the standard rate of corporation tax in the UK of 19.00% (2018 – 19.00%).

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
(Loss) / profit before tax	<u>(606,115)</u>	<u>953,904</u>
Tax on (loss) / profit at standard rate of 19.00% (2018 – 19.00%)	(115,162)	181,242
Expenses not deductible for tax purposes	415	(9,588)
Income not taxable	98,232	(188,988)
(Over) / under provision in respect of prior periods	(23)	(676)
Other items	(85)	(66)
Current tax credit	<u>(16,623)</u>	<u>(18,076)</u>

**CATALYST MEDIA GROUP PLC**  
**Report and financial statements for the year ended 30 June 2019**  
**Notes to the financial statements**

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***Factors that may affect the future tax charge***

Deferred tax has not been provided in respect of timing differences relating primarily to revenue losses and management expenses as there is insufficient evidence that the benefit of the losses will be recovered. The amount of the asset not recognised is £847,600 (2018: £758,200). The above deferred tax asset has been calculated based on a future UK tax rate of 17% (2018: 17%) as applicable from 1 April 2020.

**12 Earnings per share (diluted, undiluted and before impairment)**

The calculation of the basic and diluted earnings per share is based upon the net loss after tax and minority interests attributable to ordinary shareholders of £589,492 (2018: profit of £971,979) and a weighted average number of shares in issue for the period of 21,032,030 (2018: 21,032,030).

Reconciliation of shares in issue:

	<b>Year ended 30 June 2019</b>	<b>Year ended 30 June 2018</b>
Issued ordinary shares at 30 June 2019	21,032,030	-
Issued ordinary shares at 30 June 2018	-	21,032,030
	<u>21,032,030</u>	<u>21,032,030</u>

**13 Investments**

<b>Company Year Ended 30 June 2019</b>	<b>Shares in subsidiaries £</b>
<b>Cost</b>	
At 30 June 2018 and 30 June 2019	<u>16,750,000</u>
<b>Provision for diminution in value</b>	
At 30 June 2018	-
Charge for the year	<u>(2,475,294)</u>
As 30 June 2019	
<b>Net book value</b>	
At 30 June 2018 and 30 June 2019	<u>14,274,706</u>

**CATALYST MEDIA GROUP PLC**  
**Report and financial statements for the year ended 30 June 2019**  
**Notes to the financial statements**

Details of the investments are as follows:

	<b>Activity</b>	<b>Percentage of ordinary shares held (%)</b>	<b>Registered office</b>
Catalyst Media Holdings Limited	Investment Company	100	Quadrant House, Floor 6 4 Thomas More Square London E1W 1YW
Alternateport Limited*	Investment Company	100	Quadrant House, Floor 6 4 Thomas More Square London E1W 1YW

\* A subsidiary of Catalyst Media Holdings Limited

**Year Ended 30 June 2018**

	<b>Shares in subsidiaries</b>
	<b>£</b>
<b>Cost</b>	
At 30 June 2017 and 30 June 2018	<u>16,750,000</u>
<b>Provision for diminution in value</b>	
At 30 June 2017 and 30 June 2018	<u>-</u>
<b>Net book value</b>	
At 30 June 2017 and 30 June 2018	<u>16,750,000</u>

**14 Trade and other receivables**

	<b>2019 Group £</b>	<b>2018 Group £</b>	<b>2019 Company £</b>	<b>2018 Company £</b>
Amounts owed by Group companies	-	-	-	-
Trade receivables	-	-	-	-
Prepayments	27,528	26,677	27,528	26,677
Other debtors	11,479	4,269	11,479	4,269
	<u>39,007</u>	<u>30,946</u>	<u>39,007</u>	<u>30,946</u>

**15 Cash and cash equivalents**

	<b>2019 Group £</b>	<b>2018 Group £</b>	<b>2019 Company £</b>	<b>2018 Company £</b>
Cash at bank	383,612	4,451,635	383,612	4,451,635
Cash and cash equivalents	<u>383,612</u>	<u>4,451,635</u>	<u>383,612</u>	<u>4,451,635</u>

Cash and cash equivalents comprise cash only.

**CATALYST MEDIA GROUP PLC**  
**Report and financial statements for the year ended 30 June 2019**  
**Notes to the financial statements**

**16 Share capital**

	<b>2019</b>	<b>2018</b>
	<b>Group and Company £</b>	<b>Group and Company £</b>
<b>Authorised:</b>		
65,711,223 ordinary shares of 10 pence each	<u>6,571,122</u>	<u>6,571,122</u>
	6,571,122	6,571,122
<b>Allotted, issued and fully paid:</b>		
21,032,030 ordinary shares of 10 pence each	<u>2,103,202</u>	<u>2,103,202</u>
	2,103,202	2,103,202

**17 Interest-bearing cash balances**

**Effective interest rates and repricing analysis**

In respect of income-earning financial assets, the following table indicates their effective average interest rates in the year to 30 June 2019.

	<b>Effective interest rate</b>	<b>Group Total £ 2019</b>	<b>Group Current £ 2019</b>
Cash at bank and other deposits	0.22%	<u>383,612</u>	<u>383,612</u>

	<b>Effective interest rate</b>	<b>Company Total £ 2019</b>	<b>Company Current £ 2019</b>
Cash at bank and other deposits	0.22%	<u>383,612</u>	<u>383,612</u>

**18 Trade and other payables**

	<b>2019 Group £</b>	<b>2018 Group £</b>	<b>2019 Company £</b>	<b>2018 Company £</b>
Trade payables	2,680	4,529	2,680	4,529
Amounts due to Group companies	-	-	549	549
Bank overdraft	5	5	-	-
Accruals and deferred income	26,977	25,709	26,977	25,707
	<u>29,662</u>	<u>30,243</u>	<u>30,206</u>	<u>30,785</u>

Trade payables are all due within one year.

**CATALYST MEDIA GROUP PLC**  
**Report and financial statements for the year ended 30 June 2019**  
**Notes to the financial statements**

**19 Corporation tax payable**

	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Consortium relief payable	-	2,966	-	2,966

**20 Financial instruments**

In common with other businesses, the Group is exposed to risks that arise from its use of financial instruments. This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

The significant accounting policies regarding financial instruments are disclosed in note 1. There has been no material impact on the Group's financial statements following the introduction of IFRS 9, effective 1 January 2018.

There have been no substantive changes in the Group's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

***Principal financial instruments***

The principal financial instruments used by the Group, from which financial instrument risk arises, are as follows:

<b>Group</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Financial assets</b>		
Loans and receivables		
Trade and other receivables	39,005	30,946
Cash and cash equivalents	383,612	4,451,635
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost		
Trade and other payables	(29,662)	(30,243)
	<u>                    </u>	<u>                    </u>
<b>Company</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Financial assets</b>		
Loans and receivables		
Trade and other receivables	39,005	30,946
Cash and cash equivalents	383,612	4,451,635
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost		
Trade and other payables	(30,206)	(30,785)
	<u>                    </u>	<u>                    </u>

**20 Financial instruments (continued)**

***General objectives, policies and processes***

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's flexibility. Further details regarding these policies are set out below:

*Credit risk*

Credit risk with cash and cash equivalents is reduced by placing funds with banks with high credit ratings.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

<b>Loans and receivables</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Trade and other receivables	11,477	4,269
Cash and cash equivalents	383,612	4,451,635
	<u>395,089</u>	<u>4,455,904</u>

The group policy is to make a provision against those debts that are overdue, unless there are grounds for believing that all or some of the debts will be collected. No provision was made in respect to bad and doubtful debts during the year (2018: £Nil).

*Liquidity risk*

Liquidity risk arises from the Group's and Company's management of working capital. There is a risk that the Group will encounter difficulty in meeting its financial obligations as they fall due.

The Group's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due. The principal liabilities of the Group and Company arise in respect of administrative expenditure and trade and other payables. Trade and other payables are all payable within three months.

The Board receives cash flow projections on a regular basis as well as information on cash balances.

<b>Fair value of financial liabilities</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Trade and other payables	29,662	30,243
	<u>29,662</u>	<u>30,243</u>

The fair value of trade and other payables is equal to the book values.

*Capital*

The Group considers its capital to comprise its ordinary share capital, capital redemption reserve, merger reserve and the retained profit. In managing its capital, the Group's objectives are to provide a return for its equity shareholders through distributions and capital growth. Going forward the Group will seek to maintain a sufficient funding base to enable the Group to meet its working capital needs.

Details of the Group and Company capital are disclosed in the Group and Company statement of changes in equity.

**20 Financial instruments (continued)**

There have been no other significant changes to the Group's management objectives, policies and processes in the period nor has there been any change in what the Group considers to be capital.

*Currency risk*

The Group and the Company are not exposed to any significant currency risk.

**21 Capital commitments**

There were no capital commitments outstanding at 30 June 2019 or 30 June 2018 for the Group or the Company.

**22 Ultimate Controlling party**

There was no ultimate controlling party in the current or prior year.

**23 Post balance sheet events**

Post the period end, the Company declared and paid a dividend of £1.05 million in November 2019. There were no other events subsequent to the Statement of Financial Position which require disclosure.

**24 Related party transactions**

During the year, SIS paid the Group £25,000 (2018: £25,000) in respect of fees for the services of the Directors. In addition, SIS paid the Group £4,365 (2018: £18,076) in respect of consortium relief payments.

As at the balance sheet date, Melvin Lawson, and his associated companies, had an interest in 3,615,486 ordinary shares of the Company, representing 17.19% of the total issued share capital of the Company.

As at the balance sheet date, Mark Hawtin had an interest in 2,010,117 ordinary shares of the Company, representing 9.56% of the total issued share capital of the Company.

As at the balance sheet date, Michael Rosenberg had an interest in 10,520 ordinary shares of the Company, representing 0.05% of the total issued share capital of the Company.

Harwood Capital LLP acts as the investment manager to Oryx International Growth Fund Limited which holds an interest of 3,125,000 Ordinary Shares representing 14.86% of the issued ordinary share capital, and accordingly Harwood Capital LLP is a substantial shareholder of the Company. Christopher Mills is the Chief Investment Officer of Harwood Capital LLP and holds 99.97% of the share capital of Harwood Capital Management Limited, a member of Harwood Capital LLP.

	<b>Salary and fees</b>	<b>Total</b>	<b>Total</b>
	<b>2019</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>	<b>£</b>
M Rosenberg OBE	15,256	15,256	15,247
M Hawtin	10,000	10,000	10,000
C Mills	10,000	10,000	10,000
M Lawson	10,000	10,000	10,000
	<u>45,256</u>	<u>45,256</u>	<u>45,247</u>

**NOTICE OF ANNUAL GENERAL MEETING**

**CATALYST MEDIA GROUP PLC**  
*(Registered in England and Wales with number 03955206)*

Notice is hereby given that the nineteenth Annual General Meeting (the “AGM”) of Catalyst Media Group plc (the “Company”) will be held on 20 January 2020 at 6 Stratton Street, London, W1J 8LD at 11.00 a.m. for the purposes of considering and, if thought fit, passing the following resolutions of which resolutions 1 to 5 are ordinary resolutions and resolution 6 is a special resolution:

**Ordinary Resolutions**

1. To receive the audited financial statements and the report of the directors and the auditors for the Company for the year ended 30 June 2019.
2. To approve the directors’ remuneration report for the Company for the year ended 30 June 2019.
3. To reappoint Haysmacintyre LLP as auditors of the Company to hold office until the conclusion of the next Annual General Meeting.
4. To authorise the directors to fix the remuneration of the auditors.
5. To re-elect Melvin Lawson as a director.

**Special Resolution**

6. Subject to, and in accordance with the Company’s articles of association, the Company be generally and unconditionally authorised to make market purchases (within the meaning of Section 693(4) of the Companies Act 2006) of ordinary shares of the Company provided that:
  - (a) the maximum number of ordinary shares hereby authorised to be acquired is 3,154,805 (being 15 per cent of the issued ordinary shares of the Company at the date of this resolution);
  - (b) the minimum price which may be paid for an ordinary share is the nominal value of such share;
  - (c) the maximum price which may be paid for an ordinary share is an amount equal to 105 per cent. of the average of the middle market quotations for an ordinary share in the Company as derived from the AIM Appendix to The London Stock Exchange Daily Official List for the five business days immediately preceding the day on which such ordinary share is contracted to be purchased;
  - (d) the authority hereby conferred shall expire on the date which is 12 months from the date of the passing of this resolution;
  - (e) the Company may make any purchase of its ordinary shares pursuant to a contract concluded before the authority hereby conferred expires and which will or may be executed wholly or partly after the expiry of such authority; and
  - (f) all ordinary shares purchased pursuant to the authority conferred by this resolution shall be cancelled immediately on completion of the purchase or held in treasury (provided that the aggregate nominal value of shares held as treasury shares shall not at any time exceed ten per cent. of the issued ordinary share capital of the Company at any time).

## **NOTICE OF AGM**

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**By order of the Board**

**Michael Rosenberg OBE  
Chairman**

**Registered Office:  
Quadrant House,  
4 Thomas More Square, London  
E1W 1YW**

**Date: 19 December 2019**

## NOTICE OF AGM

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### Notes:

1. Only the holders of ordinary shares are entitled to attend the meeting and vote, subject to note 4 below. A member entitled to attend and vote may appoint one or more proxies to attend, speak and vote on his behalf at the meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by the member. A member need not be a member of the Company but must attend the meeting to represent him.
2. A form of proxy is provided. To be effective, a form of proxy (together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power of attorney or other authority) must be completed, signed and lodged with the Company's registrar, Neville Registrars, Neville House, Steelpark Road, Halesowen, B62 8HD no later than 48 hours before the time of the meeting. Depositing a completed form of proxy will not preclude a member from attending the meeting and voting in person.
3. A shareholder which is a corporation (including a company) (a "corporation") and which wishes to be represented at the meeting by a person with authority to speak, vote on a show of hands and vote on a poll (a "corporate representative") must submit a certified copy of the resolution giving the relevant authority to that corporate representative to the registered office (for the attention of the directors) by the same deadline as in note 2 above. A corporate representative has the same powers on behalf of the corporation he/she represents as that corporation could exercise if it were an individual member of the Company. Alternatively, a corporation may complete and return a form of proxy.
4. Pursuant to regulation 41 of the Uncertificated Securities Regulations 2001, to be entitled to attend and vote at the meeting (and for the purposes of the determination by the Company of the number of votes they may cast), members must be entered on the Company's register of members by 11.00am on 16 January 2020. Any changes to the register of members after such time shall be disregarded in determining the rights of any person to attend or vote at the meeting.
5. In the case of joint holders, the signature of only one of the joint holders is required on the form of proxy, but the vote of the senior (by order in the register of members) who tenders a vote will be accepted to the exclusion of the others.
6. Copies of the following documents will be available for inspection at the Company's registered office, during normal business hours, on any day (Saturdays, Sundays and public holidays excepted) from the date of this notice until the day of the meeting and at the place of the meeting for 15 minutes prior to and during the meeting:
  - (a) the register of directors' interests in the share capital of the Company; and
  - (b) copies of the directors' service contracts

**FORM OF PROXY**

**Catalyst Media Group plc  
(registered in England and Wales with number 03955206)**

**FORM OF PROXY FOR USE AT AN ANNUAL GENERAL MEETING**

IN BLOCK CAPITALS PLEASE

I/We,..... being (a) holder(s) of ordinary shares of 10p each in the capital of the Company HEREBY APPOINT the Chairman of the Meeting (see Note 1) or .....to be my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at 6 Stratton Street, London W1J 8LD on 20 January 2020 at 11.00 a.m. or any adjournment thereof.

I/We request such proxy to vote on the following resolutions as mentioned below request such proxy to vote on the following resolutions as mentioned below as indicated by an X in the appropriate box below and otherwise as my/our proxy shall think fit (see Note 2)

For	Against	Vote Withheld
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**ORDINARY RESOLUTIONS**

1. To receive the audited financial statements and the report of the directors and the auditors for the Company for the year ended 30 June 2019.
2. To approve the directors' remuneration report for the Company for the year ended 30 June 2019.
3. To reappoint Haysmacintyre LLP as auditors of the Company to hold office until the conclusion of the next Annual General Meeting.
4. To authorise the directors to fix the remuneration of the auditors.
5. To re-elect Melvin Lawson as a director.


**SPECIAL RESOLUTIONS**

6. To grant the Company authority to make market purchases of its own ordinary shares

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Signature (see note 4)..... Dated .....

Notes

1. To appoint as a proxy a person other than the Chairman of the Meeting insert the full name in the space provided. A proxy need not be a member of the Company. You can also appoint more than one proxy provided each proxy is appointed to exercise the rights attached to a different share or shares held by you. The following options are available:
  - (a) To appoint the **Chairman** as your **sole proxy** in respect of all your shares, simply fill in any voting instructions in the appropriate box and sign and date the Form of Proxy
  - (b) To appoint a **person other than the Chairman as your sole proxy** in respect of all your shares, delete the words 'the Chairman of the Meeting (or)' and insert the name of your proxy in the spaces provided. Then fill in any voting instructions in the appropriate box and sign and date the Form of Proxy
  - (c) To appoint **more than one proxy**, you may photocopy this form. Please indicate the proxy holder's name and the number of shares in relation to which they are authorised to act as your proxy (which, in aggregate, should not exceed the number of shares held by you). Please also indicate if the proxy instruction is one of multiple instructions being given. If you wish to appoint the Chairman as one of your multiple proxies, simply write 'the Chairman of the Meeting'. All forms must be signed and should be returned together in the same envelope.
2. Unless otherwise indicated the proxy will vote as he thinks fit or, at his discretion, abstain from voting.
3. The Form of Proxy below must arrive not later than 48 hours before the time set for the Meeting at Neville Registrars, Neville House, Steelpark Road, Halesowen, B62 8HD during usual business hours accompanied by any Power of attorney under which it is executed (if applicable).
4. A corporation must execute the Form of Proxy under either its common seal or the hand of a duly authorised officer or attorney.
5. Completion and return of the Form of Proxy will not preclude you from attending and voting in person at the Meeting should you subsequently decide to do so.
6. If you prefer, you may return the proxy form to the Registrar in an envelope addressed to Neville Registrars, Neville House, Steelpark Road, Halesowen, B62 8HD.