Bonhill

Bonhill Group plc

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Bonhill Group plc Annual Report & Financial Statements • 2020

The culture effect

Bonhill

Annual Report &
Financial Statements 2020

Welcome

Our purpose is to influence a more socially aware, diverse and financially literate society through providing the right tools for our communities.

Who we are

Bonhill Group plc is a leading B2B media company providing Business Insight, Events and Data & Analytics propositions to Business Solutions, Financial Services and Governance communities.

The Company is passionate about understanding its business communities' needs, the result of which enables it to create innovative, tailored, market-leading products and services. Our aim is to deliver an informed, authoritative voice and always to exceed clients' expectations.

What we do

We champion diversity and work collaboratively, within our organisation and across our communities, to build long-term partnerships and networks to represent and reflect our values.

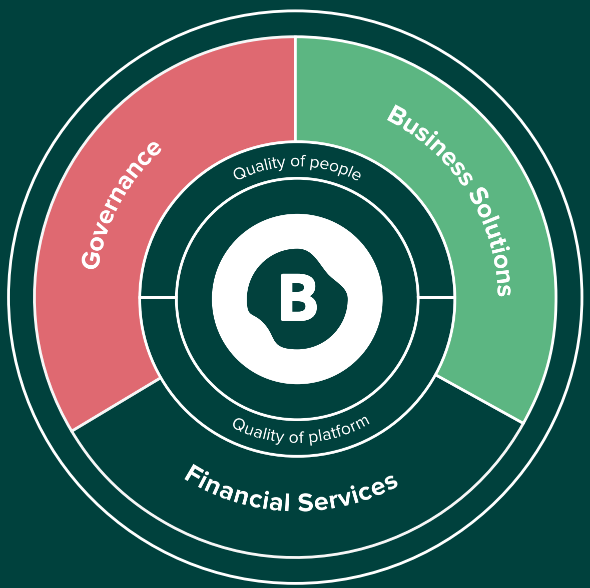
We create exceptional value for our communities, offer attractive rewards for our employees and long-term, market outperforming returns for our shareholders.

Our Business Communities

Business Solutions
Read more on page 14

Financial Services
Read more on page 16

Governance
Read more on page 20



For more information, please visit:
bonhillplc.com

Cheryl Cole
Editor DiversityQ

Strategic Report

Everything you need to know about our year

Governance

How we ensure good governance

Financial Statements

Our effective financial stewardship

Bonhill Group plc Annual Report & Financial Statements 2020

At a glance

Growth through transformation

Andrew Dodds
Business Development Manager

Introduction

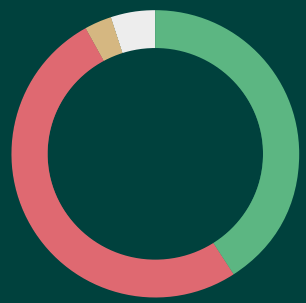
Despite the external trading challenges of COVID-19, 2020 has been a pivotal year for internal transformation.

With a focus on quality of platform and quality of people, we have committed to embracing the measures we can take to improve our proposition, which should provide us with a strong base from which to continue growing the business.

We have continued our drive towards digital-first with an overhaul of our technology platforms to give us a more streamlined system. This has also allowed us to smoothly transition from live to virtual events, at scale, with a great delegate experience. We've also greatly improved our global collaboration to ensure that we combine the best talent across the business and encourage knowledge sharing and idea generation across markets.

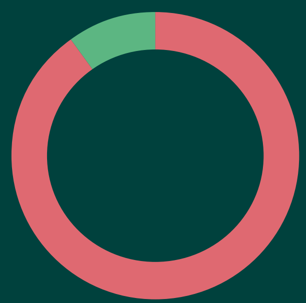
Our transformation in numbers

Geographical revenue 2020



	2020	2019
UK	41%	24%
US	51%	66%
Europe	3%	6%
Asia	5%	4%

Events revenue 2020



	2020	2019
Live events	£1,459K	£9,605K
Virtual events	£4,615K	£0K

Virtual events 2020

102

2019:0

Live events 2020

14

2019:110

One connected global team

Read more about our male/female diversity on page 11

New York	42
Washington DC	2
London	79
Hong Kong	9
Singapore	2

Key
Global offices

134 Total number of employees

18.8% Group voluntary turnover

5 Global offices

41 New employees in FY2020

Chairman's statement

Stronger together

I am particularly proud of the way that the organisation has responded to these challenging times.

Financial highlights

17.8£m
Revenue
(FY19: £24.4m) -£6.6m -27.1%

14.3£m
Gross profit
(FY19: £16.2m) -£1.9m -11.9%

80.5%
Gross margin
(FY19: 66.6%) +1390bps

-0.1£m
ADJ. EBITDA
(FY19: £2.3m) -£2.4m -106.3%

-10.7£m
OP. Profit
(FY19: £-3.7m) -£7.0m -191.7%

1.3£m
Cash
(FY19: £1.9m) -£0.6m -29.0%

2020 was the most challenging year in the Group's history. The business was severely impacted by the global pandemic and had to reorganise and refinance to withstand the impact on revenues, particularly in the Events business which saw a 37% reduction year-on-year.

It is a credit to the staff that we ended the year at a near breakeven adjusted EBITDA position in line with our expectations at the time of the fundraising in April 2020, although the path to that point had many twists and turns with the extended periods of lockdown and changes in government guidance. Our investment in technology improvements enabled us to move quickly and respond to our customers.

The Company was reorganised midway through the year with a new Executive Committee to drive through the necessary change in the business model, revenue streams and customer offering in light of the restrictions placed on the global events market and advertising spend in the face of global uncertainty.

Across the Group, year-on-year, Business Information revenues fell by 21%, Events by 37% and Data and Insight by 17%, resulting in overall Group revenues being down by 27% compared with 2020. The impact of the successful switch to virtual events and other Group initiatives saw an improvement in gross margins by 13% in the year to 80%. Operating loss increased by £7 million to £(10.7) million largely reflecting the goodwill write down of £6.6 million at the half year.

Cash conservation was key in the year and a combination of the fundraising in April, raising £2.25 million net of expenses, and a focus on working capital management and cost saving initiatives in all areas led to a year-end cash position of £1.3m (2019: £1.9 million). As at 28 February 2021, cash was £1.6 million.

During the year, the Company also took advantage of the various government initiatives to support the business and utilised the Paycheck Protection Program (PPP) in the US, receiving a grant of £0.8 million, furloughing in the UK amounting to £0.186 million, as well as Bounce Back Loans (BBL) totalling £0.1 million.

Despite all of the disruptions, our employees have excelled in constantly finding creative solutions to problems, in adopting high standards in new areas and creating new products to replace lost revenues.

In the year, there were two changes to the Board, with Fraser Gray being replaced in late June by Jon Kempster as a Non-executive Director and Chair of the Audit Committee and Sarah Thompson appointed as Chief Financial Officer in September, after David Brown stood down in July 2020. We thank Fraser and David for their contributions to the Company.

I am particularly proud of the way that the organisation has responded to these challenging times. Despite all of the disruptions, our employees have excelled in constantly finding creative solutions to problems, in adopting high standards in new areas and creating new products to replace lost revenues. Their commitment and positivity during lockdown, remote working and beyond in all areas has been outstanding.

The completion of our technology projects in the year enabled us to work remotely very successfully and the platform we have built leaves us in a strong position going forward. We are already seeing the benefit of the new platform with the speed of new product development and enhancements to our product set.

Finally, I would like to thank our staff across the international borders for their resilience and hard work, our shareholders for their support, in particular at the time of the fundraising, and our broad customer base for its continued support whilst they have faced their own business challenges.

We are now set up to make 2021 a year of delivery for shareholders after the challenges of 2019 and the turmoil of 2020. The extensive changes made in the year position us well to achieve that.

Neil Sachdev
Chairman
23 March 2021

Business model and strategy

Structured growth

01 Our strategy

Our strategy is to transition to long-term, 'must have', recurring revenue streams through building market-leading brands within our Business Communities of Business Solutions, Financial Services and Governance and developing high value propositions across international territories.

Read more about our strategy in action on pages 8 to 12

Our Communities

Business Solutions
Helping businesses to build, grow and thrive successfully.

Read more about Business Solutions on page 14

Financial Services
Providing insight and analysis to ensure that our audiences can make informed decisions.

Read more about Financial Services on page 16

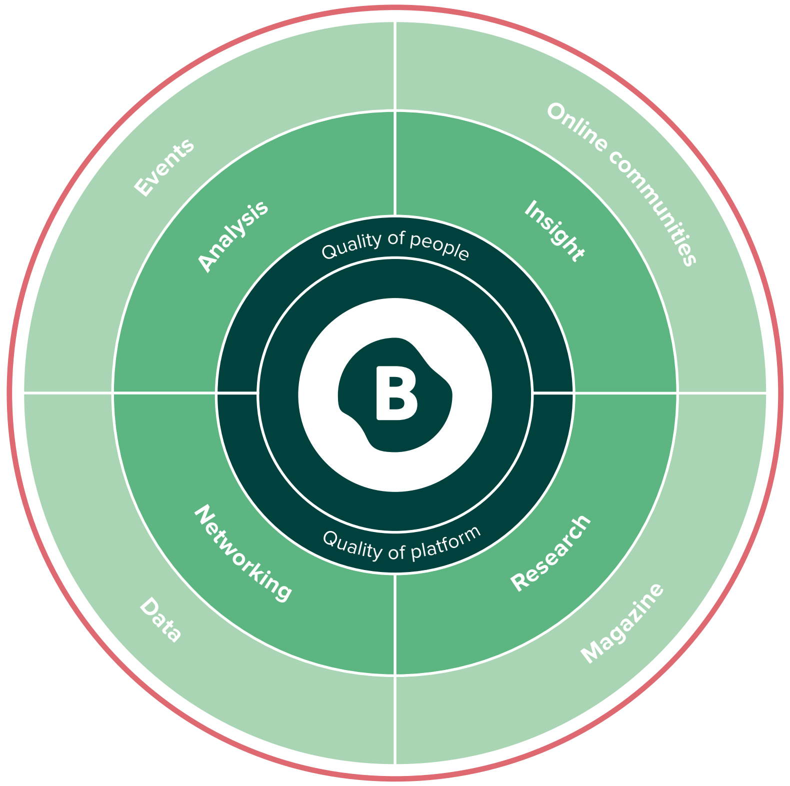
Governance
Supporting organisations with their policies, processes, systems and behaviours to ensure that they align with legislation.

Read more about Governance on page 20

We believe that running a responsible business is central to our success.

Read more about our responsible business on pages 24 to 27

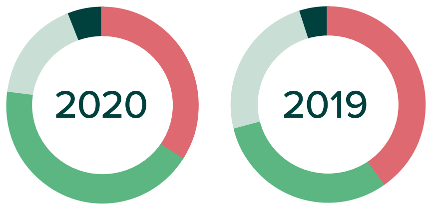
02 Our business model



03 How we will grow

During 2020 we have executed on the Board's strategy by starting to change the business and geographic mix. As the business develops in the year ahead, we will see the mix change such that Digital and Data will become a more significant part of our business.

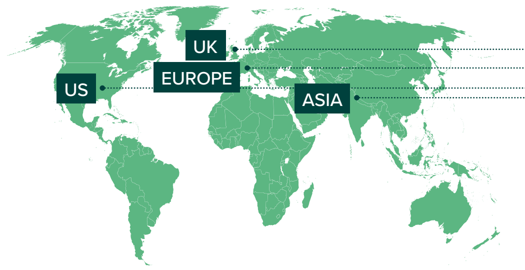
Business shift



	2020	2019
Events	34%	40%
Digital	43%	31%
Print	17%	24%
Data	6%	5%
Total	100%	100%

04 Geographical shift

Our geographic split of revenue has changed such that in the period our revenue by geography was:



2020	51%	41%	3%	5%
2019	66%	24%	6%	4%

05 Our brands

- InvestmentNews
- DiversityQ Presents
- Portfolio Adviser
- Expert Investor
- smallbusiness.co.uk
- growthbusiness.co.uk
- Fund Selector Asia
- Information Age
- DiversityQ – For a diverse & inclusive workplace
- International Adviser
- whatinvestment.co.uk
- ESG Clarity

Bonhill culture and values

Inclusive
We champion diversity and strive to build an inclusive environment where all employees can feel valued and have a voice.

Collaborative
We work collaboratively within our organisation and across our communities to maximise knowledge sharing and inter-departmental support.

Courageous
We support each person in maximising their potential, enabling them to play their part in an inspiring, community-centric, and responsible environment.

Respectful
We have a culture of respect, openness and fairness to all and, for our business, these are non-negotiable.

Strategic Report
Governance
Financial Statements

Bonhill Group plc Annual Report & Financial Statements 2020

Quality of platform

Building our digital platform

Simon Collin
Chief Technology Officer

In conversation with Simon Collin

Q. What happened in 2020?

A We focused on six things: first, like all businesses, the unexpected high-speed set up of full remote working facilities across three continents for all of our team. Second, we accelerated the plans to set up a single business system for all of our teams. Third, we developed a great technology stack for virtual events that allowed the businesses to deliver virtual events at scale, replacing our live events with a great delegate experience. Fourth, we migrated off all the legacy systems – including ERP, CRM and web technologies – to standardise our platforms to improve functionality and user experience, and reduce cost and unnecessary complexity. Fifth, we set up our own internal development team, and established a daily release cycle with an agile approach to product management. And sixth, we put in place a number of key building blocks for our future product development – including a new global web framework for all our sites, enhanced analytics, the latest ad-ops functionality, SEO workshops, and much more.

Q. What benefits will these changes bring?

A There are a range of benefits from better analytics, improved customer insight, consistent views of our own business, improved internal efficiency, reduced overall cost of ownership, and lower time to market for new products. Of course, the six focus areas all bring different elements of this list of benefits with different phasing. For example, the remote working was an immediate benefit to provide individuals with secure, team-focused tools so they could operate as if they were in the office; whereas the single business system has brought standardisation and process across the business within the year; the new virtual events support was an immediate win, with great feedback from delegates; moving off the legacy systems helped reduce costs and complexity going forward. However, the longer-term benefit of the last focus area will, I hope, be seen over the next few years as we gain better insight to our customers and improve our ability to deliver great new products.

An agile technology

13m
users of our leading websites

12k
attendees to our new virtual events

50m
emails sent every year

42
Systems simplified to 16, reducing cost

Highlights

- Implemented a full, robust WFH across three continents
- Migrated off all legacy systems to single Microsoft platform
- Released fully integrated business system for sales, marketing, events, editorial and finance
- Our systems implementation was applauded by Microsoft Engineering in a global case study
- Set up in-house software development team
- Supported the near-instant transition to sophisticated virtual events with great delegate experience

Q. What are the challenges of working across three continents?

A The main one is time! The technology team is 'always on' to support and help develop new products. The biggest issue is in governance – especially keeping abreast of the different privacy and regulatory requirements; we work closely with our key suppliers, such as Microsoft, to help us manage data across the various legislative regions.

Q. Have there been trade-offs?

A We started 2020 with three still separate businesses acquired by the Group – each business and its teams had its own systems, tools and platforms. We've brought all of these together into one consistent set of tools. In this change, yes, individual teams will have had to move some of the software tools they use, but the overall gain has been huge – with everyone now gaining access to some of the best software available whether it's email marketing tools, website platforms, or virtual events.

Cristian Angeloni
News Reporter

Q. How do product and technology fit together?

A I believe they each drive the other: good product managers listen to their customers to understand where there's an opportunity to develop new ways to solve customer problems and technology provides new ways to both understand customers through data and analytics, and to create solutions. At Bonhill, we successfully set up a new software development team and rolled out an agile approach to product management, which will be a huge benefit to our ability to quickly identify market opportunities and develop new products. Off this new strong development foundation, we're ready for an exciting time ahead developing products that help our clients and their customers. We have unique data sets that give us insight into global financial sentiment, into ESG, diversity, technology and running a business. These will help us develop the next portfolio of market-leading products.

Q. How will 2021 be different?

A 2020 was a year of getting all our systems aligned; we started with a mix of Lego, Meccano and some wooden blocks. We've ended the year with one consistent set of tools and platforms that delivers best-practice functionality to all our teams. 2021 will be the year we are able to start to really take advantage of the benefits this brings: better analytics, better customer insight, faster product development, and systems that don't get in the way and, instead, help teams do their jobs better and faster. We've got a fantastic team working with a great set of the latest tools and a large, unique and consistent data-set. As far as tech and product goes, it doesn't get much better for an exciting 2021!

Our timeline

2020 has been a pivotal year for our digital platforms; we've integrated a range of changes to improve user experience for both internal and external stakeholders and deliver enhanced analytics and insight.

January 2020
InvestmentNews.com migrated to a new platform, delivering improved user experience and new commercial opportunities.

March 2020
Roll-out systems to support all users working remotely, integrating new team tools and VOIP telephones for WFH.

April 2020
Delivered virtual events technology stack providing great delegate experience in multi-day, multi-session events; over 12,000 attendees enjoyed the new platform with great feedback.

September 2020
Created new global web platform to allow new sites to be developed and deployed quickly and effectively. First sites launched.

October 2020
Migrated range of legacy email systems to single platform, working with Microsoft to deliver high volume email campaigns with low spam score and high response rates.

November 2020
Completed migration of all users to a single common business platform to provide sales, marketing, editorial and finance with enhanced features and reporting.

December 2020
Completed migration of all legacy systems, moving Bonhill businesses off old platforms onto a common set of platforms to support enhanced analytics and insights.

● Read more about our virtual events on page 16

One global team

Knowledge and sharing

Our global offices

New York	42
Washington DC	2
London	79
Hong Kong	9
Singapore	2
Total number of staff	**134**

Key

Global offices

Firstly, by combining the best talent across the business and hosting cross-border meetings, we are building new forums for brainstorming and idea generation which have, undoubtedly, had a positive effect on the development and execution of new (and existing) revenue streams.

International collaboration and growth

In what has been a tumultuous year, commitment to international collaboration has never been more important. Following the tactical acquisitions over the past few years, Bonhill entered 2020 with a truly global suite of products and international teams.

We have focused heavily on 'knowledge sharing' and set up a number of task force groups to push forward our global initiatives. These have been developed to both enhance our existing portfolio of brands and react to the ever-changing needs of our customers. Core areas for global collaboration include: ESG, Fintech, Diversity, UHNW, Next Generation & Content Marketing.

Whilst these global partnerships are certainly conducive to 'better business practice' we are also committed to using these for business growth. Firstly, by combining the best talent across the business and hosting cross-border meetings, we are building new forums for brainstorming and idea generation which have, undoubtedly, had a positive effect on the development and execution of new (and existing) revenue streams. Secondly, approaching projects with a global mindset arms us with an even more compelling proposition for our clients. Being able to deliver across markets gives us the opportunity to mirror our clients' global needs and offer them all-encompassing solutions.

In our mission to move our business to must-have products that provide long-term, recurring revenue streams, these changes will augment and, ideally, accelerate, this goal by bringing the best of every brand and aligning it to the areas we know best, in the geographies with the most potential.

Championing diversity & quality of workforce

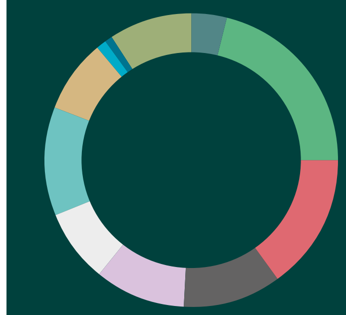
The onset of the coronavirus pandemic brought inclusion of the global workforce to the forefront and, despite remote working, the Group interacts and collaborates cross-discipline and cross-country more than ever, fulfilling a primary objective set out in the 2020 annual report.

Keeping our people connected and providing socially engaging interaction was key to the success of the business. The introduction of a buddy scheme allowed for our people to connect with colleagues from different parts of the business to build relationships, increase knowledge often outside of their own remit and share ideas. Initiatives such as regular Creativity Workshops chaired by the CEO and led by various heads of teams allowed for our people to showcase and learn about recent work that is new, different or a direct response to COVID-19 with the aim to stimulate others into new idea generation and setting best practice standards in a safe and open environment underpinned by a culture of respect.

We have championed diversity and inclusion through internal programmes related to National and Global Awareness Days & Weeks including International Women's and Men's Day and Mental Health Awareness Week. These programmes, amongst a number of daily communications during the respective weeks, included internal talks in collaboration with the phenomenal range of speakers we have relationships with for our live and virtual events. These programmes will expand in 2021 to include LGBTQ+, World Environment Day, Black History Month and Disability Representation with a diverse and representative internal steering group now in place.

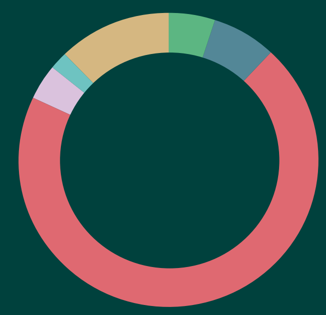
Whilst the reduction in headcount was considerable, the business continued to invest and hire in critical parts of the business and in order to support the new business model emerging as a result of the pandemic, attracting excellent talent globally. Remote onboarding was key to ensure new people felt welcome, integrated as quickly and effectively as possible, and aligned with our proposition. Each new hire has been provided with the support necessary to maximise their potential and play an integral part of the team.

Group Age



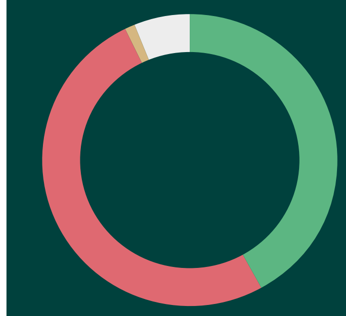
20-24	4%
25-29	21%
30-34	15%
35-29	11%
40-44	10%
45-49	8%
50-54	12%
55-59	8%
60-64	1%
65+	1%
NSp	9%

Group Ethnicity



Asian	5%
Black/African	7%
White	70%
Mixed/Multiple	4%
Other Ethnic Group	2%
NSp	12%

Group Gender



Male	42%
Female	51%
Other	1%
NSp	6%

Quality of people

Our connectedness fuels growth

An experienced and dynamic team

At Bonhill we champion innovation and cooperation, and the backdrop of the global pandemic has further accelerated our need for problem-solvers and those with a 'can-do' attitude. This year has seen a concerted focus on international collaboration and we have encouraged employees to reach out to their colleagues across the globe to share ideas, insights and better business practices.

Taking ownership
Similarly, we continue to encourage our employees to be creative and drive their business areas forwards, with the support of senior management teams. We know that 'people' can truly make a difference and have the power to shape the future of our Company. At Bonhill, we are keen to nurture creativity, hard work and ambition to ensure that we have high-quality people in fulfilling roles.

Our people matter to us
With our employees at the heart of everything we do, it's important for us to frequently get their feedback on their roles and the wider Company and we run regular 'Wellbeing Pulse Surveys' to understand their changing views. In addition, we have recently launched our 'Bonhill All Stars' programme to encourage peer-to-peer recognition.

91%
of employees felt supported by their manager

78%
felt confident that Bonhill would make the right decisions for employees during the pandemic

Sophie Johnstone
Head of Content

Complacency is the enemy of progress and, as a team, we are committed to constantly learning, developing new ideas and exploring new platforms. I think it's also important to get the basics right and do the 'simple' things well.

Q. Can you give an overview of the Content Marketing Solutions business?

A Our CMS business helps asset management firms to create high-quality content for their target audiences. Our team works closely with clients to gain a deep understanding of their strategy and marketing needs so that we can provide market-leading custom solutions. Combining our audience insight, industry knowledge and marketing expertise we design comprehensive projects, ranging from roundtable debates to fund-focused infographics. The fund market is more competitive than ever, and it is vital that groups can cut through the noise with powerful content.

Q. What has been the development journey?

A When we launched CMS in 2016 we had limited expertise in creating content on behalf of clients and decided to partner with an external content provider as an immediate route to high-quality content. As we became more confident with the creation process and started building stronger relationships with our clients, we decided to bring our content creation in-house. Not only has this transformed the profitability of CMS but it has given us back control over creative direction, project management and allowed us to develop our own style. This overhaul has also made CMS a much more compelling opportunity to our clients.

Q. What is the most important thing for success?

A Complacency is the enemy of progress and, as a team, we are committed to constantly learning, developing new ideas and exploring new platforms. I think it's also important to get the basics right and do the 'simple' things well. If you build strong foundations, you give yourself a fantastic launch pad from which to grow. The content marketing industry is ever-changing and competition in this area is rife so it is important that we keep evolving to ensure we can continue to provide the best service for our clients.

Natalie Kenway
Global Head of ESG Insight (Editor – ESG Clarity)

Perhaps the biggest development has been our global expansion; ESG Clarity has been rolled out into Asia, in association with Fund Selector Asia, and in the US, powered by InvestmentNews.

Q. What has been driving the momentum in interest in ESG?

A I joined ESG Clarity as editor in February 2020 at a time when Greta Thunberg and David Attenborough had brought the very real climate change threat to the forefront of society's minds. Momentum in responsible investing had been gradually climbing as a result, but the COVID-19 pandemic has very much accelerated the interest in ESG as the market fall-out has highlighted the resilience in sustainable business models. Appetite for ESG solutions is building, with more fund selectors than ever considering ESG factors when constructing portfolios.

Q. How does ESG Clarity help investors?

A Our aim is to assist fund selectors on how to integrate ESG into investment and business processes, how to select ESG funds and look under the bonnet of ESG solutions to identify those that are truly walking the walk and not just paying lip service (greenwashing). We also share how the ESG landscape is evolving and how demand from investors is increasing and becoming more sophisticated, as well as how ESG can add value and educate investors on how they can have a positive impact on the environment and society through their investments and savings.

Q. What have been the major developments in the last year?

A ESG Clarity has undergone a complete overhaul with a website revamp, e-zine and podcast launches and the development of our Responsible Ratings Index (RRI). In addition, we've built partnerships with trade organisations and the United Nations who now contribute a monthly column. Perhaps the biggest development has been our global expansion; ESG Clarity has been rolled out into Asia, in association with Fund Selector Asia, and in the US, powered by InvestmentNews.

Gareth Wilde
Managing Director, Asia

The overall bottom line financial performance of the Asia business actually improved year on year for 2020.

Q. How did COVID-19 affect the Asia business and how did management overcome these challenges?

A Swift implementation of measures in January prevented full lockdowns; however, the general uncertainty meant all aspects of the business were severely impacted right from the start of the year. Prudent cost control, including a voluntary reduction in working hours, coupled with successful utilisation of the relevant government support schemes, meant that all staff positions were able to be retained and several vacant positions were filled during the period. The overall bottom line financial performance of the Asia business actually improved year on year for 2020.

Q. What new initiatives have been launched in Asia in 2020?

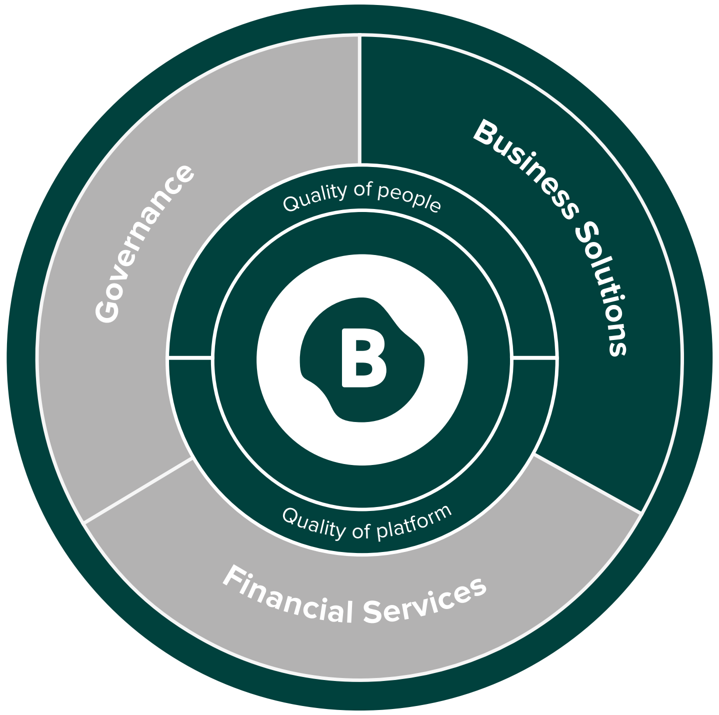
A The switch to virtual events has led to new ways of working and new product offerings. The business was able to run several hybrid events that consisted of audiences physically gathering for events, where local restrictions permitted, and speakers and sponsors remotely dialling-in to present and participate in discussions. This is likely to be the format that precedes a full return to physical events. We have also launched our new "Spotlight On" series, which combines content creation, distribution, and live panel discussions. It has been extremely well received by the market and replicated in other parts of the business.

Q. How does Asia fit within the global business?

A The Asia market potential is clear and significant. Nuances across the region between different countries pose challenges to growth but the experience of the Asia team and the reputation of the brands mean we are extremely well positioned. Integration and collaboration with the global Group have progressed significantly. It will be of great benefit to the whole Group as the sharing of best practice and knowledge continues between regions and clients see us, and work with us, as a truly global partner.

Our Communities | Business Solutions

Supporting business



Business Solutions Highlights

£941k

Total revenue in 2020

5.981m

Private sector businesses in the UK

Audiences

Senior technology leaders
The core audience for Information Age consists of senior and mid-level technology decision makers, including CIOs, CTOs, CISOs and heads of IT, as well as CEOs and founders of technology businesses.

Small business owners
Small Business is the #1 website for owner-directors of small businesses in the UK. It is mainly used by the owners of microbusinesses (fewer than ten employees). There are 6m small businesses across the UK and 96% of these are microbusinesses, according to the ONS.

Scale-up businesses
Growth Business targets a niche but high value audience of faster-growth scale-up businesses (annual 20% plus profits growth). According to the Business Growth Fund, there are around 300,000 such scale-ups.

Our offering

Our Business Solutions brands offer insight and analysis to ensure that our audiences can make informed decisions. We help businesses to build, grow and thrive successfully by providing business advice, professional commentary, updates on legislation, guidance on incorporating technology and resources for maximising profits and revenue streams.

- Business advice & professional commentary
- Updates on latest legislation
- Guidance on incorporating technology
- Resources for maximising profits & revenue streams
- Peer networking

Our brands

Information Age

small business.co.uk

growth business.co.uk

Jessica Tasman-Jones
News Editor

Business Solutions update

The core of the Business Solutions group is comprised of the three websites and several event-based brand extensions covering the practical issues faced by professional audiences. Business Solutions had a strong year of growth in 2020, both in audience numbers and revenue.

SmallBusiness.co.uk had 4.5 million visitors to the site over the course of the year, an increase of over 120% year on year, viewing 7.4 million pages. The brand saw 36% growth in revenues benefitting from an email subscriber base that grew fivefold as the UK SME community managed the impact of COVID-19. The editorial strategy of timely coverage and support for businesses ensured that the website performed well in terms of engagement throughout the year, a trend that has continued into 2021 where page views have nearly doubled year-on-year (up 92%) in January.

Through the national lockdowns both Small Business and Information Age grew as their target audiences increasingly turned to them for advice and support. With no live events to attend, Information Age's audience turned to the site for a series of virtual events under the banner of the 'Information Age Summits'. These were 22 high-margin events supported by a broad range of commercial partners looking to connect with prospective enterprise customers.

Record numbers of new businesses are being created in 2020-21 through a rise in entrepreneurship as we emerge from the COVID-19 pandemic, so Small Business is well positioned to continue to help business owners to start, manage and grow their businesses.

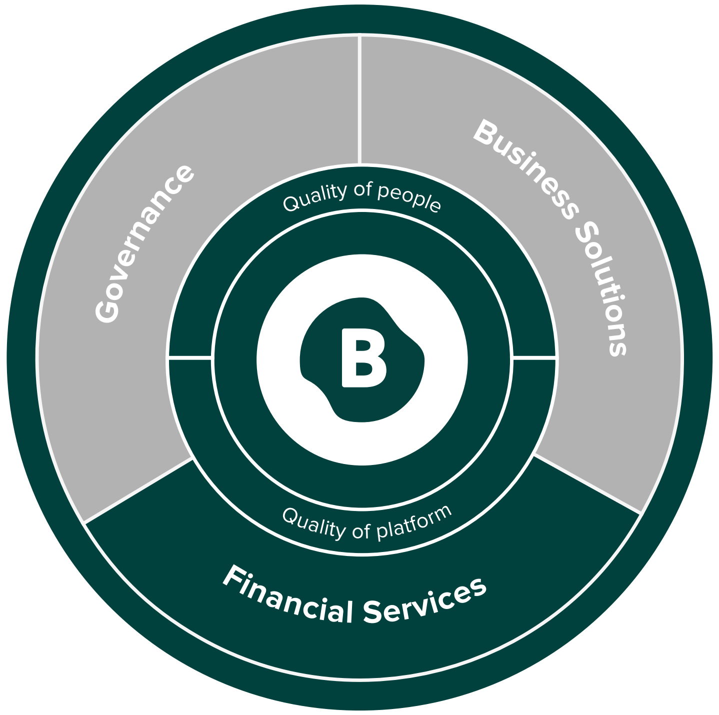
Revenues in the Group have been further diversified over the course of 2020 and now comprise more non-ad based revenues and a broader customer base.

Customer or lead-generation has become an important growth area across the brands, with an increased focus on developing market-leading data and solutions for our customers.

2021 will see all Business Solutions websites redesigned and relaunched, optimised for continued growth with audience expansion and segmentation.

Our Communities cont. | Financial Services

Primed growth



Financial Services highlights

£16.49m

Total revenue

162%

Increase in ESGClarity.com total page views

Audiences

US financial advisers

InvestmentNews reaches a total audience of 1.6m Financial Services professionals in the United States through digital, print, podcasts, social media, research and events. Our influential audience manages more than $23T of assets, and is comprised of registered investment advisers, independent broker dealers, and wirehouse advisers. We strategically target vertical market segments with a focus on retirement planning, ESG, female advisers, regulatory issues, tax planning and Fintech.

Global financial advisers (ex-US)

We service the global intermediary market through our International Adviser channel. This targets those professional advisers that uses cross-border insurance, investment, and pension products on behalf of their high-net-worth clients. We provide news and analysis to this global audience across the UK, Middle East, Asia, Europe and South Africa.

Our offering

Across our Financial Services suite we educate audiences by providing vital insights and analysis. We share industry news and views, investment and financial planning guidance, data and research, and regulatory updates to help financial professionals and private investors make better informed decisions.

- Industry news & views
- Investment & financial planning guidance
- Data & research on industry trends
- Structured B2B networking
- Regulatory trends and analysis

Our brands

- INTERNATIONAL ADVISER
- PORTFOLIO ADVISER
- EXPERT INVESTOR
- FUND SELECTOR ASIA
- ESGCLARITY
- InvestmentNews
- what investment.co.uk

Fund selectors & fund buyers

Through our Portfolio Adviser, Expert Investor & Fund Selector Asia channels we support professional investors across the UK, Europe and Asia. Our team of experienced journalists delivers timely and insightful news and analysis to fund selectors, wealth managers, private bankers and financial advisers specialising in investment.

ESG-conscious investment professionals

ESG Clarity is our dedicated channel for fund selectors globally who incorporate ESG thinking into their workflow. Its target audience is wholesale investors (fund selectors, private bankers, wealth managers, investment advisers, retail bank distributors) but also serves large institutional asset owners, in the UK, Europe, Middle East, Southern Africa, Asia and the USA.

Private investors

What Investment is the oldest consumer monthly magazine for private investors in the UK. It is aimed at those who actively engage in managing their and their families' investments held in pensions and investment wrappers, as well as individual equities and property. There is a particular focus on investment trusts and open-ended investment funds, which includes comprehensive independent performance statistics provided by leading data provider, Morningstar.

Harriet Noble
Business Development Manager

Last Word update

Last Word is a media, events, content, and research business serving the fund selection and financial advice communities across the UK, Europe, Middle East, South Africa, and Asia.

Its primary function is to enhance the interaction of asset managers with their wholesale distributors. 2020 was a year of both challenges and opportunities. Face-to-face events are the largest part of the business and, unfortunately, COVID-19 meant that nearly all of these events were affected. The business quickly adapted to a new virtual format and, by the end of the year, had run a greater number of events than were originally planned but at reduced revenues.

> The business is now, operationally, more efficient, with greatly improved margins. Signs are very positive for 2021, with forward bookings tracking ahead of expectations and a return to face-to-face events anticipated in the Autumn.

Brexit had already had an effect on the European business and COVID-19 accelerated our plans to greatly reduce our exposure through print and events. However, every other part of the business performed well. We saw an increase in web traffic across our editorial brands and our bespoke content business exceeded expectations, surpassing its original budget. We continued to grow our portfolio of products in the booming ESG space, both in the UK and internationally with products that use business intelligence to generate recurring revenues. 2020 also saw the completion of the business management restructure at the end of the post-acquisition earn out period, the move to a new CMS system and the migration of our websites to a new platform. The business is now, operationally, more efficient, with greatly improved margins. Signs are very positive for 2021, with forward bookings tracking ahead of expectations and a return to face-to-face events anticipated in the Autumn.

InvestmentNews update

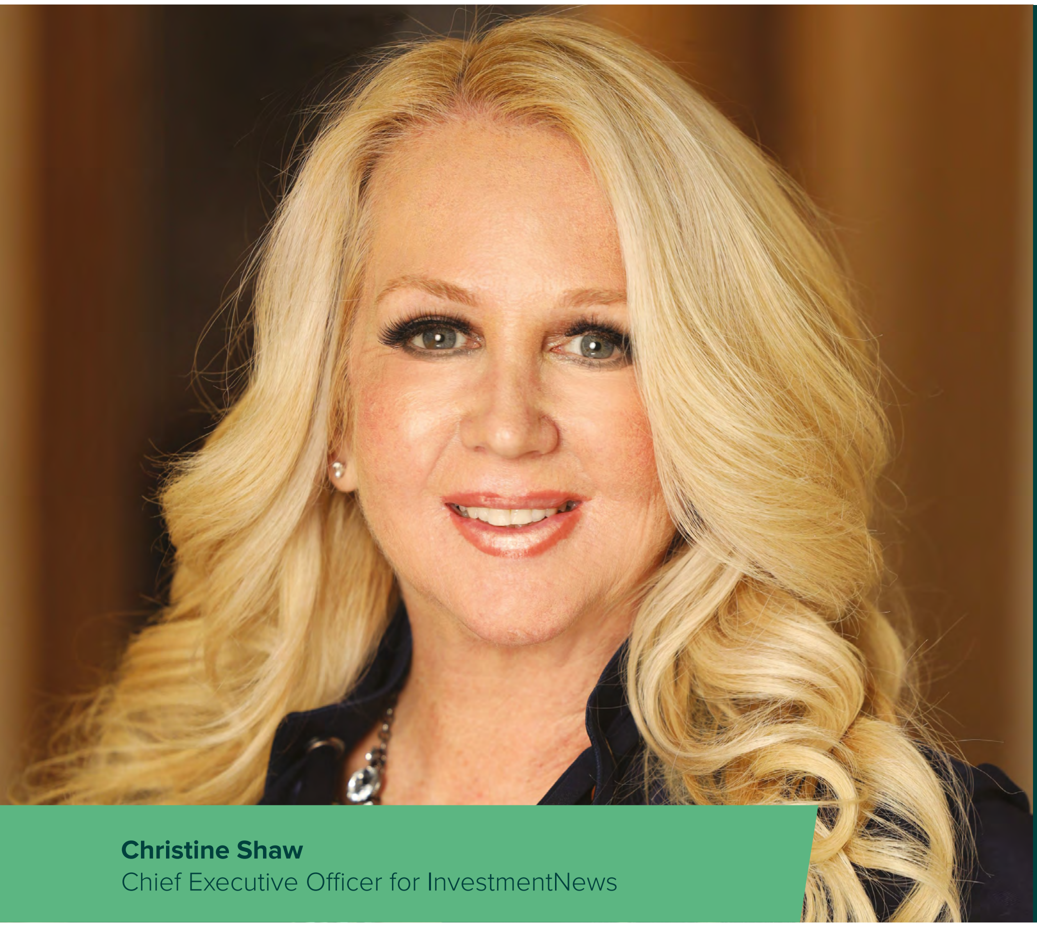
2020 left an indelible mark on the financial advice community, but while the focus has been on the challenges, the learnings from the year created meaningful opportunity and acceleration of our transformation to becoming more digital.

Two themes resonate for the IN audience: the dependence on robust, state-of-the-art technology and continued rapid growth in the Registered Investment Adviser market. The onset of the pandemic immediately put the focus on the adoption and use of technology and highlighted the need for Financial Services professionals to have a robust technology in place to succeed. Additionally, managing a remote work environment, the convergence of financial advice services – wealth management, retirement planning and long-term health – required advice firms to invest in additional tools that enable greater collaboration with clients in a variety of formats, thus creating an opportunity to deliver hyper-relevant content to these markets. We continue to see a rise in RIA firms (more advisers going independent).

Market research firm Echelon Partners' annual deal report noted that 2020 was the eighth consecutive record in terms of deal activity, and the raw number of $1B+ deals jumped to 111 from 64 in 2019. The key point of the market for IN stems from the mixture of deals, because while M&A of existing firms led the way, a full 30% of the deals were breakaways. The size and number of deals is poised to continue into 2021.

Our Communities cont. | Financial Services cont.

Deeper integration



Christine Shaw
Chief Executive Officer for InvestmentNews

InvestmentNews highlights

19
Virtual events conducted in 2020

44
Employees

The first thing we did was to ensure the team had both the technology and tools to operate in a remote environment. Because we had that in place, we had no down time in making the transition to working remotely.

In conversation with Christine Shaw

Q. COVID threw the market into disarray, how did IN adjust its efforts to keep meeting client and user needs?

A IN pivoted quickly at the onset of the pandemic in March 2020 to meet our adviser audience where they were at that point in time. From a content perspective, we shifted our coverage and analysis to provide timely coverage and in-depth insights on what was happening in the financial markets, and the impact it would have on advisers' business.

In keeping with the theme of digital transformation that we entered the year with, we launched a digital edition of our premium magazine to ensure our subscribers were still receiving our content through an interactive digital format. We launched a series of 'Navigating 2020' webcasts that were popular in helping our audience navigate the unprecedented times and encouraged them to be proactive in adopting new practices to grow their business. Also, our traditional journalists adapted new media formats and launched the IN Podcast in July 2020, which has helped give a voice to our newsroom, and foster important conversations with leaders in the industry.

Overall, a big focus for the team is continuing to produce integrated content across multiple platforms that give advisers the information they need at the right time – hyper targeting our audience.

Q. Events are a large part of IN, how did the IN team adjust?

A The IN events team added a new set to their existing responsibilities last year in a big way. Content development, operations, and marketing took on a new meaning, and we were able to facilitate over 20 virtual events in the back half of 2020. In addition to adopting new digital platforms for these events, we integrated networking opportunities and social conversations to augment the user experience and respond to advisers' desires to interact with other event attendees.

We are extremely proud of our Women Adviser Summits winning the Best Virtual Event series award from StreamGo, as part of their Online Virtual Awards for 2020.

Q. What steps did IN take to deepen its reach into important client segments?

A We did a lot of outreach and listening to our adviser audience this past year. Recognising that our audience had a deep need for knowledge across several vertical market segments within Financial Services, we launched several content communities around these topics, including microsites, new events, podcasts, and webcasts. Our focus areas included ESG, Retirement Plan Advisers, Fintech, and content tailored for female advisers. We will continue to hone these content experiences and launch new communities around ultra-high net worth financial advice, next-gen advisers while strengthening focus on the larger RIA community in 2021.

Q. What new platforms will IN develop over the next year?

A In addition to the expansion and launches of the microsites mentioned, we are working to provide a better user experience for both our users and advertisers. This includes a new events platform that will provide deeper integration with our CRM and enhancing our database as we continue to leverage technology that serves content to our users based on their top areas of interest. To enhance our capabilities on the content marketing side, we are developing several content partnerships with our clients using the Ceros platform, which allows us to co-create infographics, video, and research that allow for a more dynamic content experience.

Overall, a big focus for the team is continuing to produce integrated content across multiple platforms that give advisers the information they need at the right time – hyper targeting our audience.

Q. What have you done to set your team up for success in the past year, and what has surprised you most about the team you've built?

A The first thing we did was to ensure the team had both the technology and tools to operate in a remote environment. Because we had that in place, we had no down time in making the transition to working remotely. We communicated frequently and we were clear with decisions and allowed people more flexibility with their schedules. We took employee surveys to check-in on their health and wellbeing, along with offering sessions on related topics. What has surprised me the most is the resiliency and productivity of the team. It has not been easy for most people to be operating in a global pandemic but somehow the team has managed to navigate this and we all feel that we have gotten to know each other better.

InvestmentNews timeline

January 2020
InvestmentNews launches new branding including new logo, incorporating the multitude of platforms available to our users in addition to the premium magazine.

March 2020
InvestmentNews pivots to all remote working, implements the top technology and tools to successfully navigate the pandemic and new ways to communicate with clients. In addition, we launched our first recurring podcast series, Her Success Matters.

April 2020
InvestmentNews launches a digital edition of the premium magazine and a new website design, ensuring advisers have instant access to the information they need to accelerate their businesses whilst working remotely.

May 2020
Women Adviser Summit launches virtually, kicking off a year-long slate of virtual events in light of COVID-19 restrictions.

June 2020
InvestmentNews launches the ESG Clarity US microsite, and a new weekly podcast – The IN Podcast.

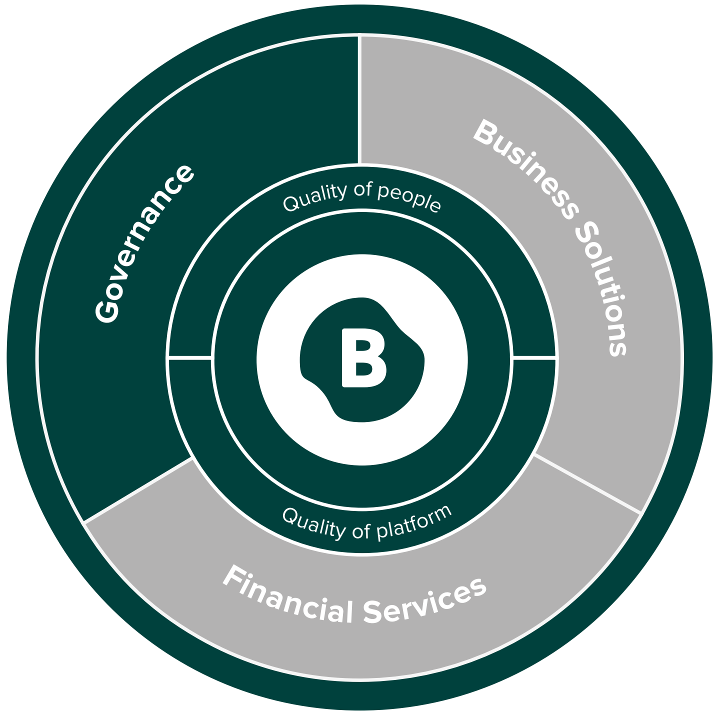
October 2020
InvestmentNews successfully launches first Fintech virtual event, paving a path to expand on Fintech content across multiple platforms.

December 2020
InvestmentNews wraps up its 19th virtual event of the year, being recognized as one of the top Virtual Events platforms of 2020 for the Women Adviser Summits.

Looking forward →
Strengthening our audience growth through technology and insights, we will continue to launch new products which include: the RIA Summit and ESG Global Event in May, and ongoing expansion of our Fintech solutions.

Our Communities cont. | Governance

The culture of business



Our offering

Our Governance channel supports organisations with their policies, processes, systems, and behaviours to ensure that they align with legislation. We share best practice guidance, regulation updates and commentary, corporate governance case studies and create community forums for collaboration and networking within DEI.

- Best practice guidance
- Regulation updates and commentary
- Forums for collaboration and networking
- Corporate governance case studies
- Research & insight

Our brands

DiversityQ – FOR A DIVERSE & INCLUSIVE WORKPLACE

WOMEN IN FINANCE SUMMIT & AWARDS SERIES

WOMEN IN IT SUMMIT & AWARDS SERIES

WOMEN IN ASSET MANAGEMENT SUMMIT & AWARDS SERIES

Governance highlights

£1.31m

Total revenue

4,463

Virtual audience: DEI professionals registered for virtual events in H2

Audiences

Senior D&I business professionals
DiversityQ supports Board members, senior managers and HR directors to create D&I best practice and attract and retain talent from across the full spectrum of the working population.

Financial Services professionals
We target global Financial Services professionals across banking, asset and wealth management, accountancy and insurance with our Women in Finance summits and awards series.

Technology professionals
IT & technology professionals across multiple industries globally are serviced by our Women in IT summits and awards series, with a particular focus on large, high valued sectors such tech and finance.

US asset management C-suite
Our Women in Asset Management Summit and awards series is aimed at CIOs and directors of US asset and wealth managers, fund managers, and portfolio analysts.

Governance update

The governance portfolio aims to tackle the practical issues surrounding diversity within all industries globally, but with a particular focus on the IT, finance and asset management industries.

Progressive businesses 'get' the issues around diversity but are now looking for practical solutions and guidance to create a truly diverse working environment. This mind set accelerated in 2020 in tandem with the emergence of the Black Lives Matter movement. Our brands support organisations in creating an inclusive and diverse workforce, working environment and business culture, and maximise the benefits of diversity through increased productivity, improved staff satisfaction, creating a more sustainable business model and consequently enhancing corporate returns. Prior to March 2020, the governance group consisted mainly of the gender focused 'Women in' international awards programmes and summits. The pandemic lockdowns halted all the planned 23 live events in multiple international geographies. But by July, the Group had reinvented this and delivered 14 higher margin virtual events in the second half of 2020, exploring much wider themes than gender diversity, including ESG in technology and more content focused on General Diversity issues. This shift to a digital-first model has helped to build a significant database of diversity and inclusion practitioners and leaders. This data led to the development of new content for the events in 2020 and is shaping future products and activities for the community. 2021 sees us propel our diversity website DiversityQ to become the lead governance brand, with a new hub for our 'Women in' Series and much more in the pipeline.

Kelly Humphreys
Marketing Manager

Roberta Masseretti
Senior Event Coordinator

Strategic Report
Governance
Financial Statements

Section 172(1) statement

Adding value for everyone

Our stakeholders

Stakeholders are at the very core of our business. Success in our field is dependent on effective and tailored engagement with these groups to ensure a fair and positive business model. We prioritise matters that are important and are cognisant of the need to build value for them.

Dylan Emery
Director of Research

Response to COVID-19
The welfare and safety of our staff remains our prime concern. We made every effort to communicate with our staff in a timely fashion so they could efficiently transition to remote working and remain connected to the business.

We assessed the government support available to support the business and utilised in an appropriate fashion.

We were committed to maintaining a constant support system for staff, so they remain informed, comfortable to express their views, and updated on the Company's progress through the pandemic.

New divisional structure
Our primary aim was to give a degree of autonomy and P&L responsibility to our new MDs whilst making sure we achieved our global ambition.

Individual business unit responsibility requires the management of Group-wide need prioritisation so that investment and development tasking is made in the right areas.

The creation of internal global services requires training, Group-wide best practice and sensitivity to local knowledge and culture.

Transition from live to virtual events
To pivot a large % of our historic revenues with limited prior experience required a strong technology partner. Finding and developing the trust with that partner during a rapidly changing time required careful handling.

To utilise our knowledge and partners on a global basis required all parties to have confidence in a new and evolving platform.

Investment in technology
The transition to a single technology platform and the streamlining of technology providers required a sensitive approach to historic relationships and contracts, change management for staff and made more complex by remote working.

The Board recognises its duty to consider the needs and concerns of the Group's key stakeholders during its discussions and decision-making.

In accordance with Provision 5 of the 2018 UK Corporate Governance Code, we set out below how the Group engages with its key stakeholders. More information on how the Directors have discharged their duties under section 172(1) of the Companies Act 2006 is also available in the rest of this Strategic Report and the Corporate Governance Report.

The Directors have ongoing engagement with all our key stakeholders: Our People, Our Communities, Our Investors and Our Partners. The Directors continually review the impact that any decisions will have on these key stakeholders.

The key Board decisions made in the year are set out below:

Significant events/decisions	Stakeholders impacted	Considerations
Restructuring	All	• Impacted departments were consulted in respect of changes to job descriptions. • Where possible staff were consulted to re-deploy to available roles.
Investment in technology	People and partners	• Delivering a better and more efficient product for our customers and communities. • Allowing our employees to be as efficient as possible using technology.
Responses to COVID-19	People, partners and customers and shareholders	• Extensive engagement with our people to ensure safety and safeguard jobs to the fullest extent possible. • Engaged with shareholders to ensure sufficient working capital in the business. • Working with our customers to provide relevant products throughout the disruption caused by COVID-19.

How we engage with our stakeholders are set out below:

Our people
Engagement
We engage with our people through a variety of means, including employee surveys, staff meetings, quarterly Company updates, knowledge sharing and open-door leadership.

Frequency of engagement
Ongoing

Impact on our business
High

Our communities
Engagement
Our communities are at the centre of everything that we do as a business. We have built our three core propositions around them and engage with them through Events, Business Insight and Data & Analytics.

Frequency of engagement
Ongoing

Impact on our business
High

Our investors
Engagement
We engage with our investors through AGMs, formal quarterly review meetings and regular updates.

Frequency of engagement
Monthly/Quarterly

Impact on our business
High

Our partners
Engagement
Formal meetings are regularly conducted to present business and product updates and share insights and research. Day-to-day contact is maintained for ongoing partnerships.

Frequency of engagement
Ongoing

Impact on our business
High

Our responsible business

Our commitment to a sustainable future

Brooke McKinnis
Financial Controller

Our values

The continued transformation of Bonhill Group has strengthened alignment with our values: passionate about our communities; creating exceptional value; striving for excellence; and maximising the potential of our people. The passion for the communities we serve and the exceptional value is indisputable in the content and commitment to the messages and quality of information delivered. The drive for excellence as our people adapted to a remote world is evident from the quality of our seamless virtual events and reporting. Our people obtained new skills in pivoting our offering in challenging times providing the opportunity to excel and flourish. And at all times, an inclusive, collaborative, courageous and respectful environment was maintained.

Inclusive

Collaborative

Courageous

Respectful

What we did in 2020

Negating the impact of COVID-19/Moving to WFH
In preparation for the possibility of working remotely, technology was tested in advance to ensure this could withstand such a transition and as the pandemic continued, our people were able to obtain equipment from the office to further support working from home when safe to do so. Collaboration was key in ensuring our offering could continue to service our clients and stakeholders.

The wellbeing of our people was and continues to be of paramount importance. From the first week of home working, the CEO commenced a weekly round up sharing insights to his personal remote working situation as well as updating on the status of the business and celebrating successes on a brand, team and individual level.

Our people were engaged to complete a Remote Working Survey on two occasions in Spring/Summer to get a sense of how they were managing at home; what changes and support they may need; and, to help shape our thinking as to what office environment we need to create for the future. A return to the office during 2020 was only ever going to be agreed on the condition of three tests being met: Is it essential? Is it safe? Is it mutually agreeable? In our judgement, we were unable to answer all of these questions positively at any one time however, occasional use of the office with a limit on numbers was permitted in the final quarter to facilitate in-person team interaction and meet new hires.

Emily Quinn
Content Project Manager

Sulina Odwong
Marketing Manager

Employee communication
The wellbeing of our people was and continues to be of paramount importance. From the first week of home working, the CEO commenced a weekly round up sharing insights to his personal remote working situation as well as updating on the status of the business and celebrating successes on a brand, team and individual level. In addition to frequent team contact, regular wellbeing communications were circulated and people encouraged to share their remote working set up, for example, through the Working from Home series on LinkedIn. An Employee Assistance Programme was implemented and we adopted "self-focus day" every Friday – a day to limit collaboration, have space to think and support work-life balance. We have fully supported flexibility in working hours being mindful of limitations our people may have in their home set up and also to support home-schooling, messaging that productivity prevails over working hours.

Supporting our people through the transition
A series of internal talks on personal development topics was established, again involving the exceptional range of speakers we are able to work with. Volunteers to become Mental Health First Aiders were recruited for which the training will take place in 2021. Regular contact with those on furlough was maintained ensuring they were included on all internal communication. From July, when the usual employee engagement survey would have taken place, we adapted this to become a shorter "pulse" survey focusing on wellbeing during the pandemic and remote working and about working for Bonhill. These are repeated quarterly to build a picture of how our people are feeling. Results have been extremely positive with high engagement and the vast majority feeling supported by their manager, by Bonhill, having regular contact with others during the working day and having confidence in the decisions Bonhill makes for our people at this time.

Our ESG offering

ESG Clarity
Following recent global expansion, our ESG Clarity brand now educates investors in the UK, Europe, Middle East, South Africa, Asia and USA with the highest quality news, analysis, data-led articles, opinion, videos and much more to ensure they have the 'clarity' they need to embark on investing responsibly. Our editorially led, dedicated websites are designed to assist fund selectors on how to integrate ESG into their investment and business processes and how to navigate the evolving landscape.

DiversityQ
Progressive businesses are no longer concerned with how to just 'deal with' issues raised by the diversity agenda. Rather, they are now focusing on how to embrace diversity within their organisations, create an inclusive and diverse workforce, working environment and business culture, and maximise the benefits of diversity through increased productivity and improved staff satisfaction. These should, in turn, create a more sustainable business model and consequently enhance corporate returns.

DiversityQ Presents
In 2021 we launched *DiversityQ Presents*, the new hub for our growing 'Women in' Series and much more. We have listened to feedback and, over the next few months, plan to launch a variety of tools that will allow the *DQ and Women* in communities to voice their opinion on topics that mean the most to them and in formats that are accessible to all. These projects will include roundtables, training opportunities, seminars and podcasts, that will all sit under the DiversityQ brand.

Our responsible business cont.

Environmental

The pandemic changed our approach to our own environmental impact quite considerably.

As the scale of the pandemic emerged it was clear that our environmental impact was changing radically with the reduction in commuting for all 134 staff globally and the remote management of the business saw a halt to all domestic and international travel.

In the early part of the year the primary focus was our live event operation where our biggest changes have been within our event operations. For events, we use myclimate.org to compensate for our delegates' flight carbon footprint as well as using Olio in the UK to ensure that any leftover food is not wasted. We're dedicated to partnering with more sustainable venues (i.e. LED lighting, recycling stationery, local food suppliers) and are working hard to ensure that our events are paperless through: recycling delegate badges, substituting printed programmes with our events app, and replacing printed banners with digital signage.

As the scale of the pandemic emerged it was clear that our environmental impact was changing radically with the reduction in commuting for all 134 staff globally and the remote management of the business saw a halt to all domestic and international travel. The switch to virtual events reduced the impact previously described in live events and the temporary cessation of printing titles reduced our impact further.

As we plan for our post COVID world we have started several initiatives which will reduce commuter travel by offering a fully flexible working arrangement. The efficacy of remote management will reduce our international travel and we have now changed our US print supplier to one with more long-term sustainable credentials.

During 2021 we will conduct wider analysis of our total carbon footprint and, on completion of that exercise, seek to mitigate the impact where possible.

Our challenge in 2021 and beyond is to take the forced changes and turn them into long-term benefits and, now that we have returned to more stable trading patterns, we can plan, invest, and support a more structured sustainable future programme.

134

Employees working remotely

8%

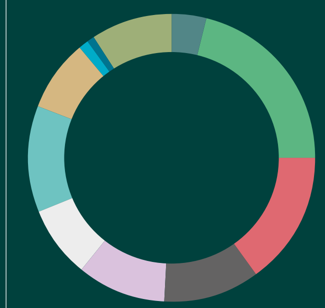
Cost-saving with new InvestmentNews print supplier

Social

The Company has benefitted in prior years from the work of the internal charity and social committee.

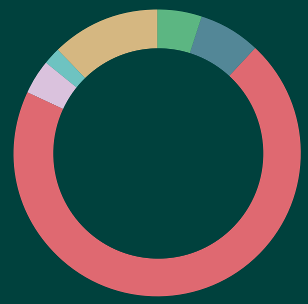
In 2020 our focus shifted to making sure we made every effort to communicate with the wider business. During the year we have surveyed our staff on a range of topics to makes sure they have a clear channel to voice their views. These surveys have shaped our thinking on future working arrangements, internal structure and support and staff benefits. We have undertaken a range of initiatives including a weekly update from the CEO and Town halls accompanied by creativity workshops to promote internal best practice. We celebrate a wellness week in January as well as International Women's and Men's day with a week-long calendar of events. We have focused on mental health awareness and colleague support whilst ensuring we do all we can to keep our team safe.

Group age



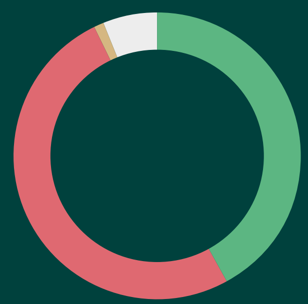
20-24	4%
25-29	21%
30-34	15%
35-29	11%
40-44	10%
45-49	8%
50-54	12%
55-59	8%
60-64	1%
65+	1%
NSp	9%

Group ethnicity



Asian	5%
Black/African	7%
White	70%
Mixed/Multiple	4%
Other Ethnic Group	2%
NSp	12%

Group gender



Male	42%
Female	51%
Other	1%
NSp	6%

We are equally pleased with the culture we have built remotely, and the sense of cohesiveness achieved in difficult circumstances and, as the statistics highlight, we are fortunate to have a strong, vibrant and diverse team.

Our challenge in 2021 is to keep moving forward on this path and, as appropriate, safely guide our team back into our fully flexible working arrangements.

Governance

The Board of Directors is responsible for the overall governance of the Group.

A strong employee risk aware culture is promoted within the business so that anyone is capable of highlighting any areas of concern and often employees meet with the non-executive Board to help understand specific issues or business areas.

This is then passed down to the various Committees which oversee Audit, Nomination, Remuneration and, in 2021, will include an ESG Committee. Risk is also covered separately by the Risk Committee, a part of the regular Audit meetings. This includes the identification, measurement, control and monitoring of relevant risks across the Group and making recommendations to the Board. These Committees sit a minimum of twice a year and the Board looks at all of the operating businesses on a monthly basis as well as holding 'deep dive' information sessions on specific business areas on a rolling basis. During 2020, and in the early days of the pandemic, we undertook a number of planning and strategy days to make sure we were all aware of the ever-changing threats and opportunities. Dialogue with managers and employees is encouraged to make sure that all information can be 'triangulated' to ensure its accuracy. The Board are invited to attend our regular virtual events as well as our internal creativity workshops and knowledge sharing sessions. A strong employee risk aware culture is promoted within the business so that anyone is capable of highlighting any areas of concern and often employees meet with the non-executive Board to help understand specific issues or business areas. The Board recognises the importance of its role in promoting the Company's desired culture and ensuring it aligns with our values: passionate about our communities, creating exceptional value, striving for excellence and maximising the potential of our people.

The management are responsible for developing the policies and procedures to ensure the values driving the Company's culture are implemented throughout the business.

The Board is led by the Chairman who is responsible for corporate governance as a whole and ensuring the Board is effective in directing the Company. The Board is responsible for the overall strategy and management of the Group. In 2020 the formal schedule of matters specifically reserved for the Board was reassessed to include current objectives and policies, financial reporting and controls, the approval of expenditure above a certain threshold, any investments or disposals over certain thresholds and shareholder communications.

The challenges of 2020 required more than the historic amount of time required by the Board and the additional time requirement, experience and quick decision making in an often confusing and changing situation were a key factor in navigating the pandemic.

Chief Executive's review

Centred on excellence

2020 was a difficult year for the Group with the impact of COVID-19. I am pleased that the business has responded well with a strong virtual events portfolio and an enhanced digital offering. The pandemic forced a reassessment of the business lines and we enter 2021 with our investment programmes and restructuring complete, improved and more efficient internal processes and strong customer relationships and some clear areas for growth.

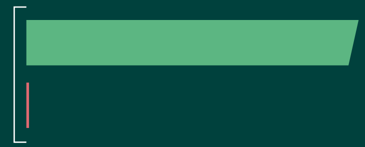
We have seen a promising start to 2021 and, with the challenges of 2020 behind us, remain confident that we will deliver an improved financial performance despite the changing landscape for live events.

Organic growth

Growth in Small Business registered subscribers

2020	4,767,965
2019	2,118,471

Growth in Virtual Events



2020: Virtual	102
2019: Virtual	0

Growth in DiversityQ registered subscribers

2020	143,625
2019	49,609

Introduction

2020 was an extremely challenging year for the Group, but one which we have weathered well, overcoming many obstacles along the way and emerging well organised and equipped to deal with the evolving environment ahead. Despite the impact of the global pandemic, we managed to complete the year in a robust position with a refined business model, improved propositions for customers, successful completion of our technology investment programme, greater global collaboration and a stronger Group identity.

The biggest direct impact of COVID-19 on the Group was the loss of revenue from live events due to cancellations and postponements, showing a 37% reduction in Events revenue in 2020 compared with 2019. Despite this, overall Group revenue in the year was only down 27% against the previous year. Additionally, gross margin increased by 13% to 80% compared to the preceding year as the Company continued its transition to a more digital-first product offering.

COVID-19 required a wholesale change to our Events proposition. Initially, we had to postpone and then, in the vast majority of cases, cancel all of our global live events and then convert our offering to virtual which saw excellent support from both attendees and sponsors. The net result is that the Group's Events revenue, which was £9.6 million (representing 39% of total revenue) in the year ended 31 December 2019, delivered £6.1 million in the year ended 31 December 2020 ("FY 2020" or the "Year"), of which £1.5 million was from live events held pre-pandemic and £4.6 million from the 102 virtual events run between March 2020 and December 2020.

Our work on re-engineering the Group helped us counter this reduction in revenue and we also developed new product pipelines. We delivered a range of new products in our various titles and saw good growth with new products in SmallBusiness.co.uk, part of our re-branded Business Solutions division, in our Fintech offering in the US, as part of InvestmentNews ("IN"), and in our Content Marketing business, Last Word Create, that was only launched in January 2020. ESG Clarity, a UK and European proposition, was successfully launched in both the US and Asia in the year. These activities reflect the ongoing need to provide solutions for clients and are testament to the strength of our brands and relationships with clients, which have enabled us to be innovative.

Global uncertainty means clients are seeking to better understand their communities and to find more effective ways to communicate with them. We are continuing to develop new products in 2021 and have six global initiatives running to help rebuild our revenues. One of which, Fintech for Advisers, has already been launched in the US, and ESG Clarity, which now operates on a global basis, has launched its first global ESG event in May 2021.

Financial information

Revenues for the Year were £17.8 million (2019 £24.4 million). The Company delivered a strong second half of the Year ("H2") with £10.1 million of revenue, compared to £7.7 million reported in the first half ("H1"), and adjusted EBITDA of approximately £1.55 million (H1: £1.69 million loss). This was a result of the swift and positive action taken during the early months of the pandemic. These revenue numbers exclude UK Government support of approximately £1.0 million which has been presented as part of the net operating expenses in the income statement. Adjusted EBITDA for the Year was £0.1 million (2019: £2.3 million), prior to an adverse year end foreign exchange movement of £0.2 million.

The result for the Year is in line with the Company's expectations based on the assumptions made in its announcement of the placing of new shares on 9 April 2020. It is important to recognise that this is a significant achievement given the protracted periods of lockdown during the Year and the uncertainty around the return of live events. Cash at 31 December 2020 was higher than expected at £1.3 million (2019: £1.9 million), although this does include the impact of deferring the £0.3 million VAT payment into 2021. As at 28 February 2021, cash was £1.6 million.

The Group incurred exceptional integration and restructuring costs in the Year totalling £1.4 million (2019: £3.6 million), mainly due to the final integration into the Group of each of InvestmentNews and Last Word Media ("LWM"), which were acquired by the Company in August 2018 and April 2019 respectively, as well as other restructuring costs relating to COVID-19 in all of the Group's businesses and the fundraising in April 2020. With all of the integration and restructuring now complete, we would not expect to see any adjusting items in the current year.

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Chief Executive's review cont.

Operational highlights

- A re-assessment of the entire business's activities in light of COVID-19, which led to restructuring, a focus on new product development to drive revenues, targeted investment in growing areas and the disposal of non-core activities.
- Wholesale change in the finance team to provide the analytics to inform business decisions, strong working capital and cash management to manage an uncertain future, improved budgeting and forecasting to achieve the right outcome.
- Virtual event success, 102 delivered from a standing start in Summer 2020, continued into 2021 with 40 planned for H1.
- Technology infrastructure investment completed giving a global IT platform – driving improved performance, better data and analytics capability and increased speed of new product development.
- New Executive Committee created and KPIs introduced to drive growth in business units and increase global collaboration across the Group.

Strategic review

COVID-19 forced us to look at every aspect of the business and it reinforced our view that we need to build a business of balance between revenue streams and a refocus on recurring revenue. We remain focused on the provision of Business Information, Events and Data & Insight in our chosen sectors and with a growing geographic reach. We aspire to build, manage and own market-leading brands with 'must have' products, that provide greater financial visibility via recurring revenue streams and strong cash generation. We have reorganised into two clearly defined global business sectors: Financial Services, and Business Solutions and Governance. Both of these divisions serve growing and constantly evolving markets and are extremely complementary. Increasingly, we have seen a sharp focus on Environmental, Social and Governance (ESG), both in the investment community, but also within the wider business community we serve. We believe this theme will be a core element of our offering across all of our communities and so we will develop products and offerings to reflect that change. ESG Clarity was developed into a global brand to reflect this theme and the launch of our global ESG task force in January 2021 and the launch of our inaugural global ESG event in May 2021, in conjunction with the UN, highlights how we are servicing this fast-growing area.

New divisional structure

Mid-year we made wholesale changes to the Group's model and operating structure to deliver cost savings, improved efficiencies and clear business unit ownership.

We remain focused on Financial Services with our strong presence in the UK, US and Asia. InvestmentNews is run by Christine Shaw and, in July 2020, Patrick Ponsford took over responsibility for Last Word Media in the UK, Europe and Asia, allowing me to concentrate on being Chief Executive of the Group.

Our previously known Technology business, led by Jon Seymour, which principally comprised Information Age, has been combined with Small Business, Growth Business and What Investment and rebranded as Business Solutions.

The newly formed Governance business (formerly Diversity), also led by Jon Seymour, is based on our leading Gender Diversity franchise the 'Women in...' series and the website DiversityQ. We have broadened our activities to include all aspects of governance and put them under the DiversityQ brand.

The leaders of these businesses are joined on the Group's Executive Committee by Sarah Thompson, Chief Financial Officer, Suzanne Tomlinson, Head of HR, and Simon Collin, Chief Technology Officer/Chief Product Officer.

This newly constructed team has been tasked with a number of key items and reportable KPIs:

- Change the business mix to replace lost event revenue with a growing level of subscription or recurring revenues;
- Increase the business areas' operating margin to achieve a blended Group operating margin (before depreciation and amortisation) of 15% by the end of 2023;
- Create a more stable employee base and recruit high quality individuals while retaining and developing existing staff; and
- Create engaging content that keeps us at the heart of our communities.

A new LTIP was put in place to incentivise this core team, details of which were announced in October 2020, and are contained in the Remuneration Committee report.

COVID-19 response

During 2020, the Company utilised a range of measures to navigate the COVID-19 operating environment. Self-help measures included restructuring and the implementation of a new divisional structure, new KPIs and incentives to focus on an increased level of recurring revenue, and new product development. External support included the Paycheck Protection Program ("PPP") in the US and the UK Government's Coronavirus Job Retention Scheme. There are currently no staff members on furlough and headcount across the Group at the end of the Year was 136 (31 December 2019: 162).

During 2021, the Company expects to see additional savings from supplier agreements including print, IT and services and reduced rental costs, both from the renegotiated lease in the US and from exiting the Company's head office, Fleet House, in May 2021. The Group continues successfully to operate remotely and although it is currently looking for a new head office, it will be at a reduced annual cost.

Financial Services

InvestmentNews

During the Year, InvestmentNews focused primarily on driving recurring revenue through increasing subscriptions and building a broader customer base through key vertical market segments, as well as continuing to develop its core offering to the US financial advisor market. It has launched three new products since June 2020: ESG Clarity US, a website focused on ESG investing; a FinTech virtual event; and RPA Convergence, a website focused on retirement planners. This has continued in 2021 with Fintech for Advisers. The speed at which new products can be launched is a reflection of the return on investment in the platform.

In the year, revenues were down 35% year-on-year, principally due to the lack of live event activity and pressures on print advertising as a result of stopping the weekly print title for three months. Most events were rescheduled into a virtual format and were successfully run in the second half.

During the year, there was encouraging growth in digital activity as a result of the investment in the website and enhancements to core offerings. Digital revenues were in line with the Board's pre-COVID expectations and we continue to see progress into 2021.

Of total revenues generated by InvestmentNews in the Year, Business Information accounted for 71%, Events 22% and Data & Insight 7%.

The decision to stop production of InvestmentNews' weekly print magazine and replace it with a digital version was taken in March 2020. Overall, there were £0.3m of savings from reduced print production and postage in the Year. Due to customer demand, a print version was restarted in July 2020 and is selling well in 2021. A new print contract was signed in February 2021 producing an 8% saving with a supplier with strong sustainability characteristics.

In August 2020, the Company exited the Transitional Services Agreement ("TSA") with Crain Communications, Inc ("Crain"), InvestmentNews' former owners, and, as set out above, in December 2020 renegotiated a new lease in the US away from Crain. The final payment to Crain under the vendor loan agreement is due in August 2021 and, as at 31 December 2020, $1.4m was outstanding. As at 23rd March 2021, this stands at $0.8m. While the exit from the TSA saw direct costs reduce by $0.2m in H2 2020, the services have been absorbed by the wider Group, including finance, ad ops, technology and associated operations.

With a completed technology investment programme, new enhanced core website, a developing portal strategy and continued strong engagement with a broadening client base, InvestmentNews is well placed to show double digit revenue growth in 2021.

Last Word Media

Last Word Media saw revenues impacted due to a historic focus on its 'Congress' live event format. Total revenues in the Year were down 36% (on a like-for-like basis) from the previous year reflecting the lack of live event activity between March 2020 and December 2020. The direct impact of COVID-19 saw all of LWM's planned Q2 events move into successful virtual formats in the final quarter of the Year.

In February 2020, and in advance of COVID-19, we took the decision to restructure the European business to better align our product offering to the broad European audience. This reduced headcount by 12, which, combined with the removal of the print version of Expert Investor, created annualised cost savings of £0.7m. Our European content is now focused on three key regions, Nordics, DACH and Southern Europe and with a greatly reduced events calendar.

Another round of restructuring was taken at the half year to reflect the outlook for live events and the originally planned end of furlough which resulted in a further seven redundancies creating annualised cost savings of £0.3 million.

The split of revenue by proposition generated by LWM in the Year was Business Information 49%, Events 44% and Data & Insight 7%.

Despite the challenges, LWM is now a much more streamlined business with a better split of revenues and its creativity and solutions mentality is working well. We worked hard to develop innovative formats with virtual events and new business areas. Three notable successes were the global rollout of the sustainability title, ESG Clarity; the commercial success of the launch of the Content Marketing business, Last Word Create; and the development of new products, including ESG MOTs and the Responsible Ratings Index at Last Word research. Last Word Asia's revenue was flat year-on-year at £0.9 million, which was a credible performance given the challenges faced in the region and the move to virtual events.

Business Solutions

Our Business Solutions division consists of:

- SmallBusiness.co.uk,
- GrowthBusiness.co.uk,
- www.information-age.com
- www.whatinvestment.co.uk.

The impact of the new leadership introduced in 2019 was extremely beneficial in preparing the business for the enormous spike in demand in SmallBusiness.co.uk and GrowthBusiness.co.uk during the early days of the pandemic. The audience increased fivefold in the first weeks of lockdown as people sought information on all aspects of the various UK Government initiatives. This continued throughout the Year with the changes in UK Government guidance and various initiatives which were put in place to help UK SMEs. The increase in the number of registered subscribers helped to drive the strong growth seen in digital revenues.

Media performed extremely well, up 43% in the Year compared to the previous year, due mainly to the diversification of revenue streams in the last 18 months and strengthening relationships with key clients. New lead-generation products, content-based partnerships and the growth in registered subscribers were the key drivers of growth.

What Investment had a strong Year with its revenues being 20% higher than those in 2019, driven mainly by the easing of the competitive landscape and the overall growth in personal investing driven by lockdown conditions. The launch of regular supplements and a recent redevelopment of the website and magazine should drive continued growth in 2021.

Information Age also had a strong 2020 with media revenue up 126% from 2019. This is a result of pre-COVID-19 changes feeding through and the broadening of revenue streams to include lead generation products, webinars and premium gated content.

Across Business Solutions and Governance, the combined revenue split by proposition in the year was Business Information 48%, Events 52% and Data & Insight 0%.

Growth Company Investor ("GCI"), which has published its monthly investment recommendation newsletter for private investors since 1996 and was originally part of Vitesse Media, the predecessor company to Bonhill, was sold to its editor in October 2020 for a nominal consideration. Bonhill Group is focused on the global B2B arena within Financial Services while GCI, with its B2C focus, was a strategic outlier. In light of the operating environment, the Board made the strategic decision to dispose of GCI. No other Group brands are up for sale.

Chief Executive's review cont.

Governance
Governance (formally known as Diversity) supports organisations with their policies, processes, systems and behaviours to ensure that they align with legislation. Historically, this principally awards-led business has successfully transitioned to both virtual formats and also to a multi-day summit serving multiple geographies.

We restructured the division in order to better align the global events teams, improve efficiencies and share best practice.

Ernest Attoh
Senior Marketing Executive

ESG
A strong feature of the Year was the variety of ESG initiatives which the Company developed in response to demand from both investors and providers in the area. We launched ESG Clarity in both the US and Asia and this global platform is well placed for the coming years. Approximately 50% of all current RFPs received by the Company have an ESG component and our events portfolio, research and data offerings and product set have been adjusted to reflect this fast-growing trend.

Technology infrastructure
With our initial post-acquisition technology investment complete, we are now augmenting that with targeted initiatives as we look to protect and grow revenues as well as to enhance operational efficiency. We have made significant upgrades to key websites and have implemented key changes to our technology to simplify and centralise operations with additional control processes. This includes a shift from using external agencies to FTE resources. We see the benefits of our investment programme in both the speed at which we can launch new products, but also the common standards and practice across the Group which has allowed greater global collaboration and the sharing of best practice.

Dividend
In light of the prevailing operating environment, and the Company's financial situation, the decision was taken not to recommend the payment of a final dividend with the Company's results for the year ended 31 December 2019 and similarly we will not be recommending the payment of a final dividend for the year ended 31 December 2020. It is our intention that the Board's intention that the Company should return to paying a dividend when it is appropriate to do so.

Outlook
The impact of COVID-19 forced the Company to take swift and decisive action to address the changing operating environment. These changes brought the Company closer together as it moved successfully into the virtual event arena and shared brands, product and revenue opportunities across the Group. This newfound unity and collaboration will serve us well in the future.

It is our aim to have a year of delivery for shareholders after the challenges of 2019 and the impact of the pandemic in 2020. The new Executive Committee, KPIs, and divisional structure are all in place to deliver that outcome.

We are constantly assessing the potential for the return of live events which will vary region by region, but the signs for a return of our Congress activities with Last Word Media in the second half of the year are encouraging and we will plan in line with the UK Government's four stage plan. InvestmentNews is exploring live activity in specific US States in line with the vaccine roll out, customer demand and local guidance.

As a result of the actions taken by the Company in 2020 to address its cost base, operating structure and implement a digital-first product set, and in light of the current operating environment, the Board expects to see revenue growth of approximately 12% in 2021 and to report EBITDA of approximately £1.2 million, excluding any Government support. The Board does not anticipate there being any adjusting items this year. The improvement in working capital management seen in H2 2020, strong cash conversion and the better-than-expected Year end cash position should lead to a further strengthening of the Company's balance sheet in 2021.

Summary
2020 was a difficult year for the Group with the impact of COVID-19. I am pleased that the business has responded well with a strong virtual events portfolio and an enhanced digital offering. The pandemic forced a reassessment of the business lines and we enter 2021 with our investment programmes and restructuring complete, improved and more efficient internal processes and strong customer relationships and some clear areas for growth.

We have seen a promising start to 2021 and, with the challenges of 2020 behind us, remain confident that we will deliver an improved financial performance despite the changing landscape for live events.

Simon Stilwell
Chief Executive
23 March 2021

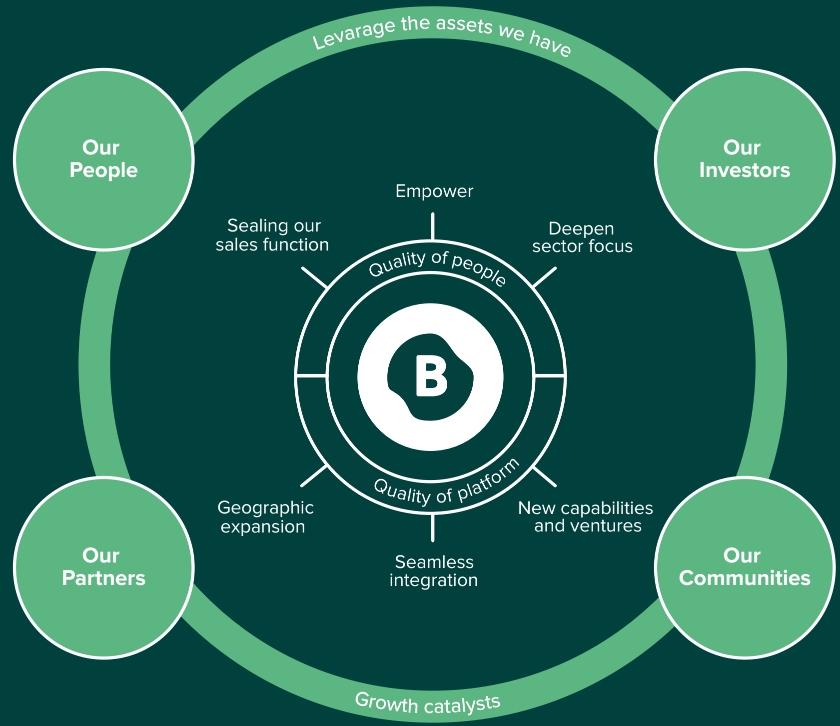
Enhanced structure

Better control of the business

Patrick Ponsford
Managing Director, at Last Word Media Ltd

Jonathan Seymour
Managing Director, Business Solutions and Governance

Suzanne Tomlinson
Group Head of HR



In 2020 the Committee executed both the changes required to immediately deal with the pandemic but to also plan for 2021 by working on a range of global initiatives that either exported existing brands to new geographies or created new products and revenue lines.

Executive Committee
As part of the restructure of the business post the initial assessment of the impact of the pandemic, we created a new Executive Committee in July 2020. The purpose was to give both operational and financial responsibility to the business unit heads and create a forum for all the heads in both the operational and support functions to come together and share best practice and increase collaboration across all brands and geographies.

Name	Management position
Simon Stilwell	Chief Executive Officer
Christine Shaw	InvestmentNews
Patrick Ponsford	Last Word Media
Jon Seymour	Business Solutions & Governance
Sarah Thompson	Chief Financial Officer
Suzanne Tomlinson	Group Head of HR
Simon Collin	Chief Technology Officer/Chief Product Officer

The team reflects both the commercial activities but also the technology, product and HR functions to align the essential elements in the Group.

In 2020 the Committee executed both the changes required to immediately deal with the pandemic but to also plan for 2021 by working on a range of global initiatives that either exported existing brands to new geographies or created new products and revenue lines.

Internally the Committee utilised a range of 'pulse' surveys to supplement their views of the staff which enabled an appropriate level of support for remote workers and maintained a high level of communications on the future workplace and the performance of the business in light of the constantly changing working environment.

Chief Financial Officer's review

An agile business

2020 was a tumultuous year for Bonhill as it was for many companies both in our industry and beyond. The ongoing revisions to UK Government guidance and the unforeseen protracted length of lockdowns in the UK and the US meant that we were unable to put on any live events from March to December 2020. Whilst the initial shock of the potential to lose up to a third of our revenue was worrying, management and all employees turned their focus to how we could adapt quickly to remain competitive in this environment.

Revenue and gross margin (see tables B & C)

Revenue reduced year-on-year by £6.6 million (-27.1%) to £17.8 million as a direct result of COVID-19 impacting the Company's ability to continue with live events as originally planned. However, through a change in product mix as described below, the reduction in gross profit year-on-year was only £1.9 milion (11.9%) and the overall gross margin actually increased by 13% to 80%.

Business Information revenue reduced year-on-year by 21% in 2020 to £10.7 million, but within this, digital revenue remained flat year on year at £7.6 million, and print revenue declined by 48% to £3.1 million. This was a deliberate change in product mix to migrate the business away from reliance on our traditional print magazines. This increase in digital was particularly seen in our Business Solutions business unit, where What Investment increased revenue by 20% from 2019, and our Small Business and Growth Business sites saw a combined increase in revenue of 36%. This shift from print to digital has realised benefits at gross margin across the Group with a combined 11% increase to 86% since 2019.

As would be expected, Events revenue was reduced by the largest amount in 2020 and was down 37% to £6.1 million (2019: £9.6 million). The conversion of our Events business to a virtual offering has been very successful and has accounted for a large proportion of the overall uplift in Group gross margin as we moved from 54% in 2019 to 71% in 2020. The absolute margin on virtual events is closer to 80%, but this blended margin reflects the 14 live events that took place in Q1 2020.

Data & Insight saw a reduction in revenue of 17% to £1.0 million in 2020, mainly due to reduced customer spending, a by-product of COVID-19. However, through an increase in gross margin from 71% to 81%, we have managed to maintain the gross profit figure which was flat on 2019.

Table A – Financial headlines

Key financials (£'ks)	Year ended 31 Dec 2020	Year ended 31 Dec 2019	Change £	Change %
Revenue	17,812	24,429	(6,617)	(27)%
Gross profit	14,334	16,273	(1,939)	(12)%
Gross margin	80%	67%	–	13%
Adjusted EBITDA	(146)	2,312	(2,458)	(106)%
Adjusted operating profit	(8,343)	1,387	(9,730)	(702)%
Statutory operating profit	(10,660)	(3,655)	(7,005)	(192)%
Cash	1,343	1,891	(548)	(29)%
Adjusted basic EPS	(10.41)p	2.24p		
Statutory basic EPS	(13.24)p	(9.28)p		

Table B – Revenue

	Year ended 31 Dec 2020				Year ended 31 Dec 2019	Change
	BSG[1]	LWN	IN	Group		
Business Information	1,218	3,063	6,414	10,695	13,564	-21%
Events	1,337	2,766	1,971	6,074	9,605	-37%
Data & insight	–	399	644	1,043	1,260	-17%
Total	2,555	6,228	9,029	17,812	24,429	-27%

Table C – Gross margin

	Year ended 31 Dec 2020				Year ended 31 Dec 2019	Change
	BSG[1]	LWN	IN	Group		
Business Information	69%	92%	86%	86%	75%	14%
Events	66%	69%	77%	71%	54%	32%
Data and insight	0%	92%	85%	81%	71%	14%
Total	65%	82%	84%	80%	67%	21%

[1] BSG – Business Solutions and Governance, LWM – Last Word Media, IN – InvestmentNews.

> The conversion of our Events business to a virtual offering has been very successful and has accounted for a large proportion of the overall uplift in Group gross margin as we moved from 54% in 2019 to 71% in 2020.

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Chief Financial Officer's review cont.

Operating costs (see table D)
(excl. depreciation, amortisation, lease payments under IFRS 16 and share based payments)

One of the positives to come from 2020 is that we have been able to spend time focusing on fully integrating and improving our back office systems and platforms and finalising the technology work that had been ongoing since 2018. Not only will this reduce costs and drive operational efficiencies, it will also allow management a much clearer view of the financial performance of the business.

To review the underlying cost base of the business, we need to acknowledge two key points. One, that the acquisitions and subsequent integrations of LWM and IN have resulted in one-off costs to the business and two, that we need to include a full year of LWM costs, rather than the eight months of (post acquisition) costs as reported in the 2019 accounts. The second half of 2020 marked the point at which all the integration and restructuring work was completed and therefore all future costs were now processed as being purely operational and would no longer be treated as "adjusting".

Year-on-year the underlying cost base of the business has reduced by £2.4 million.

While both staff and IT costs look to have increased year-on-year, these are the two areas that have been most affected by the integration work and therefore are most inter-twined with the adjusting items.

Throughout 2020, there has been a huge amount of change to the employee base as the Company has restructured itself post-acquisitions and post COVID-19 to be better positioned going into 2021. Whilst there is a net headcount reduction of 41, there have been 89 leavers and 48 joiners, bringing in new skills and perspectives as our product offering evolves.

Table D – Operating costs

	Year ended 31 Dec 2020	Year ended 31 Dec 2019[2]	Change £	Change %
Staff costs	12,472	12,267	205	2%
IT	974	325	650	200%
Legal & Professional	610	596	14	2%
T&E	115	774	(659)	-85%
Office costs (excl. IFRS 16 rent)	327	612	(285)	-47%
Other costs	1,007	1,011	(5)	-0%
Total operating costs excl. adjusting items	15,505	15,585	(80)	-1%
Adjusting items (see note 3)	1,429	3,747	(2,318)	-62%
Total operating costs	16,934	19,332	(2,398)	-12%

[2] Includes a full 12 months of LWM for comparative purposes. Please note these are unaudited, proforma numbers.

Headcount[3]	BUK[4]	LWM	IN	Group
Opening	52	75	50	177
Starters	17	9	22	48
Leavers	(24)	(38)	(27)	(89)
Closing	45	46	45	136

[3] Defined as number of people paid via monthly payroll

[4] BUK equates to Business Solutions & Governance plus centralised, Group functions.

Table E – Cash and net debt

	Year ended 31 Dec 2020	Year ended 31 Dec 2019
Cash	1,343	1,891
Borrowings	(1,060)	(2,614)
Lease liabilities under IFRS 16	(184)	(1,600)
Net cash/(debt)	99	(2,323)

Table F – Trade debtors

	Year ended 31 Dec 2020	Year ended 31 Dec 2019
Current/not due	1,862	777
30-60 days past due	404	2,035
60-120 days past due	332	1,212
120+ days past due	769	1,347
Gross trade receivables	3,367	5,371
Provision	(440)	(160)
Net trade receivables	2,927	5,211
Net trade receivables as a % of revenue	16%	21%

Cash flow

The biggest financial focus for 2020 was to conserve cash and manage working capital during a period where the timing of revenue and subsequent cash receipts were uncertain. Whilst the year started off as planned, we soon had to defer some Q1 events and nearly all Q2 events to the last part of the year. As in previous years, a large proportion of our customers had already paid for these events upfront in Q1 2020 or even in Q4 2019, giving us a large deferred income balance to contend with. Whilst we have been very successful at converting our events to a virtual platform, and thereby managed to reduce the value of cash refunds to a minimum, it meant that much of our Q4 revenue was non-cash generative and merely reduced the deferred income.

To help mitigate this, we undertook the following actions and government aid:

- Enhanced credit control processes and procedures to materially reduce our debtor days;
- Deferral of £0.3 million of Q1 2020 VAT to be repaid in Q2 2021;
- Deferral of £0.9 million of PAYE payments to HMRC, which were all repaid in full before the year end;
- US Paycheck Protection Programme loan (and subsequent grant) of £0.9 million;
- UK Bounce Back Loan of £0.1 million;
- UK receipts under the Government job retention scheme of £0.2 million. We no longer have any employees on furlough.

All of these actions combined resulted in a cash balance at 31 December 2020 of £1.3 million (2019: £1.9 million). As at 28 February 2021, cash was £1.6 million.

Cash and net debt (see table E)

At the year end, we had a net cash position of £0.1 million, including IFRS 16 lease liabilities. The office lease in New York came to an end and the vendor loan will be fully repaid in August 2021.

Trade debtors (see table F)

The benefits of the enhanced credit control processes can be seen below where the ageing of the debt has changed significantly year on year.

The overall net trade receivables balance has reduced by 44% year on year, and the percentage of debt greater than 60 days past due has reduced from being 48% of the gross balance in 2019 to 33% in 2020.

Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position, are set out in the Chairman's statement and the Chief Executive's review.

The Directors regularly review detailed forecasts of sales, costs and cash flows, and regularly project forwards 12 months or more. The assumptions underlying the budget are challenged, varied and tested to establish the likelihood of a range of possible outcomes, including reasonable cash flow sensitivities. The expected figures are carefully monitored against actual outcomes each month and variances are highlighted and discussed at Board level.

Whilst the global COVID-19 pandemic has had a widespread macro-economic effect, operationally the Group's business was able to transition to remote working seamlessly and has been able to perform very effectively, managing the expectations of clients and delivering a continuous excellent service.

Nevertheless, the Group's trading in 2020 has been adversely impacted by the COVID-19 pandemic as described in the Group Strategic Report. Given this impact on trading, the Directors have completed a comprehensive going concern review and, in adopting the going concern basis for preparing the financial statements, the Directors have considered the future trading prospects of the Group's businesses, the Group's available liquidity alongside the Group's principal risks as set out in the Strategic Report.

Taking account of the recent announcements of the successful development of a vaccine for COVID-19, and the distribution of the vaccine in 2021, the base case scenario assumes a modest improvement in trading conditions during 2021, building on the momentum that has been seen in the second half of 2020 when compared with the first three months of the pandemic. The 2021 projections have been created with most events assumed to be virtual to try and minimise any further impact of COVID and the potential of ongoing local lockdowns. Digital revenue has remained broadly flat from 2019 to 2020 showing its resilience to being adversely affected by the pandemic, and Data & Insight consists mostly of recurring revenue subscriptions which are expected to remain reasonably stable. When comparing these projections to 2019 and 2020, the Directors believe that this is a relatively conservative base case.

The Group meets its day-to-day financing and working capital requirements through ongoing operating cash flows and available cash. The Group's forecasts and projections, taking account of possible changes in trading performance under various scenarios, show that the Group will be able to operate within the level of its current facilities until at least 30 June 2022. In addition, the Group has successfully demonstrated in 2020 that it has the ability to take significant additional steps, if required, to mitigate the impact of any further downside scenarios should they occur.

Cash levels are strong and the Group monitors and manages its cash flows regularly and carefully. Over the 15-month period of the scenarios, cash balances are forecast to remain at more than adequate levels to fund the Group's planned activities. While the Group has taken advantage of government schemes to defer its VAT payments from 2020 to 2021, and subsequently result in a cash outflow in 2021, overall net cash flow remains strong and positive for the year.

While the Directors are comfortable that the uncertainties in respect of cash flows referred to above are not material uncertainties that might cast doubt about the Group's ability to continue as a going concern, they acknowledge that the long-term impact of COVID-19 remains complicated and that it is possible that the impact of the pandemic on trading conditions could be more prolonged or severe than currently forecast by the Directors. If this were to prove to be the case, the Group may need to implement further operational or financial measures (including the management of operating costs, working capital, capital expenditure or other similar measures) to ensure that the Group continues to protect the business from such downside risks.

Sarah Thompson
Chief Financial Officer
23 March 2021

Managing risk effectively

Abhay Singh
Sponsorship Manager

How we manage risk

The Board has overall responsibility for ensuring that there is a robust assessment of the principal risks facing the Group. The Audit Committee, which has delegated responsibility for reviewing the effectiveness of the Group's risk management processes, reviews the risk management processes for the business, reviewing presentations from management and challenging their analyses.

Executive Directors and other senior management are responsible for the implementation of risk management and internal control systems. They maintain, review and regularly update a risk register to assist in this process.

Given that some risks are external and not fully within our control, the risk management processes are designed to manage risks which may have a material impact on our business, rather than to fully mitigate all risks.

> The Board continually reviews the potential risks facing the Group and the controls in place to mitigate any potential adverse impacts.

The Board sets out below the principal risks and uncertainties that the Directors consider could impact the business. The Board continually reviews the potential risks facing the Group and the controls in place to mitigate any potential adverse impacts. The Board also recognises that the nature and scope of risks can change and that there may be other risks to which the Group is exposed and so the list is not intended to be exhaustive.

Risk			Impact	Mitigation
1	»	**COVID-19/Global pandemic**	The impact on the business of COVID-19 will continue into 2021 but will not be of the same scale as in 2020. 2020 risks were around the conversion of live events to virtual, 2021 is around the ongoing working capital impact from 2020 as well as potential for key customers to go into administration or to have similar working capital issues. Customers may also have further restrictions on third party spending, thereby reducing our revenue potential.	The Group has made many changes to the way the business operates, costs are being tightly controlled and actions are being taken to conserve cash. New customers are credit checked to reduce exposure to bad debt and slow cash collection, plus we receive alerts if any customer's financial situation changes.
2	︽	**Technology failure, data loss and cyber security**	Prolonged loss of critical systems could inhibit the ability to deliver websites, publish magazines and/or hold events potentially leading to lost revenue/increased costs, regulatory fines and/or adversely affecting the Group's reputation.	Current platforms have been reviewed by specialists in their field. A new technology platform for the Group is in the process of being implemented, which will provide a best in class technology solution including up-to-date integrity and security protection.
3	︽	**Breach of data protection legislation**	Customer data held for our online titles, other data held for customers, suppliers and employees may be inadequately protected or inappropriately used, in breach of legislation. This could lead to fines, customer dissatisfaction and reputational damage.	The Group has carried out a full GDPR review assisted by an accredited GDPR consultancy. No significant deficiencies have been highlighted and where issues have been identified a plan has been developed to bring those issue areas into GDPR compliance. All staff have undertaken mandatory GDPR training and certification. As news systems and platforms are implemented further reviews are planned.
4	»	**Financial, capital and liquidity**	Any one of the risks listed here could put pressure on our working capital and reduce our ability to pay key suppliers to terms. Having access to additional, flexible funding would allow the Company to keep trading as usual. Inability to raise funds, if needed, could ultimately result in the Company going into administration or being sold.	Regular conversations are held with the banks and key investors to ensure they are kept up to date with the financial and operational status of the Company. Having robust budgeting processes in place allow early sight of potential future capital issues so that there is time to address the issue before it becomes serious.

Directional change
- » Stable
- ︾ Decrease
- ︽ Increase

Bonhill Group plc Annual Report & Financial Statements 2020

Principal risks and uncertainties cont.

Risk			Impact	Mitigation
5	Decrease	**Economic environment**	A slowdown in the global, US or UK economies or a prolonged downturn in the US stock market could adversely impact the Group's revenue as discretionary revenues from subscribers, attendees, advertisers, sponsors and other discretionary spend may decline.	The Group services three significant, high growth and global sectors. It is in the process of continuing to strengthen its brands and improving and broadening its suite of products and is expanding its presence overseas into Europe and the Far East. There is a strategic focus on developing must-have brands and recurring multi-year revenue streams.
6	Decrease	**Exchange rate**	Adverse movements in the UK exchange rate with the US could erode the value of net assets held in the US, and the cash flows arising from our US operations.	Our US business is hedged with dollar denominated debt, with surplus funds remitted promptly to the UK. InvestmentNews has naturally hedged costs and revenues with both denominated in US dollars.
7	Increase	**Regulatory change**	The Group is at risk of any regulatory change which affects the Financial Services industry.	The Group regularly monitors upcoming regulation changes, and the Group continues to move away from advertising revenue which will continue to suffer from increased regulation, to the creation of owned product or data sets.
8	Decrease	**Market**	Customer demand for the Group's products and services is affected by competition and the business may not be able to develop products, services and brands to ensure that they remain relevant to customers.	The Group has invested in senior management capabilities to develop innovative products and services that meet changing customer requirements. The Group does not have any reliance on specific major clients, having focused on developing a diverse client base. Refer to mitigation for Risk 1 for the Group's growth strategy.
9	Stable	**Recruitment and retention of key staff**	Increased competition or acquisition integration issues may result in the inability to retain, attract and recruit key members of staff.	The Remuneration Committee implemented a management incentive strategy to incentivise key members of staff to drive performance and aid retention. New recruitment, employee training and compensation & benefits guidelines, KPIs and procedures have been implemented.

Risk			Impact	Mitigation
10	Stable	**Major incident**	Major incidents could cause harm and injury to people and venues and premises and/or severely interrupt business. If the Group's response is not adequate, this could cause reputational damage.	The Group has a comprehensive crisis management policy as well as localised plans for live events which include comprehensive risk assessments. The Group maintains comprehensive, up to date, insurance.
11	Increase	**Environmental, Social and Governance (ESG) incl. climate change**	As a key supporter of ESG initiatives and in particular diversity in the workplace, the Group needs to ensure we uphold the highest standards.	The Group has effective values and a code of conduct and it constantly monitors its adherences to the highest standards.
12	Stable	**Governance incl. Plc**	As a Plc we could potentially fail to adhere to best practice in the Audit, Remuneration and Nomination Committees. This could lead to a lack of confidence by the investing institutions which impacts the share price.	The Group ensures that there is effective use of Committee structures and external advice is obtained as requested. The Board is kept appraised of performance against city forecasts. Annual strategic plans, annual budgets, quarterly reforecasts and monthly review against city expectations help to identify issues early. CFO maintains regular dialogue with analysts.
13	Decrease	**Ineffective change management**	Change through innovation or acquisition may not be managed effectively and could result in unrealised opportunities and poor and costly project delivery.	Detailed change management plans and project teams are/will be put in place. Clear KPIs will be established and regularly monitored.

Directional change
- Stable
- Decrease
- Increase

Bonhill Group plc Annual Report & Financial Statements 2020

Board of Directors

A confident, dedicated and experienced team

Neil Sachdev
Non-executive Chairman

Neil Sachdev MBE is an experienced Chairman with a strong track record of corporate governance, strategy and change management. He was Chairman of Sirius Real Estate Limited until December 2017, Chairman of Martin's Properties Limited until December 2018 and Chairman of Market Tech Holdings Limited until June 2017. Neil stepped down as a Non-executive Director of Intu Properties plc (formerly Capital Shopping Centres) during 2016 after ten years' service.

Previously, Neil held the post of Property Director of J Sainsbury and before that served for 28 years with Tesco, responsible for property and operations for the entire UK business. He also holds a number of public sector positions and was awarded an MBE for his work in relation to Energy Efficiency & Sustainability in the Retail sector. Neil is currently the Chair of CakeBox Holdings plc, and NED at Nuffield Health as well as Chair of the Advisory Board of Warwick Business School.

A R N

Simon Stilwell
Chief Executive

Simon was, until 2015, Chief Executive of Liberum, the investment bank that he co-founded in 2007 and grew from a start up to £55 million of revenue and 170 people in seven profitable years. Prior to Liberum, he served as head of sales, small companies, at Collins Stewart plc and was also a director at Beeson Gregory Limited.

Simon was commissioned into the Gloucestershire Regiment in 1992 and served in a variety of countries and roles before starting his City career in 1996. He graduated with a BSc in Geological Sciences from Durham University.

Sarah Thompson
Chief Financial Officer

Sarah joined the Bonhill Group in May 2020, and joined the Board as Chief Financial Officer in September 2020.

Sarah previously held senior finance positions at Escada SE and Redcentric Plc. Prior to this, she held various finance positions at Hallmark Cards UK, Homeloan Management Limited and Barclays Plc.

Sarah is an associate of the Chartered Institute of Management Accountants and graduated with a First Class Degree in Accounting and Finance from Lancaster University.

Anne Donoghue ACIB
Non-executive Director

Anne spent her career in Retail Banking, including the Co-operative Bank and NatWest/RBS; latterly as International Director at Tesco Personal Finance, the joint venture between Tesco and RBS (now Tesco Bank) where Anne was responsible for Tesco's retail Financial Services businesses in Asia, Central and Eastern Europe, and Ireland.

Anne's experience includes large-scale operations and change management. At NatWest Anne was Head of UK Telephony Operations including operational lead for the RBS/NatWest IT platform integration programme. Since leaving banking Anne has worked in events, digital marketing and communications, including in media for CityAM newspaper and for the business start-up community.

A R N

Jon Kempster
Non-executive Director

Jon joined the Bonhill Group in June 2020 as a Non-executive Director and the Chair of the Audit Committee. He is also a member of the Remuneration and Nomination Committees. Jon's career has included Board positions at Delta plc, Fii Group plc, Linden plc, Low & Bonar plc, Frasers Group plc, Utilitywise plc and Wincanton plc. He is also currently a Non-executive Director and Audit Committee Chair at Ted Baker plc and Redcentric plc and is a Trustee of the Delta plc pension scheme.

Jon qualified as a Chartered Accountant with Price Waterhouse in 1990 and has a BA (Hons) in Business Studies from the University of Liverpool.

A R N

Board diversity

Board composition

Executive Directors	2
Non-executive Directors	3

Gender balance

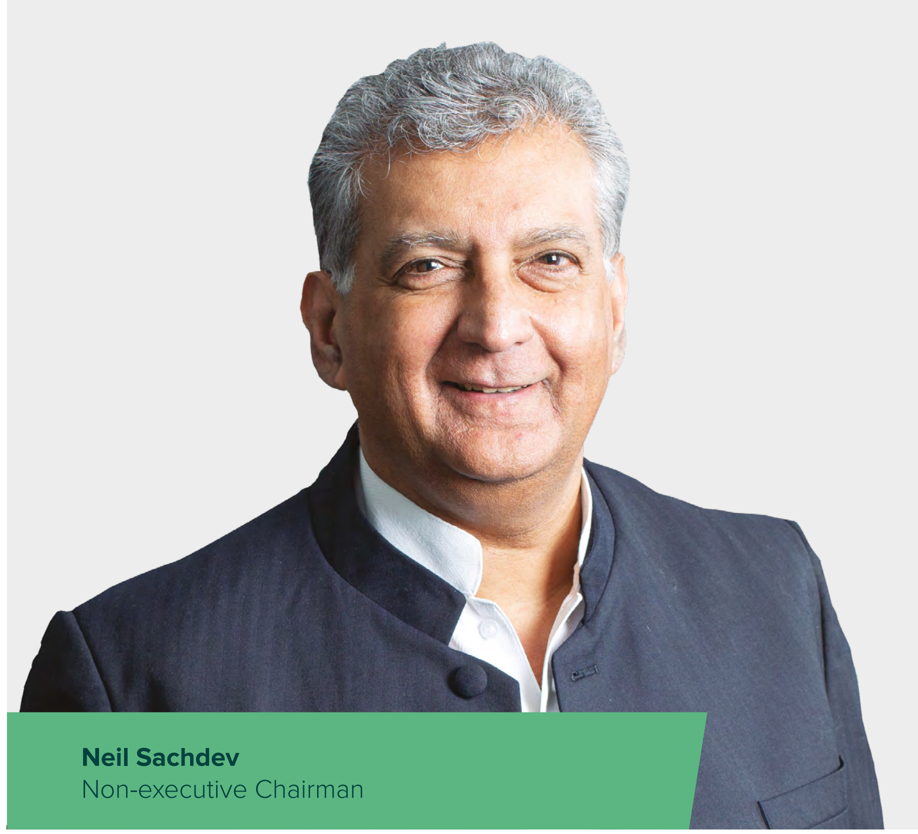
Male	3
Female	2

Committee key

A Audit Committee
R Remuneration Committee
N Nomination Committee
● Chair
○ Member

Bonhill Group plc Annual Report & Financial Statements 2020

Corporate Governance statement



Neil Sachdev
Non-executive Chairman

In this section of our Report we have set out our approach to governance and provided further information on how the Board and its Committees operate.

QCA Code compliance
The Board continues its adoption of and compliance with the Corporate Governance Guidelines for Smaller Quoted Companies published in 2018 by the Quoted Companies Alliance (the "QCA Code") and the Company has continued to be compliant with the QCA Code since publishing the statement. The Directors recognise the value and importance of high standards of corporate governance and anticipate that the Company will continue to comply with the QCA Code. Given the Group's size and plans for the future, it will also endeavour to have regard to the provisions of the UK Corporate Governance Code as best practice guidance to the extent appropriate for a Company of its size and nature. Outlined in this report are the 10 key governance principles as defined in the QCA Code.

A message from our Chairman

The Board recognises the importance of sound corporate governance and has therefore adopted policies and procedures reflecting the principles of the UK Corporate Governance Code that are consistent with the Corporate Governance Guidelines for Smaller Quoted Companies published in 2018 by the Quoted Companies Alliance (the "QCA Code").

The Audit Committee, Remuneration Committee and Nomination Committee have been operating in accordance with their terms of reference throughout the year and details of each are outlined in this Report. The Board continues to review and monitor its corporate governance and, following its first internal Board review, recognises that there remain opportunities for improvement. The Board has carried out a second review in 2020 to look at progress from the prior review.

Neil Sachdev
Non-executive Chairman
23 March 2021

10 Principles of Corporate Governance

Deliver growth

1. Establish a strategy and business model which promote long-term value for shareholders.
2. Seek to understand and meet shareholder needs and expectations.
3. Take into account wider stakeholder and social responsibilities and their implications for longer-term success.
4. Embed effective risk management, considering both opportunities and threats, throughout the organisation.

Maintain a dynamic management framework

5. Maintain the Board as a well-functioning, balanced team led by the Chair.
6. Ensure that between them the Directors have the necessary up-to-date experience, skills and capabilities.
7. Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement.
8. Promote a corporate culture that is based on ethical values and behaviours.
9. Maintain governance structures and processes.

Build trust

10. Communicate how the Company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders.

The composition of the Board
The Board is responsible to the shareholders and sets the Group's strategy for achieving long-term success. It is also ultimately responsible for the management, governance, controls, risk management, direction and performance of the Group.

The Board consists of three Non-executive Directors and two Executive Directors. There were two changes in Board composition in 2020. Firstly, Fraser Gray resigned from his roles as a Non-executive Director and Chair of the Audit Committee in June 2020 and was replaced in both roles by Jon Kempster. Secondly, David Brown resigned from his role as Executive Director and Group Finance Director in July 2020 and Sarah Thompson joined the Board as Executive Director and Chief Financial Officer in September 2020.

The Board considers that Anne and Jon are independent, in character and in judgement, and have no business relationships which impact on their independence. In making this judgement, Neil Sachdev, who is the Non-executive Chairman of the Company, is also considered to be independent in character and in judgement, and to have no business relationships which impact on his independence. The Board took into account that Neil Sachdev and Anne Donoghue hold shares, but bearing in mind the small percentage held, the Board determined that Neil and Anne have both been independent since their appointments as Directors.

Board effectiveness
The skills and experience of the Board are set out in their biographical details on page 42. The experience and knowledge of each of the Directors gives them the ability to constructively challenge strategy and to scrutinise performance.

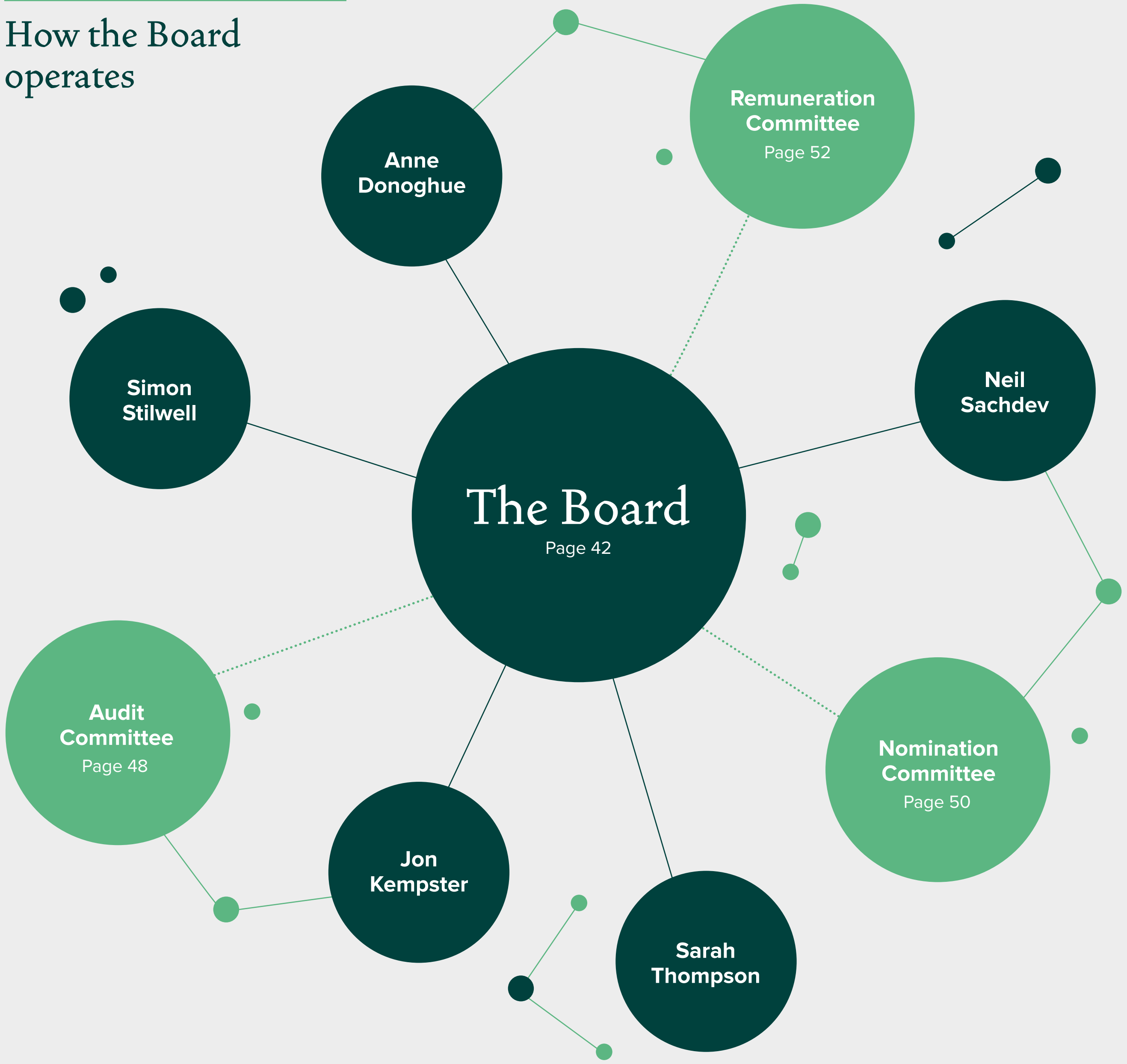
Simon Stilwell brings leadership and experience of substantially growing small businesses and Neil Sachdev, Anne Donoghue and Jon Kempster bring additional strategic, commercial, transaction and leadership experience which will be invaluable as the Board pursues the Company's growth strategy and continues to transform the Company and its Group.

How the Board operates
The Board is responsible for the Group's strategy and for its overall management. The operation of the Board is documented in a formal schedule of matters reserved for its approval, which is reviewed annually. These include matters relating to:

- The Group's strategic aims and objectives
- The structure and capital of the Group
- Financial reporting, financial controls and dividend policy
- Internal control, risk and the Group's risk appetite
- Raising new capital, budgets and granting of security over material Group assets
- The approval of significant contracts and expenditure
- Effective communication with shareholders
- Any changes to Board membership or structure
- Delegation of authority and establishing Board Committees and receiving reports from the Board Committees

Corporate Governance statement cont.

How the Board operates



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- Financial reporting, financial controls and dividend policy
- Internal control, risk and the Group's risk appetite
- Raising new capital, budgets and granting of security over material Group assets
- The approval of significant contracts and expenditure
- Effective communication with shareholders
- Any changes to Board membership or structure
- Delegation of authority and establishing Board Committees and receiving reports from the Board Committees
- Corporate governance

Board meetings

The Board met 14 times during the year to 31 December 2020. Non-executive Directors communicate directly with Executive Directors and senior management between formal Board meetings.

Directors are expected to attend all meetings of the Board, and the Committees on which they sit, and to devote sufficient time to the Group's affairs to enable them to fulfil their duties as Directors.

In the event that Directors are unable to attend a meeting, their comments on papers to be considered at the meeting will be discussed in advance with the Chairman so that their contribution can be included in the wider Board discussion.

The following shows Directors' attendance at scheduled Board meetings during the year.

11/11

Neil Sachdev
Neil Sachdev attended all Board meetings and Committee meetings.

11/11

Simon Stilwell
Simon Stilwell attended all Board meetings. He also attended Committee meetings by invitation.

4/4

Sarah Thompson
Sarah Thompson was appointed in September 2020 and has attended all Board meetings since then. She also attended Committee meetings by invitation.

6/6

David Brown
David Brown resigned in July 2020. He attended all Board meetings before his resignation. He also attended Committee meetings by invitation.

11/11

Anne Donoghue
Anne Donoghue attended all Board meetings and Committee meetings.

5/5

Jon Kempster
Jon Kempster was appointed in June 2020 and has attended all Board and Committee meetings since then.

6/6

Fraser Gray
Fraser Gray attended all Board meetings and Committee meetings before his resignation in June 2020.

Board decisions and activity during the period

The Board has a schedule of regular business, financial and operational matters, and each Board Committee has compiled a schedule of work, to ensure that all areas for which the Board has responsibility are addressed and reviewed during the course of the year.

The Chairman is responsible for ensuring that the Directors receive accurate and timely information and ensures that any feedback or suggestions for improvement on Board papers are fed back to management. Minutes of each meeting are produced and circulated. Each Director is aware of the right to have any concerns minuted.

Board Committees

The Board has delegated specific responsibilities to the Audit, Remuneration and Nomination Committees, details of which are set out below. Each Committee reports back to the Board and has written terms of reference setting out its duties, authority and reporting responsibilities. Copies of all the Committee terms of reference are available on the Company's website www.bonhillplc.com or on request from the Company Secretary. The terms of reference of each Committee have already been reviewed by the Board during the year and it is intended that these will be kept under continuous review to ensure they remain appropriate and reflect any changes in legislation, regulation or best-practice. Each Committee is comprised of Non-executive Directors of the Company.

Audit Committee report

Jon Kempster
Chair

Committee attendance

3/3

Jon Kempster
Jon was appointed in June 2020 and attended all Committee meetings since then.

5/5

Neil Sachdev
Neil attended all Committee meetings.

5/5

Anne Donoghue
Anne attended all Committee meetings.

The Audit Committee is chaired by Jon Kempster, its other members are Anne Donoghue and Neil Sachdev.

Dear Shareholder

I joined Bonhill in June 2020 as the Group was busy making the transition to the new way of working during the global pandemic. For employees across the different geographic offices, it meant having to adapt to working from home. The transition was managed very successfully, and additional work was undertaken to maintain the IT controls and the overall control environment. The financial and trading impacts are fully explained elsewhere in this report including the need to transition from physical events to virtual. At the time of the Interims we booked impairment charges which we have revisited as part of the year end accounts preparation and concluded that no further charges are necessary. We have taken government support which is clearly set out in the report from Sarah.

The Board believes that the current members have sufficient skill, qualifications and experience to discharge their duties in accordance with the Committee's terms of reference and, as a Committee, have the competence in the sector within which the Company operates.

The Committee adopted new terms of reference on 27 June 2018 and given the size of the organisation, the Committee decided to also cover risk management and internal controls and that a risk register be created. The terms of reference were reviewed by the Committee during the year and were deemed to still be appropriate for the Committee's role and responsibilities.

The Committee met seven times between the start of the year and the signing of this report. I, as Chair of the Audit Committee, have also met with the external auditors without Executive Directors or management present.

The Committee has primary responsibility for monitoring the quality of internal controls and ensuring that the financial performance of the Group is properly measured and reported. It receives and reviews reports from the Group's management and auditor relating to the annual accounts and the accounting and internal control systems in use throughout the Group. Sarah and the wider finance team have improved the reporting of the performance of the Group and the separate divisions together with the timeliness of reporting which during the pandemic has been very welcome in navigating the difficult trading environment.

It is considered that there are adequate controls and segregation of duties in place and the Committee is satisfied that the internal control systems in place are significantly robust and operating effectively. The risk register was reviewed and updated to reflect the main risks presently facing the Group.

The Group does not have an internal audit function, and this is reviewed annually.

The Committee also advises the Board on the appointment of the auditor, reviews its fees and discusses the nature, scope and results of the audit with the auditor. The Audit Committee meets at least three times a year and has unrestricted access to the Group's auditor. The Chief Executive and the Chief Financial Officer attend the Audit Committee meetings by invitation to ensure the Committee is fully informed of material events within the business. The Committee monitors the nature and extent of non-audit services provided by the external auditor. A summary of the remuneration paid to BDO LLP for audit and non-audit services appears in note 3 to the financial statements. Having reviewed the auditor's independence and performance, the Audit Committee recommends that BDO LLP be re-appointed.

Significant issues

The Audit Committee received and reviewed reports from management and the external auditors setting out the areas of significant judgement within the financial statements for the period. These areas are related to the impairment of goodwill and intangible assets, the disclosure of costs as exceptional adjusting items costs, the going concern concept and the overall control environment with specific focus on the ability of management override. These areas were discussed and challenged with management during the period. They were also discussed with the external auditors at the conclusion of the audit of the financial statements for the period.

1) Impairment of goodwill and intangible fixed assets

An annual impairment review was undertaken over the goodwill and intangible assets to show they are not carried at more than their recoverable amount. This compares the present value of future cash flows against the current assets held by the Group. The key indicator of impairment for Bonhill Plc at the time of the Interims was that there had been a significant decline in the market value of the entity and the carrying amount of the entity's net assets was more than its market capitalisation. The impact of COVID-19 in 2020 has had a significant effect on the profitability of the Group and forecasts for the business were prepared to test the carrying value. The resulting impairment charge was made at the Interims of £6.6m. This was re-tested at the year end and no further impairment or write back was deemed necessary.

2) Going concern

The Committee has reviewed the Group's assessment of going concern over a period greater than 12 months. In assessing the Group's going concern status, the Committee has considered the Group's financial position presented in the 2021 Budget and 2022 plan recently approved by the Board. In the context of the current challenging environment as a result of COVID-19, a number of alternative scenarios have also been considered, including the modelling of additional downside sensitivities. These were based on the specific risks associated with the COVID-19 pandemic on the trading environment, including continued travel restrictions and social distancing and lower media revenue. The Committee has concluded that the assumptions considered are appropriate when assessing the Group's going concern status. The Committee has also reviewed the Group's reverse stress test in further downside scenarios. In addition, the Committee has reviewed this with management and is satisfied that this is appropriate in supporting the Group as a going concern. The Committee received regular updates on the steps taken by management in response to the COVID-19 outbreak, including the additional liquidity secured by way of government grants, certain tax deferrals and management of cash flow.

3) Adjusting items

Adjusting items are reviewed on a transactional level basis as to their nature and intention. Items which are discrete, time-bound and have arisen as a direct result of a one-off activity, such as the acquisition of a subsidiary company have been recognised as adjusting. During August 2020 the Transitional Services Agreement with Crain, the former parent of InvestmentNews, finished and triggered the end point of the migration and integration work. From this point onwards there have been no more adjusting items. Management do not expect to recognise any adjusting items in 2021.

4) Control environment

Management confirmed to the Audit Committee that it was not aware of any material misstatements or immaterial misstatements made intentionally to achieve a particular presentation. In addition, management have provided the Audit Committee with confidence that through the preparation of the year end accounts, the financial control environment was found to be adequate. The external auditors reported the misstatements to the Audit Committee and no material amounts remain unadjusted.

After reviewing and challenging the presentations and reports from management and consulting where necessary with the external auditors, the Audit Committee is satisfied that the financial statements appropriately address the critical judgements and key estimates (both in respect to the amounts reported and the disclosures). The Audit Committee is also satisfied that the significant assumptions used for determining the value of assets and liabilities have been appropriately scrutinised, challenged and are sufficiently robust.

Whistleblowing

The Audit Committee is responsible for the review of the Company's procedures for responding to the allegations of whistle blowers and the arrangements by which staff may, raise concerns in confidence. It is hoped that this service will encourage individuals to speak out without fear of reprisal.

Bonhill Group plc Annual Report & Financial Statements 2020

Nomination Committee report

Neil Sachdev
Non-executive Chairman

Committee attendance

3/3

Neil Sachdev
Neil attended all Committee meetings.

2/2

Jon Kempster
Jon was appointed in June 2020 and attended all Committee meetings since then.

3/3

Anne Donoghue
Anne attended all Committee meetings.

The Nomination Committee is chaired by Neil Sachdev and its other members are Jon Kempster and Anne Donoghue.

Dear Shareholder

The Nomination Committee is responsible for reviewing the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board and making recommendations to the Board with regard to any changes. The Committee considered succession planning, taking into account the challenges and opportunities facing the Company and the skills and expertise needed on the Board in the future, in addition to the leadership needs of the organisation, especially following the acquisition of InvestmentNews.

The Committee adopted new terms of reference on 27 June 2018 under these terms of reference, the Committee met formally once during the year.

Time commitments
All Directors have been advised of the time required to fulfil the role prior to appointment and were asked to confirm that they can make the required commitment before they were appointed. This requirement is also included in their letters of appointment.

The Board is satisfied that the Chairman and each of the Non-executive Directors are able to devote sufficient time to the Group's business. There has been no significant change in the Chairman's other time commitments since his appointment.

Evaluation
No Board evaluation was undertaken during the period ended 31 December 2020, however an internal Board evaluation was conducted in February 2021 by way of a questionnaire and interviews. In addition, the Non-executive Directors met, without the Chairman present, to evaluate his performance. The Board was satisfied that it was well run, whilst acknowledging areas for improvement as a Board and as individuals. Part of the questionnaire asked about the strategic direction of the Company and the Company Secretary ensured these items were taken forward to the agenda for the next Board strategy day. The Board considers that the use of external consultants to facilitate the Board evaluation process is likely to be of significant benefit to the process, and this is planned to take place every three years, with the first such external evaluation to take place during the year ending 31 December 2021.

Development
The Company Secretary ensures that all Directors are kept abreast of changes in relevant legislation and regulations, with the assistance of the Company's advisers where appropriate, and it is a standing item on the Board's agenda. Executive Directors are subject to the Company's performance development review process through which their performance against predetermined objectives is reviewed and their personal and professional development needs considered. Non-executive Directors are encouraged to raise any personal development or training needs with the Chairman.

External appointments
In the appropriate circumstances, the Board may authorise Executive Directors to take non-executive positions in other companies and organisations, provided the time commitment does not conflict with the Director's duties to the Company, since such appointments should broaden their experience.

The acceptance of appointment to such positions is subject to the approval of the Chairman.

Conflicts of interest
At each meeting the Board considers Directors' conflicts of interest. The Company's Articles of Association provide for the Board to authorise any actual or potential conflicts of interest.

Independent professional advice
Directors have access to independent professional advice at the Company's expense. In addition, they have access to the advice and services of the Company Secretary who is responsible for advice on corporate governance matters to the Board.

Directors' and officers' liability insurance
The Company has purchased Directors' and officers' liability insurance during the period as allowed by the Company's Articles.

Election of Directors
In accordance with the provisions of the Code, Jon Kempster and Sarah Thompson (as new appointments) will stand for election at the Annual General Meeting. Anne Donoghue will also stand for re-election as she has served on the Board for three years.

Promotion of a corporate culture that is based on ethical values and behaviours
The Board monitors and promotes a healthy corporate culture and has considered how the culture is consistent with the Company's objectives, strategy and business model and with the description of principal risks and uncertainties.

The Board has considered and assessed the culture as being inclusive, transparent and collaborative with appropriate behaviours. The Board is satisfied that the Company has a "speak up" culture and the Directors have observed this occurring in practice during the year ended 31 December 2020. The Group has a Code of Conduct, an Anti-bribery and Corruption policy, a Modern Slavery Statement and policies and procedures relating to whistleblowing stating the Company's commitment to conducting its business with honesty and integrity, its expectation that staff will maintain high standards, and encouraging prompt disclosure of any suspected wrong doing. The terms of reference of the Audit Committee include reviewing the adequacy and security of the Company's arrangements for its employees and contractors to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters and keeping under review the Company's procedures for handling allegations from whistleblowers.

The Directors follow the guidance set out by Rule 21 of the AIM Rules relating to dealings by Directors in the Company's securities and, to this end, the Company has adopted an appropriate share dealing code.

Risk management and internal control
The Board is responsible for determining the nature and extent of significant risks that have an impact on the Group's operations, and for maintaining a risk management framework and internal control system. The Board is responsible for the management of risk and has carried out a robust assessment of the principal risks and uncertainties affecting the Group's business, discussed how these affect operations, performance and solvency and what mitigating actions, if any, can be taken. During the year the Audit Chair carried out a risk workshop to evaluate and understand all the risks and uncertainties faced by the business. Further discussion on the principal risks relating to the Group is detailed at page 39.

The Board is satisfied that effective risk management is embedded in the Group's business and effective risk management and related control systems are in place.

The Board has ultimate responsibility for the Group's system of internal control and for reviewing its effectiveness. However, any such system of internal control can provide only reasonable, but not absolute, assurance against material misstatement or loss. The Board considers that the internal controls in place are appropriate for the size, complexity and risk profile of the Group.

The principal elements of the Group's internal control system include:

- A schedule of matters reserved for the Board;
- Close management of the day to day activities of the Group by the Executive Directors and other members of senior management;
- Monthly reports to the Board;
- An organisational structure with defined levels of responsibility, which promotes entrepreneurial decision making and rapid implementation whilst minimising risks;
- A comprehensive annual budgeting process producing a detailed integrated profit and loss, balance sheet and cash flow, which is approved by the Board;
- Detailed monthly reporting of performance against budget; and
- Central control over key areas such as capital expenditure authorisation and banking facilities.

The Group continues to review its system of internal control to ensure compliance with best practice, whilst also having regard to its size and the resources available. The Board considers that the introduction of an internal audit function is not appropriate at this juncture.

Relations with shareholders
The Directors seek to develop their understanding of the expectations and motivations of the Company's shareholders through effective communication with them. The Board encourages regular interaction and communication with both private and institutional shareholders and responds to shareholder queries in a timely manner. The Group maintains communication with institutional shareholders through individual meetings with Executive Directors, particularly following publication of the Group's interim and full year results. Private shareholders are encouraged to attend the Annual General Meeting at which the Group's activities are considered and questions answered. General information about the Group is also available on the Group's website (www.bonhillplc.com). This includes an overview of activities of the Group and details of all recent Group announcements. Where voting decisions are not in line with the Company's expectations, the Board will engage with those shareholders to understand and address any issues. The Company Secretary is the main point of contact for such matters and the Chief Executive Officer, CEO, is principally responsible for such communication. The Chairman and independent Non-executive Directors are available to discuss any matter stakeholders might wish to raise, and the Chairman and independent Non-executive Directors will attend meetings with investors and analysts as required. Investor relations activity and a review of the share register are standing items on the Board's agenda.

Bonhill Group plc Annual Report & Financial Statements 2020

Remuneration Committee report

Anne Donoghue
Chair

Committee attendance

3/3
Anne Donoghue
Anne attended all Committee meetings.

3/3
Neil Sachdev
Neil attended all Committee meetings.

3/3
Jon Kempster
Jon was appointed in June 2020 and attended all Committee meetings since then.

The Remuneration Committee is chaired by Anne Donoghue; its other members are Jon Kempster and Neil Sachdev.

Dear Shareholder

Committee terms of reference
Under the terms of reference adopted on 27 June 2018, the Committee meets at least twice a year.

The Remuneration Committee has responsibility for making recommendations to the Board on the Company's policy on the remuneration of the Company's Chief Executive, Executive Directors and other senior employees, and for the determination, within agreed terms of reference, of specific remuneration packages for each of the Executive Directors.

The remuneration and terms and conditions of appointment of the Non-executive Directors of the Company are set by the Chairman and the Executive Directors.

The terms of reference of the Committee cover such issues as membership and frequency of meetings, together with the role of the Company Secretary and the requirements of notice of, and quorum for, and the right to attend, meetings, including the ability of the Committee to invite non-members to attend meetings of the Committee, and, if considered appropriate, the appointment of independent remuneration consultants.

The duties of the Remuneration Committee include determining and monitoring policy on, and setting levels of, remuneration, contracts of employment, early termination, performance-related pay and bonuses, pension arrangements, share incentive schemes, grants of awards under any share option scheme adopted by the Company, reporting and disclosure. The terms of reference also set out the reporting responsibilities and the authority of the Committee to exercise its duties. The Committee is required to conduct an annual assessment of its compliance with its terms of reference and of its effectiveness. The annual report sets out the remuneration paid to Directors, including bonus payments and long-term incentives during the year ending 31 December 2020, in note 6 to the financial statements.

Our people
Throughout the pandemic the organisation has put the physical and mental welfare of our people at the forefront of our decisions. Through a range of regular wellbeing initiatives, one to one and collaborative sessions we have sought to ensure that each member of the team felt connected and supported throughout. In addition, a range of staff surveys were carried out throughout the year to ensure every member of the global team could input to decisions affecting their personal work-style options as the organisation navigated evolving changes to guidelines in each country. These surveys also helped us to further check the pulse of how our people were feeling. The response to the surveys has been extremely positive in terms of both response rate and feedback and reflects the spirit of "one team" engendered across the entire organisation.

My thanks go to every member of the organisation for outstanding collaboration and mutual support throughout such a challenging year. The views of our people will continue to shape our post pandemic workplace policy, enabling us to build on everything we have learnt during the pandemic and deliver flexible and inclusive options to meet the needs of a diverse work-force community.

Executive reward scheme
The reward scheme for the Company is designed to be performance focused, whereby management's objectives are fully aligned to shareholders' interests in achieving growth and shareholder value. The reward scheme aspires to attract and retain the highest quality individuals who will contribute fully to the success of the Group. The scheme includes salary, bonus and participation in the share option scheme. Base salaries were not increased for Executive Directors in 2020, and the annual bonus cap remained unchanged at 150% of salary. Reflecting Company performance, the threshold performance targets were not met and no bonus was payable for the year to 31 December 2020.

Share Option Scheme
The Share Option Scheme assists to recruit, retain and provide incentives to selected employees and Executive Directors of the Group whose performance is paramount for the growth of the Group and for the benefit of shareholders. Following the mid-year changes to the Group's operating structure, as outlined in the CEO's report, a new Long Term Incentive Plan was put in place to incentivise this core team. New options were granted under the Enterprise Management Scheme rules to Executive Directors and members of the senior management team:

- Options will be measured over a three-year period subject to share price targets, as adjusted for any dividend payments
- 50% of the options will vest subject to share price performance over three years, with vesting starting from a threshold of 15p and full vesting for a share price of 27p or above
- 50% of the options will vest subject to share price performance over four years, with vesting starting from a threshold of 20p and full vesting for a share price of 35p or above
- These targets represent significant growth from the share price at the date of grant
- No retesting of performance is permitted
- Vesting shares will have a minimum holding period of one year from their respective vesting date

A number of outstanding options were cancelled in the year.

The Committee has appointed FIT Remuneration Consultants LLP ("FIT") to provide independent advice to the Remuneration Committee and to assist the Committee in reviewing the operation of the scheme. FIT is a member of the Remuneration Consultants Group and a signatory to its Code of Conduct. FIT has no connection to the Group that could impair its independence.

Details of Directors' interests in share options are presented at note 19 to the financial statements.

Directors' remuneration in the year to 31 December 2020
Details of Executive Directors' and Non-Executive Directors' emoluments in the year are presented at note 6 to the financial statements. No Director participated in any discussion or decision on their own remuneration.

Governance

Financial Statements

Directors' report

The Directors submit their report and the audited financial statements of Bonhill Group Plc for the year ended 31 December 2020.

Results and dividends
The results for the year are set out on page 63. The Directors do not recommend the payment of a dividend.

Future developments
Future developments of the Group are disclosed in the Strategic Report on pages 2 to 41.

Financial risk management
Financial risks are considered and disclosed in note 17 to the financial statements.

Directors
The following Directors have held office since 1 January 2020:

Neil Sachdev, Non-executive Chairman	
Anne Donoghue, Non-executive Director	
Jon Kempster, Non-executive Director	(appointed 29 June 2020)
Fraser Gray, Non-executive Director	(resigned 29 June 2020)
Simon Stilwell, Chief Executive	
Sarah Thompson, Chief Financial Officer	(appointed 15 September 2020)
David Brown, Group Finance Director	(resigned 21 July 2020)

Capital structure
Refer to note 18 of the accounts for details on the capital structure of the Company.

Directors' interests in ordinary shares
Interests of Directors who held office as at 31 December 2020 in the ordinary shares of the Company were as follows:

	As at 31 December 2020 Ordinary shares of 1p each Number	As at 31 December 2019 Ordinary shares of 1p each Number
N Sachdev	**248,810**	48,810
A Donoghue	**404,534**	4,534
S Stilwell	**2,865,500**	720,973

Employees
The Group recognises the importance of its employees and encourages internal communications with all staff. The Group has regular updates to advise employees regarding the Group's objectives and performance. The Group operates an open-door policy to encourage all staff to discuss with management any concerns they may have relating to the business.

Corporate Governance
The Corporate Governance statement is set out on page 44.

Directors' and officers' liability insurance
The Company maintains liability insurance covering the Directors and officers of the Company.

Statement as to disclosure of information to the auditor
So far as the Directors are aware, there is no relevant audit information of which the Company's auditor is unaware, and each Director has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

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

On behalf of the Board

Simon Stilwell
Chief Executive
23 March 20201

Bonhill Group plc Annual Report & Financial Statements 2020

Directors' responsibilities in the preparation of the financial statements

The Directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the Group and Company financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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 Company and of the profit or loss of the Group and Company for that period. The Directors are also required to prepare financial statements in accordance with the rules of the London Stock Exchange for companies trading securities on AIM.

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 IFRSs as adopted by the European Union, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

Website publication
The Directors are responsible for ensuring the annual report and the financial statements are made available on a website. Financial statements are published on the Company'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 Company's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Bonhill Group plc Annual Report & Financial Statements 2020

Independent auditor's report to the members of Bonhill Group Plc

Opinion on the financial statements
In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2020 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006;
- the Parent Company financial statements have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Bonhill Group Plc (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2020 which comprise the consolidated statement of comprehensive income, consolidated statement of financial position, company statement of financial position, consolidated statement of changes in equity, company statement of changes in equity, consolidated statement of cash flows, company statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and international accounting standards in conformity with the requirements of the Companies Act 2006 and, as regards the Parent Company financial statements, as applied in accordance with the provisions 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence
We remain independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern
In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the Group and the Parent Company's ability to continue to adopt the going concern basis of accounting included:

- Discussing with the Directors their assessment of the Group's ability to continue as a going concern;
- Critically evaluating each revenue stream projections for the underlying model with reference to market information, actual results to 28 February 2021 as well as past performance of the Group
- Critically evaluating the related costs projections underlying the model with reference to the market performance of the Group as well as past performance of the Group;
- Agreeing the bank statements as at 28 February 2021 in order to corroborate the actual cash at bank balances to compare against the projected cash on this date;
- Reviewing the reasonableness of the projected cash flows and working capital assumptions i.e. revenue, gross margins and other measures in light of our knowledge of the business.
- Assessing the impact of COVID 19 on the cash flow projections as well as the assumptions and sensitivities related to this. These were challenged based on our expectations and corroborated to supporting evidence; and
- Assessing the Directors' plans to safeguard the Group's ability to continue as a going concern including securing future sources of funding and corroborating to supporting evidence where available.
- Agreed the loan repayments as shown in the model to the totals per the repayment schedule.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue. We refer to the Directors disclosure regarding going concern in Note 1 to the financial statements.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Overview

Coverage[1]	87% (2019: 89%) of Group revenue 82% (2019: 75%) of Group total assets 98% (2019: 96%) of Group loss before tax		
Key audit matters		2020	2019
	Accounting for the acquisition of Last Word Media (UK) Limited	×	✓
	Impairment of goodwill, intangible assets and investments	✓	✓
	Revenue recognition	✓	✓
	Classification of exceptional items	✓	✓
	The acquisition of Last Word Media (UK) Limited represented a once-off transaction requiring significant audit attention in the 2019 financial year and is not therefore a Key Audit Matter in 2020.		
Materiality	Group financial statements as a whole £222,000 (2019:£307,000) based on 1.25% (2019: 1.25%) of group revenue		

1 These are areas which have been subject to a full scope audit by the group engagement team.

An overview of the scope of our audit
Our Group audit was scoped by obtaining an understanding of the Group and its environment, including the Group's system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the Directors that may have represented a risk of material misstatement.

In determining the scope of our audit we considered the level of work to be performed at each component in order to ensure sufficient assurance was gained to allow us to express an opinion on the financial statements of the Group as a whole. We tailored the extent of the work to be performed by us at each component based on our assessment of the risks of material misstatements at each component. We identified eight centrally controlled components of which three significant components were subject to full scope audits for Group reporting purposes. All the significant components were audited by us.

For the remaining five components which were not considered significant, two were in-scope for full scope audits performed by us as they required a statutory audit and review procedures were performed by us on the remaining three components.

Independent auditor's report to the members of Bonhill Group Plc cont.

Key audit matters

Key audit matters are those matters that, in our professional judgement, 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) that 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.

Key audit matter		How the scope of our audit addressed the key audit matter
Impairment of Goodwill, intangible assets and investments Accounting policy: Note 1 Intangible assets: Note 10 Total intangible assets: £19,382,000 (2019: 27,501,000)	The group has material intangible assets, including goodwill, arising primarily from historic acquisitions as part of business combinations. As at 31 December 2020 the Group carried £10.8 million of goodwill and £8.6 million of other intangible assets on the Consolidated Statement of Financial Position. During the year ended 31 December 2020, impairment charges totalling £6.2 million have been recognised in respect of goodwill, £0.3 million in relation to publishing rights, and £0.02 million in relation to customer relationships. Management are required to test annually for impairment, or more frequently if there are indications that goodwill might be impaired. Management tests impairment through determination of the value in use of each cash generating unit identified (CGU). Management has determined that goodwill and intangible assets are allocated to 9 cash generating units in preparing their assessment. To determine the value in use of each CGU, Management prepares a detailed impairment model using a number of judgemental assumptions (as described in the related note to the financial statements). These include Board-approved forecasts of the expected cash flows of the Group for a period of 5 years from 31 December 2020 as well as discount rates and growth rates. Determining if an impairment charge is required for goodwill and intangible assets involves significant judgements about the future results and cash flows of the business, including but not limited to forecast growth in the future revenues and operating profit margins, as well as the discount factor and long term growth rates.	We have considered whether management's impairment review methodology is compliant with IAS 36 impairments of assets. As part of our audit workings completed, we have challenged Management's value in use determined for each CGU within the model prepared, including the assumptions underpinning the model. Our work in relation to the model and its assumptions was as follows: • Testing of the arithmetic accuracy of the model used by Management; • Agreeing the underlying cash flow projections for each CGU to Board approved forecasts; • Compared the current year performance against prior year budgets including the impact of COVID19 to assess the accuracy of the budgeting process; • Considering the appropriateness of the CGUs identified by management and the allocation of the assets on these; • Tested a sample of corporate costs allocation to specific CGUs; • With reference to independent support calculated an appropriate range of discount factors i.e. calculated a range of discount rates using Cost Asset Pricing Model and independent inputs; • Tested long term growth rates against independent market data; and • Conducted a range of sensitivity tests on discount rate, revenue growth as well as the expenditure to assess the sensitivity of the model to changes in the underlying assumptions. **Key observations:** We found that the assumptions used in the impairment model were reasonable and that there are no further indications of impairment at the balance sheet date, other than the impairment already accounted for during the year.

Key audit matter		How the scope of our audit addressed the key audit matter
Revenue recognition Accounting policy: Note 1 Analysis of revenue by core proposition: Note 2 Total revenue £17,812,000 (2019: £24,429,000)	Several revenue streams exist across the group involving different timings and methods of revenue recognition which entails a degree of complexity. We considered whether a significant risk of material misstatement arose from the recognition of revenue throughout the year and whether revenue had been recognised in the correct accounting period. The key audit matter identified relates to the existence of revenue throughout the year and cut off around the year end and the recognition thereof.	A summary of procedures performed to address the Key Audit Matter include: • For subscription revenue, our testing included inspection of the subscription forms where available, proof of payments, confirmation of subscription date and recalculation of the deferred element of the subscription. • For all the other revenue streams, revenue recognition was tested by tracing a sample to receipts and other corroborative evidence i.e. proof of event etc. supporting the recognition thereof. We confirmed that the appropriate trigger event had occurred in order to check that the revenue recognition criteria had been met. • Reviewed a sample of invoices raised before and after year end and confirmed these to the ledger posting date to check that these were accounted for in the correct period and accrued for appropriately. **Key observations:** Based on the procedures undertaken we did not find any evidence to suggest that revenue has not been recognised appropriately.
Classification of exceptional items ("adjusting items") Note 3 Total adjusting items £2,322,000 (2019: £5,148,000)	The Group presents alternative performance measures to provide supplemental information to enable users of the financial statements to gain an understanding of the Group's financial performance. During the year, the Group recognised items classified as 'adjusting items' amounting to a £2.3 million credit prior to the impact on taxation (2019: [£5.1 million]). The disclosure of adjusting items and their presentation on the face of the consolidated income statement remains a key audit matter given the level of Management judgement involved as inappropriate classification of such items would impact on the disclosure of profit before tax. In 2020 these items principally relate to integration projects, restructuring of the Group's operations and impairment of acquired intangibles. The identification of adjusting items and their presentation on financial statements presents a risk as to whether the costs represent truly adjusting items and are consistently applied year on year. Due to the judgement involved in assessing what represents an exceptional costs there exists a risk that results may be artificially distorted through the inappropriate classification of costs as exceptional.	A summary of procedures performed include: • Considering whether the Group's accounting policy for adjusting items is consistent with the accounting standards and the FRC guidelines on alternative performance measures; • Testing the classification of the selected adjusting items to underlying supporting information such as third party contracts and invoices to confirm the nature of the item and whether it represents an adjusting item; • Considering whether the recognition of adjusting items has been applied consistently between periods by comparing the nature of these items for the two years ended 31 December 2020 and 31 December 2019 and on the basis of our understanding of the results gained throughout the audit process; • Assessed whether the adjusted items in the financial statement are clearly and accurately explained and that a reconciliation to statutory financial information is presented; and • Challenging the Directors on the inclusion of items with a higher degree of judgement categorised as exceptional costs and corroborating the appropriateness of their response with supporting information. **Key observations noted:** The adjusting items appear to be consistently and appropriately applied.

Independent auditor's report to the members of Bonhill Group Plc cont.

Our application of materiality
We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole and performance materiality as follows:

	Group financial statements		Parent company financial statements	
	2020 £	**2019 £**	**2020 £**	**2019 £**
Materiality	222,000	307,000	155,400	122,800
Basis for determining materiality	1.25% of revenue	1.25% of revenue	Allocated percentage of group materiality	Allocated percentage of group materiality
Rationale for the benchmark applied	In order to arrive at this judgement, we considered the financial measures which we believed to be most relevant to the users of the financial statements in assessing the performance of the Group and revenue was considered the most appropriate metric	In order to arrive at this judgement, we considered the financial measures which we believed to be most relevant to the users of the financial statements in assessing the performance of the Group and revenue was considered the most appropriate metric	The company is not generating significant revenues and is primarily a holding company for its subsidiaries and we have therefore used a percentage of the Group allocated materiality for our audit work.	The company is not generating significant revenues and is primarily a holding company for its subsidiaries and we have therefore used a percentage of the Group allocated materiality for our audit work.
Performance materiality	166,000	230,000	116,500	92,100
Basis for determining performance materiality	75% of materiality based on our assessment of the overall control environment.	75% of materiality based on our assessment of the overall control environment.	75% of materiality based on our assessment of the overall control environment.	75% of materiality based on our assessment of the overall control environment.

Component materiality
We set materiality for each component of the Group based on a percentage of between 50% and 70% (2019: 40% to 70%) of Group materiality dependent on the size and our assessment of the risk of material misstatement of that component. Component materiality ranged from £122,000 to £155,400 (2019: £122,800 to £214,900). In the audit of each component, we further applied performance materiality levels of 75% (2019: 75%) of the component materiality to our testing to ensure that the risk of errors exceeding component materiality was appropriately mitigated.

Reporting threshold
We agreed with the Audit Committee that we would report to them all individual audit differences in excess of £11,000 (2019: £15,000). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Other Companies Act 2006 reporting
Based on the responsibilities described below and our work performed during the course of the audit, we are required by the Companies Act 2006 and ISAs (UK) to report on certain opinions and matters as described below.

Strategic report and Directors' report	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. In the light of the knowledge and understanding of the Group and Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the Directors' report.
Matters on which we are required to report by exception	We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion: • adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or • the 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, 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.

Independent auditor's report to the members of Bonhill Group Plc cont.

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.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting journal entries to increase revenue or profits, and management bias in accounting estimates including those relating to key audit matters outlined above. In order to address the risk of material misstatement associated with fraud we performed the following procedures:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Group and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework, rules of the London Stock Exchange for companies trading securities on AIM, the Companies Act 2006 and relevant tax compliance regulations;
- We understood how the Group is complying with those frameworks by making enquiries of management, those responsible for legal and compliance procedures and the Company Secretary. We corroborated our enquiries through our review of Board minutes and papers provided to the Audit Committee;
- We assessed the susceptibility of the Group's financial statements to material misstatement, including how fraud might occur, by meeting with management from across the Group to understand where they considered there was a susceptibility to fraud;
- Our audit planning identified fraud risks in relation to management override and inappropriate or incorrect recognition of revenue (revenue recognition assessed as a Key Audit Matter above). We obtained and understanding of the processes and controls that the Group has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how management monitors that processes and controls; and
- With regards to the fraud risk in management override, our procedures included journal transaction testing, with a focus on large or unusual transactions based on our knowledge of the business. We also performed an assessment on the appropriateness of key judgements and estimates, for example Management's impairment assessment (the risks associated with the impairment of goodwill, intangible assets and impairment has been assessed as a Key Audit Matter above), which are subject to managements' judgement and estimation, and could be subject to potential bias.
- We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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

Use of our report

This report is made solely to the Parent 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 Parent 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 Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Andrew Viner
(Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London
23 March 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Consolidated statement of comprehensive income

for the year ended 31 December 2020

		Year ended 31 December 2020			Year ended 31 December 2019		
	Notes	Adjusted results £'000	Adjusting items £'000	Statutory results £'000	Adjusted results £'000	Adjusting items £'000	Statutory results £'000
Revenue	2	17,812	–	17,812	24,429	–	24,429
Net operating expenses	3	(17,940)	(1,429)	(19,369)	(22,233)	(3,637)	(25,870)
Impairment relating to expected credit losses		–	–	–	(33)	–	(33)
Depreciation	11	(153)	–	(153)	(104)	–	(104)
Amortisation and impairment	10	(8,062)	(888)	(8,950)	(672)	(1,405)	(2,077)
Net operating profit/(loss)	4	(8,343)	(2,317)	(10,660)	1,387	(5,042)	(3,655)
Finance costs	7	(211)	(5)	(216)	(491)	–	(491)
Profit/(loss) before tax		(8,554)	(2,322)	(10,876)	896	(5,042)	(4,146)
Tax	8	(3)	–	(3)	106	(106)	–
Profit/(loss) for the period		(8,557)	(2,322)	(10,879)	1,002	(5,148)	(4,146)
Other comprehensive income:							
Items that may be reclassified subsequently to profit or loss:							
Exchange differences on translating foreign operations		(251)	–	(251)	(455)	–	(455)
Total comprehensive income/(loss) for the year		(8,808)	(2,322)	(11,130)	547	(5,148)	(4,601)
Basic loss per share attributable to the owners of the parent	9	(10.41)p		(13.24)p	2.24p		(9.28)p
Diluted loss per share attributable to the owners of the parent	9			(11.26)p			(9.28)p

The results above are derived from continued operations. The notes on pages 71 to 100 form an integral part of these financial statements.

Consolidated statement of financial position

as at 31 December 2020

	Notes	31 December 2020 £'000	31 December 2019 £'000
Non-current assets			
Goodwill	10	10,760	17,109
Other intangible assets	10	8,622	10,392
Property, plant and equipment	11	190	343
Deferred tax asset	8	315	459
Right-of-use asset	15	158	1,493
		20,045	29,796
Current assets			
Trade and other receivables	13	4,596	8,070
Cash and cash equivalents		1,343	1,891
		5,939	9,961
Total assets		25,984	39,757
Non-current liabilities			
Deferred tax liability	8	(426)	(464)
Borrowings	16	(50)	(1,046)
Lease financial liability	15	–	(712)
		(476)	(2,222)
Current liabilities			
Trade and other payables	14	(3,354)	(5,265)
Borrowings	16	(1,010)	(1,568)
Lease financial liability	15	(184)	(888)
Current tax liability	8	–	(23)
		(4,548)	(7,744)
Total liabilities		(5,024)	(9,966)
Net assets		20,960	29,791
Equity			
Share capital	18	986	486
Share premium account	18	1,759	–
Share-based payment reserve	19	245	217
Merger reserve		1,976	1,976
Other reserves		104	104
Retained earnings		16,562	27,429
Foreign exchange reserve		(672)	(421)
Total equity attributable to owners of the parent		20,960	29,791

The notes on pages 71 to 100 form an integral part of these financial statements.

The financial statements on pages 63 to 69 were approved and authorised to issue by the Board and signed on its behalf on 23 March 2021.

Sarah Thompson
Chief Financial Officer
23 March 2021

Company statement of financial position

as at 31 December 2020

	Notes	31 December 2020 £'000	31 December 2019 £'000
Non-current assets			
Goodwill	10	–	–
Other intangible assets	10	760	825
Property, plant and equipment	11	85	159
Deferred tax asset	8	–	85
Right-of-use asset	15	–	261
Investment in subsidiaries	12	18,562	26,445
		19,407	27,775
Current assets			
Trade and other receivables	13	3,024	3,026
Cash and cash equivalents		148	290
		3,172	3,316
Total assets		22,579	31,091
Non-current liabilities			
Borrowings	16	(50)	–
Deferred tax liability	8	(129)	–
		(179)	–
Current liabilities			
Trade and other payables	14	(6,281)	(3,724)
Lease finance liability	15	–	(260)
		(6,281)	(3,984)
Total liabilities		(6,460)	(3,984)
Net assets		16,119	27,107
Equity			
Share capital	18	986	486
Share premium account	18	1,759	–
Share-based payment reserve	19	245	217
Merger reserve		1,976	1,976
Other reserves		104	104
Retained earnings		11,049	24,324
Total equity attributable to owners of the parent		16,119	27,107

The financial statements consolidate the accounts of Bonhill Group plc and all of its subsidiary undertakings ('subsidiaries'). Intra-group sales and profits are eliminated fully on consolidation. The Company has elected to take the exemption under section 408 of the Companies Act 2006 not to present the Company statement of comprehensive income. The loss for the parent Company for the year was £13.3 million (31 December 2019: £4.3 million).

The notes on pages 71 to 100 form an integral part of these financial statements.

The financial statements on pages 63 to 69 were approved and authorised to issue by the Board and signed on its behalf on 23 March 2021.

Sarah Thompson
Chief Financial Officer
23 March 2021

Consolidated statement of changes in equity

for the year ended 31 December 2020

	Share capital £'000	Share premium £'000	Share-based payment reserve £'000	Merger reserve £'000	Other reserves £'000	Retained earnings £'000	Foreign exchange reserve £'000	Total £'000
Balance as at 31 December 2018	343	26,715	68	–	4,086	(8,343)	34	22,903
Loss for the period	–	–	–	–	–	(4,146)	–	(4,146)
Other comprehensive income	–	–	–	–	–	–	(455)	(455)
Total comprehensive loss for the period	–	–	–	–	–	(4,146)	(455)	(4,601)
Transactions with owners in their capacity as owners:								
Issue of share capital	143	9,881	–	1,976	–	–	–	12,000
Share issue costs	–	(524)	–	–	–	–	–	(524)
Removal of share option scheme	–	–	149	–	–	–	–	149
Share option charge	–	–	–	–	–	(136)	–	(136)
Capital reduction	–	(36,072)	–	–	(3,982)	40,054	–	–
Balance as at 31 December 2019	486	–	217	1,976	104	27,429	(421)	29,791
Loss for the year	–	–	–	–	–	(10,879)	–	(10,879)
Other comprehensive income	–	–	–	–	–	–	(251)	(251)
Total comprehensive loss for the year	–	–	–	–	–	(10,879)	(251)	(11,130)
Transactions with owners in their capacity as owners:								
Issue of share capital	500	2,000	–	–	–	–	–	2,500
Share issue costs	–	(241)	–	–	–	–	–	(241)
Share option charge	–	–	28	–	–	–	–	28
Other movements	–	–	–	–	–	12	–	12
Balance as at 31 December 2020	**986**	**1,759**	**245**	**1,976**	**104**	**16,562**	**(672)**	**20,960**

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Company statement of changes in equity

for the year ended 31 December 2020

	Share capital £'000	Share premium £'000	Share-based payment reserve £'000	Merger reserve £'000	Other reserves £'000	Retained earnings £'000	Foreign exchange reserve £'000	Total £'000
Balance as at 31 December 2018	343	26,715	68	–	4,086	(11,302)	–	19,910
Loss for the period	–	–	–	–	–	(4,292)	–	(4,292)
Other comprehensive income	–	–	–	–	–	–	–	–
Total comprehensive loss for the period	–	–	–	–	–	(4,292)	–	(4,292)
Transactions with owners in their capacity as owners:								
Issue of share capital	143	9,881	–	1,976	–	–	–	12,000
Share issue costs	–	(524)	–	–	–	–	–	(524)
Removal of share option scheme	–	–	149	–	–	–	–	149
Share option charge	–	–	–	–	–	(136)	–	(136)
Foreign currency translations	–	(36,072)	–	–	(3,982)	40,054	–	–
Balance as at 31 December 2019	486	–	217	1,976	104	24,324	–	27,107
Loss for the year	–	–	–	–	–	(13,275)	–	(13,275)
Other comprehensive income	–	–	–	–	–	–	–	–
Total comprehensive loss for the year	–	–	–	–	–	(13,275)	–	(13,275)
Transactions with owners in their capacity as owners:								
Issue of share capital	500	2,000	–	–	–	–	–	2,500
Share issue costs	–	(241)	–	–	–	–	–	(241)
Share option charge	–	–	28	–	–	–	–	28
Balance as at 31 December 2020	**986**	**1,759**	**245**	**1,976**	**104**	**11,049**	**–**	**16,119**

Consolidated statement of cash flows

for the year ended 31 December 2020

	Year ended 31 December 2020 £'000	Year ended 31 December 2019 £'000
Cash generated/(used in) operations	**940**	1,225
Interest paid	**(243)**	(345)
Taxation paid	**–**	(107)
M&A costs	**–**	(817)
Integration costs	**(1,627)**	(1,621)
Restructuring costs	**–**	(1,208)
Net cash generated used in operating activities	**(930)**	(2,873)
Investing activities		
Purchases of property, plant and equipment	**(35)**	(257)
Purchases of intangible assets	**(299)**	(689)
Net cash paid for acquisition	**–**	(5,840)
Net cash used in investing activities	**(334)**	(6,786)
Financing activities		
Proceeds from issue of ordinary shares	**2,259**	9,484
Repayment of borrowings	**(1,604)**	(1,613)
Lease repayments	**(860)**	(523)
Government C-19 funding received	**989**	–
Dividends paid	**–**	(136)
Net cash generated from financing activities	**784**	7,212
Foreign exchange movement	**(68)**	(29)
Net decrease in cash and cash equivalents	**(548)**	(2,476)
Cash and cash equivalents at the beginning of the period	**1,891**	4,367
Cash and cash equivalents at the end of the period	**1,343**	1,891

The Group consists of entities with functional currencies of GBP, USD, SGD and HKD.

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Company statement of cash flows

for the year ended 31 December 2020

	Year ended 31 December 2020 £'000	Year ended 31 December 2019 £'000
Cash used in operations	**(981)**	(1,867)
Interest paid	**6**	(3)
Net cash generated from operating activities	**(975)**	(1,870)
Investing activities		
Purchases of property, plant and equipment	**(32)**	(118)
Purchases of intangible assets	**(290)**	(594)
Investment in subsidiaries	**–**	(6,496)
Other exceptional costs	**(1,014)**	(2,064)
Net cash used in investing activities	**(1,336)**	(9,272)
Financing activities		
Proceeds from issue of ordinary shares	**2,259**	9,484
Receipt/(repayment) of borrowings	**50**	(30)
Repayment of lease liability	**(140)**	–
Loans from subsidiaries	**–**	(785)
Dividends paid	**–**	(136)
Net cash generated from financing activities	**2,169**	8,533
Foreign exchange movement	**–**	(6)
Net decrease in cash and cash equivalents	**(142)**	(2,615)
Cash and cash equivalents at the beginning of the period	**290**	2,905
Cash and cash equivalents at the end of the period	**148**	290

Notes to the cash flow statement

(a) Reconciliation of loss after tax to cash flows used in operations

	Group		Company	
	Year ended 31 December 2020 £'000	Year ended 31 December 2019 £'000	**Year ended 31 December 2020 £'000**	Year ended 31 December 2019 £'000
Loss after tax	**(10,879)**	(4,146)	**(13,275)**	(4,292)
Adjustments for:				
Tax	**3**	–	**215**	–
Finance costs	**216**	491	**2**	9
Amortisation and impairment	**8,950**	2,077	**8,392**	206
Depreciation of property, plant and equipment	**153**	104	**67**	52
Share-based payment charge	**(18)**	149	**(18)**	149
Other exceptional costs	**1,429**	3,637	**824**	2,056
Operating cash flows before movements in working capital	**(146)**	2,312	**(3,793)**	(1,820)
Movement in receivables	**2,921**	213	**(4)**	(627)
Movement in payables	**(1,835)**	(1,300)	**2,816**	580
Cash flows generated/(used) in operations	**940**	1,225	**(981)**	(1,867)

(b) Reconciliation of liabilities arising from financing activities

Group – year ended 31 December 2020

Group	31 December 2019 £'000	Cash flows £'000	Non-cash changes: Loan forgiveness £'000	Termination of leases £'000	Non-cash movement £'000	Items reclassified from non-current to current during the period £'000	**31 December 2020 £'000**
Long-term borrowings	1,046	–	–	–	(36)	(1,010)	**–**
Short term borrowings	1,568	(1,604)	–	–	36	1,010	**1,010**
Government funding*	–	989	(863)	–	(76)	–	**50**
Lease liabilities	1,600	(860)	–	(508)	(48)	–	**184**
Total liabilities from financing activities	**4,214**	**(1,475)**	**(863)**	**(508)**	**(124)**	**–**	**1,244**

* Non-cash movement relates to the change in the GBP equivalent in the $1.1m loan from the date of loan receipt to the date of loan forgiveness.

Group – year ended 31 December 2019

	31 December 2018 £'000	Cash flows £'000	Non-cash changes: Acquisition £'000	New leases £'000	Foreign exchange movement £'000	Items reclassified from non-current to current during the period £'000	**31 December 2019 £'000**
Long-term borrowings	2,701	–	–	–	(87)	(1,568)	**1,046**
Short-term borrowings	1,622	(1,613)	–	–	(9)	1,568	**1,568**
Lease liabilities	1,018	(523)	849	290	(34)	–	**1,600**
Total liabilities from financing activities	**5,341**	**(2,136)**	**849**	**290**	**(130)**	**–**	**4,214**

Notes to the financial statements

for the Year ended 31 December 2020

Bonhill Group plc is a public limited company incorporated in the United Kingdom, whose shares are publicly traded on the AIM market. The Company is registered and domiciled in England and its principal place of business is 1st Floor Fleet House, 59-61 Clerkenwell Road, London EC1M 5LA

1. Significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all periods presented, unless otherwise stated.

The consolidated financial statements are presented in GBP, which is also the Group's presentational currency.

Amounts are rounded to the nearest thousand, unless otherwise stated.

Basis of accounting

The financial statements of Bonhill Group plc have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union and IFRIC interpretations (IFRS) and the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention.

Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position, are set out in the Chairman's statement and the Chief Executive's review.

The Directors regularly review detailed forecasts of sales, costs and cash flows, and regularly project forwards 12 months or more. The assumptions underlying the budget are challenged, varied and tested to establish the likelihood of a range of possible outcomes, including reasonable cash flow sensitivities. The expected figures are carefully monitored against actual outcomes each month and variances are highlighted and discussed at Board level.

Whilst the global COVID-19 pandemic has had a widespread macro-economic effect, operationally the Group's business was able to transition to remote working seamlessly and has been able to perform very effectively, managing the expectations of clients and delivering a continuous excellent service.

Nevertheless, the Group's trading in 2020 has been adversely impacted by the COVID-19 pandemic as described in the Group Strategic Report. Given this impact on trading, the Directors have completed a comprehensive going concern review and, in adopting the going concern basis for preparing the financial statements, the Directors have considered the future trading prospects of the Group's businesses, the Group's available liquidity alongside the Group's principal risks as set out in the Strategic Report.

Taking account of the recent announcements of the successful development of a vaccine for COVID-19, and the distribution of the vaccine in 2021, the base case scenario assumes a modest improvement in trading conditions during 2021, building on the momentum that has been seen in the second half of 2020 when compared with the first three months of the pandemic. The 2021 projections have been created with most events assumed to be virtual to try and minimise any further impact of COVID and the potential of ongoing local lockdowns. Digital revenue has remained broadly flat from 2019 to 2020 showing its resilience to being adversely affected by the pandemic, and Data & Insight consists mostly of recurring revenue subscriptions which are expected to remain reasonably stable. When comparing these projections to 2019 and 2020, the Directors believe that this is a relatively conservative base case.

The Group meets its day-to-day financing and working capital requirements through ongoing operating cash flows and available cash. The Group's forecasts and projections, taking account of possible changes in trading performance under various scenarios, show that the Group will be able to operate within the level of its current cash until at least 30 June 2022. In addition, the Group has successfully demonstrated in 2020 that it has to ability to take significant additional steps, if required, to mitigate the impact of any further downside scenarios should they occur.

Cash levels are strong and the Group monitors and manages its cash flows regularly and carefully. Over the 15-month period of the scenarios, cash balances are forecast to remain at more than adequate levels to fund the Group's planned activities. While the Group has taken advantage of government schemes to defer its VAT payments from 2020 to 2021, and subsequently result in a cash outflow in 2021, overall net cash flow remains strong and positive for the year. One part of determining the robustness of the going concern model included running reverse stress tests in order to understand what would hypothetically need to occur in order for the Group's cash position to break even. As mentioned above, the Board considers these scenarios extremely unlikely and would undertake any necessary mitigating actions well in advance of this materialising into an issue.

While the Directors are comfortable that the uncertainties in respect of cash flows referred to above are not material uncertainties that might cast doubt about the Group's ability to continue as a going concern, they acknowledge that the long-term impact of COVID-19 remains complicated and that it is possible that the impact of the pandemic on trading conditions could be more prolonged or severe than currently forecast by the Directors. If this were to prove to be the case, the Group may need to implement further operational or financial measures (including the management of operating costs, working capital, capital expenditure or other similar measures) to ensure that the Group continues to protect the business from such downside risks.

Notes to the financial statements cont.

for the Year ended 31 December 2020

1. Significant accounting policies cont.

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

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used in line with those used by the Group.

The consolidated financial statements incorporate the results of business combinations using the acquisition method. In the statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date on which control ceases.

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised.

All subsidiaries have an accounting reference date of 31 December 2020.

Subsidiaries
Where the Company has control over an investee, it is classified as a subsidiary. The Company controls an investee if all three of the following elements are present: power over the investee, exposure to variable returns from the investee, and the ability of the investor to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

Foreign exchange
Transactions entered into by Group entities in a currency other than the currency of the primary economic environment in which they operate (their "functional currency") are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the reporting date.

On consolidation, the results of overseas operations are translated into GBP at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations, including goodwill arising on the acquisition of those operations, are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income and accumulated in the foreign exchange reserve.

Revenue
Revenue represents the fair value, net of value added tax, of consideration received or receivable, for goods sold and services provided to customers. There are five income streams recognised within revenue:

Advertising (traditional)
Revenue is recognised when the relevant publication is printed (performance obligation as defined).

Advertising (online)
Revenue is recognised over the period over which the campaign runs i.e. over time.

Subscriptions
Subscription contracts have distinct performance obligations over the period of the subscription. Revenue is therefore recognised evenly on a time basis over the subscription period.

Event revenues
Event revenue is recognised in the period the events are held.

Research
Revenue is recognised immediately on purchases or in line with a bespoke contract.

In each case, customers may be invoiced in advance of income recognition, in which case the proportion of invoiced income relating to subsequent periods is included in deferred income.

Where revenue is recognised on an over time basis, an output method is used to determine the revenue recognised. Point in time performance obligations are determined to be met through either the performance of the agreed service or through online or physical distribution. Where a contract is for multiple revenue streams, the allocation of transaction price is agreed at point of contract.

The Group has a policy of 30 day payment terms.

For executive management purposes, the business has two reportable segments. Segmental analysis has been performed in note 2.

During the period, no individual customer accounted for more than 10% of the reported revenue.

1. Significant accounting policies cont.

Share-based payments
The Group issues equity-settled share-based payments to full-time employees. Equity-settled share-based payments are measured at the fair value at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

Where equity instruments are granted to persons other than employees, the consolidated statement of comprehensive income is charged with the fair value of goods and services received.

Intangible assets
Goodwill
Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the identifiable assets and liabilities of the acquired subsidiary at the date of acquisition.

Goodwill, with an indefinite useful life, is tested annually for impairment and carried at cost less accumulated impairment losses. Any impairment charge is recognised in administrative expenses within the statement of comprehensive income in the year in which it occurs. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Publishing rights
In accordance with IAS 38 Intangible assets, publishing rights acquired are capitalised as intangible assets. Amortisation is charged so as to write off the cost of publishing rights over their estimated useful economic lives, using the straight-line method, on the following bases:

Publishing rights	20 years straight line

Website development costs
Website development costs are accounted for in accordance with IAS 38. Expenditure on internally developed products is capitalised if it can be demonstrated that:

- it is technically feasible to develop the product for it to be sold
- adequate resources are available to complete the development
- there is an intention to complete and sell the product
- the Group is able to sell the product
- sale of the product will generate future economic benefits, and
- expenditure on the project can be measured reliably.

Capitalised development costs are amortised over the periods the Group expects to benefit from selling the products developed. The amortisation expense is included within administrative expenses in the consolidated statement of comprehensive income. Website development costs are amortised over three years.

Development expenditure not satisfying the above criteria and expenditure on the research phase of internal projects are recognised in the consolidated statement of comprehensive income as incurred.

Brand
The fair values of identifiable brands are capitalised in accordance with IFRS 3, measured at acquisition fair value. Amortisation is charged over their estimated useful economic lives, using the straight-line method, on the following bases:

Brands	10 years straight line

Customer relationships
The fair values of identifiable customer relationships are capitalised in accordance with IFRS 3, measured at acquisition fair value. Amortisation is charged over their estimated useful economic lives, using the straight-line method:

Customer relationships	7 years straight line
Software	5 years straight line

Notes to the financial statements cont.

for the Year ended 31 December 2020

1. Significant accounting policies cont.

Impairment of non-current assets excluding deferred tax assets
At each reporting date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in the impairment of intangible assets line in the consolidated statement of comprehensive income as an expense immediately.

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

Property, plant and equipment
Items of property, plant and equipment are stated at cost of acquisition or production cost less accumulated depreciation and impairment losses. Depreciation is charged so as to write off the cost of assets over their estimated useful lives, using the straight-line method, on the following bases:

Fixtures, fittings and equipment 3 years straight line

Current and deferred taxation
Current tax is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustments to tax payable in respect of previous years.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profits ('temporary differences') and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences. Where there are taxable temporary differences arising on subsidiaries, deferred tax liabilities are recognised except where the Group is able to control the reversal of temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are generally recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Where there are deductible temporary differences arising on subsidiaries, deferred tax assets are recognised only where it is probable that they will reverse in the foreseeable future and taxable profits will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting 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 is realised, based upon tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

Leased assets and obligations
All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- leases of low value assets; and
- leases with a term of 12 months or less.

Assets leased for a period of less than a year are not recorded in the statement of financial position. Rental payments are charged directly to profit or loss on a straight-line basis over the lease term.

Where assets are leased for a period of more than a year, a right-of-use asset and lease liability are recognised on the statement of financial position. After lease commencement, the right-of-use asset is measured using a cost model at cost less accumulated amortisation. The lease liability is initially measured at the present value of the lease payments payable over the lease term. The present value of the lease payment is determined using the discount rate representing the incremental borrowing rate of the Company.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the Group's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:

- amounts expected to be payable under any residual value guarantee;
- the exercise price of any purchase option granted in favour of the Group if it is reasonably certain to assess that option;
- any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

1. Significant accounting policies cont.

Leased assets and obligations cont.
Right-of-use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- lease payments made at or before commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognised where the Group is contractually required to dismantle, remove or restore the leased asset (typically leasehold dilapidations).

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

When the Group revises its estimate of the term of any lease (because, for example, it re-assesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted at the same discount rate that applied on lease commencement. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term.

Provisions
Provisions
Provisions are recognised when the Group has a present obligation as a result of a past event which it is probable will result in an outflow of economic benefits that can be reliably estimated. Where the effect of the time value of money is material, the provision is based on the present value of future outflows, discontinued at the pre-tax discount rate that reflects the risks specific to the liability.

Defined contribution schemes
Contributions to defined contribution pension schemes are charged to the consolidated statement of comprehensive income in the year to which they relate.

Financial instruments
Financial assets and financial liabilities are recognised on the Group's statement of financial position when the Group has become party to the contractual provisions of the instrument.

Trade and other receivables
Trade receivables are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and subsequently measured at amortised cost using the effective interest method less provision for impairment.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for trade receivables. To measure expected credit losses on a collective basis, trade receivables are grouped based on similar ageing. The Group has determined that trade receivables across different propositions, sectors and countries have similar risk characteristics. The carrying amount of the asset is reduced through the use of a provision account, and the amount of the loss is recognised in the statement of comprehensive income. When a trade receivable is uncollectible, it is written off against the provision account for trade receivables. Subsequent recoveries of amounts previously written off are credited in the statement of comprehensive income.

Impairment provisions for receivables from related parties and loans to related parties are recognised based on a forward looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those where the credit risk has not increased significantly since initial recognition of the financial asset, 12 month expected credit losses along with gross interest income are recognised. For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

Cash and cash equivalents
Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Trade payables
Trade payables are initially recognised at cost and subsequently measured at amortised cost using the effective interest method. There is no material variance between book and fair values.

Borrowings
Borrowings are recorded initially at their fair value, net of direct transaction costs, and finance charges are recognised in profit or loss over the term of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the consolidated statement of financial position. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding. Note 16 provides details of the applicable interest rates. There is no material variance between book and fair values.

Notes to the financial statements cont.

for the Year ended 31 December 2020

1. Significant accounting policies cont.

Financial instruments cont.

Government funding and grants

The Paycheck Protection Programme loan was initially recognised as borrowings on the balance sheet of Bonhill Group Inc and remained as such until the loan was forgiven by the Small Business Administration in the United States. At that point, the loan was written off the balance sheet and recognised as part of net operating expenses in the income statement.

Cash received under the UK Coronavirus Job Retention Scheme, in relation to employees who were on furlough at the time, was recognised part of net operating expenses in the income statement.

The UK Bounceback loan received in December 2020 was recognised on the Company balance sheet where it will remain until it is repaid in full.

Equity instruments

Financial instruments issued by the Group are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset.

The Group's ordinary shares are classified as equity instruments. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Reserve	Description and purpose
Share capital	Represents the nominal value of equity shares.
Share premium	Amount subscribed for share capital in excess of the nominal value.
Share option reserve	Represents equity-settled share-based employee remuneration until such options are exercised.
Other reserve	Represents transactions with equity participants. This reserve includes the Capital Redemption Reserve as a result of the cancellation of the deferred shares.
Retained earnings	All other net gains and losses and transactions with owners (e.g. dividends) not recognised elsewhere.
Merger reserve	Where the Group has applied merger relief under the UK Companies Act s615.

Judgements and estimates

The Group makes judgements and assumptions concerning the future that impact the application of policies and reported amounts. The resulting accounting estimates calculated using these judgements and assumptions will, by definition, seldom equal the related actual results but are based on historical experience and expectations of future events. The judgements and key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are discussed below.

Impairment of assets

The Group is required to assess whether goodwill has suffered any impairment loss, based on the recoverable amount of its cash generating units ("CGUs"). The recoverable amount has been determined based on value in use calculations and these calculations require the use of estimates in relation to future cash flows and suitable discount rates as disclosed in note 10. Actual outcomes could vary from these estimates. The Directors will continue to monitor the carrying value of intangible assets and goodwill, in particular through the period impacted by COVID-19.

Non-financial assets including website development costs and publishing rights are subject to impairment reviews based on whether events and circumstances suggest that their recoverable amount may be less than their carrying value. Recoverable amount is based on the present value of expected future cash flows which include management assumptions and estimates of future performance.

Adjusting items

Adjusting items are reviewed on a transactional level basis as to their nature and intention. Items which are discrete, time-bound and have arisen as a direct result of a one-off activity, such as the acquisition of a subsidiary company have been recognised as adjusting. During August 2020 the Transitional Services Agreement with Crain, the former parent of InvestmentNews, finished and triggered the end point of the migration and integration work. From this point onwards there have been no more adjusting items. Management do not expect to recognise any adjusting items in 2021.

1. Significant accounting policies cont.

Judgements and estimates cont.

Deferred tax asset

The Group has recognised a deferred tax asset based on the expectation that taxable profits will be recognised against which the Group can utilise assessed losses. This is based on the Directors' assessment of carry forward tax losses on an entity by entity basis against future profits both in respect of the UK and US business.

Expected credit losses

The Group applies the IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for trade receivables. To measure expected credit losses on a collective basis, trade receivables are grouped based on similar ageing. The Group has determined that trade receivables across different propositions, sectors and countries have similar risk characteristics.

Share-based payments

Share options are recognised as an expense based on their fair value at date of grant. The fair value of the options is estimated through the use of a valuation model – which requires inputs such as the risk-free interest rate, expected dividends, expected volatility and the expected option life – and is expensed over the vesting period. Some of the inputs used to calculate the fair value are not market observable and are based on estimates derived from available data, such as employee exercise behaviour and employee turnover.

Valuation of acquired intangible assets

The fair value of these acquired intangible assets is based on valuation techniques. The valuation models require input based on assumptions about the future. Management uses its best knowledge to estimate the fair value of acquired intangible assets as of the acquisition date. The value of intangible assets is tested for impairment when there is an indication that they might be impaired. Management also make assumptions about the useful life of the acquired intangible assets which might be affected by external factors. Should an impairment be made, the corresponding investment in subsidiary is also impaired.

Going concern

The Group has limited forward visibility and like all organisations, at this stage it is hard to predict the full extent of the impact of COVID-19. Consequently, there is a high degree of uncertainty in respect of future outcomes, however, the various stress test scenarios indicate that the Group can continue to operate within its banking facilities.

In the event that there is a more significant downturn than in the scenarios tested, there are further mitigating actions which could include but are not limited to, further reductions in non-business critical expenditure as well as the potential for headcount reductions. As a consequence, the Directors have formed a judgement, at the time of approving the financial statements, that there is a reasonable expectation that the Group has adequate resources to continue in operational existence and meet its liabilities as they fall due over the going concern review assessment period.

2. Segmental analysis

For executive management purposes, the business has three reportable segments being Bonhill UK, InvestmentNews and Last Word Media. Further analysis of revenue has been performed by core proposition and country.

	Year ended 31 December 2020 £'000	Year ended 31 December 2019 £'000
Analysis of revenue by core propositions		
Business Information	**10,695**	13,564
Events	**6,074**	9,605
Data & Insight	**1,043**	1,260
Total	**17,812**	24,429
Analysis of revenue by country		
United Kingdom	**7,880**	8,205
Europe, Middle East and Africa	**–**	1,344
North America	**9,029**	14,337
Asia Pacific	**903**	543
Total	**17,812**	24,429

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Notes to the financial statements cont.

for the Year ended 31 December 2020

2. Segmental analysis cont.

Year ended 31 December 2020	Last Word Media £'000	Bonhill UK £'000	InvestmentNews £'000	Total £'000
Reportable segmental income statement				
Revenue	6,228	2,555	9,029	17,812
Adjusted EBITDA	506	(2,586)	1,934	(146)
Adjusted operating profit/(loss)	47	(6,264)	(2,126)	(8,343)
Statutory operating profit/(loss)	56	(7,318)	(3,398)	(10,660)
Statutory profit/(loss) before tax	34	(6,526)	(4,384)	(10,876)

Year ended 31 December 2019	Last Word Media £'000	Bonhill UK £'000	InvestmentNews £'000	Total £'000
Reportable segmental income statement				
Revenue	6,710	3,822	13,897	24,429
Adjusted EBITDA	907	(1,815)	3,220	2,312
Adjusted operating loss	551	(2,085)	2,921	1,387
Statutory operating loss	66	(4,312)	591	(3,655)
Statutory loss before tax	44	(4,368)	178	(4,146)

Segmental assets and liabilities

	Assets 2020 £'000	Liabilities 2020 £'000	Assets 2019 £'000	Liabilities 2019 £'000
Bonhill UK	7,143	(1,736)	4,187	(1,731)
InvestmentNews	16,572	(1,772)	24,176	(5,149)
Last Word Media	2,269	(1,516)	11,394	(3,086)
Total Group	25,984	(5,024)	39,757	(9,966)

3. Operating loss

(a) Operating loss for the year has been arrived at after charging the following items:

	Note	Year ended 31 December 2020 £'000	Year ended 31 December 2019 £'000
Depreciation of property, plant and equipment		153	104
Amortisation of purchased or internally generated intangible assets		743	79
Impairment of intangible assets		6,601	–
Lease amortisation		718	593
Foreign exchange (gain) or loss		180	54
Operating lease rentals in respect of land and buildings		24	73
Staff costs	5	9,950	10,698
Directors' remuneration	6	626	516
Events costs		1,769	4,853
Print/digital related costs		1,513	1,420
Impairment relating to expected credit losses		–	33
Grant income related to COVID-19*		(1,025)	–
Other costs		4,903	4,619
Adjusting operating costs		26,155	23,042
Adjusting items		2,317	5,042
Statutory operating costs		28,472	28,084

* Includes £0.2 million UK furlough income and £0.9 million PPP US funding.

Other costs include: freelance and contractors, print magazine costs, distribution costs, technology costs, travel and expenditure, marketing and professional fees.

(b) During the year, the following services were obtained from the Group's auditor as detailed below:

	Year ended 31 December 2020 £'000	Year ended 31 December 2019 £'000
Audit services		
– Recurring fees payable to Company auditor for the audit of parent Company and consolidated accounts	67	42
– Additional fees payable in relation to non-recurring audit work	20	27
– Fees in connection with prior period	60	–
Other services		
Fees payable to the Company's auditor and its associates for other services:		
– The audit of Company's subsidiaries	40	72
– Advice in connection with Interim results	3	–
– Corporate finance transaction support in relation to acquisition of Last Word Media	–	102
– Tax work performed in relation to acquisition of Last Word Media	–	35

The disclosure of the auditor's remuneration stated above relates to the Company's auditor, BDO LLP, and its associates.

Notes to the financial statements cont.

for the Year ended 31 December 2020

3. Operating loss cont.

(c) Adjusting items

The Group incurred certain costs in the year ended 31 December 2020 and the year ended 31 December 2019 which the Directors believe should be disclosed as adjusting items as set out below. Adjusted results are prepared to provide additional relevant information on our future or past performance where equivalent information cannot be presented using financial measures under IFRS.

	Year ended 31 December 2020 £'000	Year ended 31 December 2019 £'000
Restructuring	805	1,208
M&A costs (including legal fees)	–	808
Integration costs	624	1,621
Amortisation of intangibles acquired through business combination	888	1,295
Intangible asset write-off	–	110
	2,317	5,042

Adjusting items are reviewed on a transactional level basis as to their nature and intention. Items which are discrete, time-bound and have arisen as a direct result of a one-off activity, such as the acquisition of a subsidiary company have been recognised as adjusting. During August 2020 the Transitional Services Agreement with Crain, the former parent of InvestmentNews, finished and triggered the end point of the migration and integration work. From this point onwards there have been no more adjusting items. Management do not expect to recognise any adjusting items in 2021.

The restructuring costs in the year broadly relate to two key activities. One was the closure of the European sales division of Last Word Media, and the other was in relation to streamlining senior management roles. Post the acquisitions of InvestmentNews and Last Word Media, the decision was made to have a more global senior executive team (as mentioned in the CEO review), and as a result many senior roles across the Group were made redundant.

The integration costs relate to the work undertaken to align the technology systems onto one platform and fully integrate the data and processes across the Group. More detail behind this can be found in the technology report on page 8.

4. Reconciliation of Adjusted EBITDA to statutory earnings

Earnings before interest, depreciation and amortisation ("EBITDA") is a measure of earnings and cash generative capacity. Adjusted EBITDA, which excludes non-recurring items, is a non-GAAP financial measure which facilitates an understanding of underlying earnings and cash generative capacity. A reconciliation of Adjusted EBITDA to statutory earnings is set out below.

	Year ended 31 December 2020 £'000	Year ended 31 December 2019 £'000
Adjusted EBITDA	(146)	2,312
Adjusting items	(1,429)	(3,637)
EBITDA	(1,575)	(1,325)
Depreciation	(153)	(104)
Amortisation and impairment	(8,950)	(2,077)
Share option (charge)/credit	18	(149)
Operating loss	(10,660)	(3,655)
Net finance costs	(216)	(491)
Loss before tax	(10,876)	(4,146)
Taxation	(3)	–
Loss after tax	(10,879)	(4,146)

5. Staff costs

	Group		Company	
	Year ended 31 December 2020 £'000	Year ended 31 December 2019 £'000	Year ended 31 December 2020 £'000	Year ended 31 December 2019 £'000
Staff costs (excluding Directors)				
– Wages and salaries	8,791	9,407	2,153	1,531
– Social security costs	879	870	259	167
– Share-based payments charge	10	149	6	149
– Pensions	270	272	125	30
	9,950	10,698	2,543	1,877

Average monthly number of persons employed by the Group:

	Group		Company	
	Year ended 31 December 2020 £'000	Year ended 31 December 2019 £'000	Year ended 31 December 2020 £'000	Year ended 31 December 2019 £'000
Senior management	15	12	10	7
Finance and administration	19	13	16	7
Editorial/design/events	70	74	18	27
Marketing and sales	50	65	5	7
	154	164	49	48

6. Directors' remuneration

	Salary	Pension	Bonus	Year ended 31 December 2020 £'000	Year ended 31 December 2019* £'000
Executive:					
Simon Stilwell	215	–	–	215	204
Sarah Thompson (appointed 15 Sep 2020)	40	2	–	42	–
David Brown (resigned 21 July 2020)	163	11	–	174	195
Non-executive:					
Neil Sachdev	50	–	–	50	50
Anne Donoghue	30	0	–	30	31
Jon Kempster (appointed 29 June 2020)	15	0	–	15	–
Fraser Gray (resigned 29 June 2020)	15	1	–	16	31
N Dowdall (resigned 21 March 2019)	–	–	–	–	38
Total	528	14	–	542	549

* 2019 figures have been re-presented to be consistent with current year and now only include the costs of the Plc directors rather than additional costs of Subsidiary directors as before.

During the period, the Company made pension contributions of £14k on behalf of the Directors (31 December 2019: £3.2k). Some Directors had non-zero pension contributions which are rounded down and these are shown as "0".

Share-based payment expense is a non-cash item to adjust for the issue of share options. The Board issues share options to Directors and senior management as it is in their opinion the most effective way to align them with the interests of the shareholders.

No share options were exercised during the period (31 December 2019: nil).

Notes to the financial statements cont.

for the Year ended 31 December 2020

6. Directors' remuneration cont.

Directors' interests in share options

The interests of the Directors in office during the year in share options of the Company are set out in the table below.

	31 December 2020 Number	Granted Number	Forfeited/ lapsed Number	31 December 2019 Number	Exercise price Pence	Exercisable period
Simon Stilwell	7,440	–	(148,809)	156,249	80.0	16/08/2022 to 16/08/2029
	7,441	–	(148,808)	156,249	80.0	16/08/2023 to 16/08/2029
	376,000	–	–	376,000	1.0	16/08/2022 to 16/08/2023
	376,000	–	–	376,000	1.0	16/08/2023 to 16/08/2024
	1,802,000	1,802,000	–	–	1.0	26/10/2020 to 25/10/2023
	1,802,000	1,802,000	–	–	1.0	26/10/2020 to 25/10/2024
	4,370,881	3,604,000	(297,617)	1,064,498	–	
Sarah Thompson (appointed 15 Sep 2020)	1,000,000	1,000,000	–	–	1.0	26/10/2020 to 25/10/2023
	1,000,000	1,000,000	–	–	1.0	26/10/2020 to 25/10/2024
	2,000,000	2,000,000	–	–	–	
David Brown (resigned 21 July 2020)	–	–	(156,249)	156,249	80.0	16/08/2022 to 16/08/2029
	–	–	(156,249)	156,249	80.0	16/08/2023 to 16/08/2029
	–	–	(268,500)	268,500	1.0	16/08/2022 to 16/08/2023
	–	–	(268,500)	268,500	1.0	16/08/2023 to 16/08/2024
	–	–	(849,498)	849,498	–	

7. Finance costs

	Year ended 31 December 2020 £'000	Year ended 31 December 2019 £'000
Interest payable on bank loan and overdrafts	(218)	(431)
Net interest recognised under IFRS 16 lease liabilities*	2	(60)
	(216)	(491)

* Includes the effect of the early termination of the US lease. See note 15.

8. Income tax

	Year ended 31 December 2020 £'000	Year ended 31 December 2019 £'000
UK current tax (charge)/credit	–	–
US current tax (charge)/credit	(6)	(28)
Adjustment in respect of prior periods	55	24
Total current tax	49	(4)
Deferred tax on goodwill	–	–
Deferred tax on other intangibles	286	(245)
Deferred tax on other temporary differences	12	136
Deferred tax on UK losses	(198)	111
Deferred tax on US losses	–	–
Adjustment in respect of prior periods	(152)	2
Total deferred tax	(52)	4

Corporation tax on UK profits is calculated at 19.00% (31 December 2019: 19.00%) of the estimated assessable profit for the year. Corporation tax on US profits is calculated at 23.88% (31 December 2019: 23.88%) of the estimated assessable profit for the year.

The tax charge for the year can be reconciled to the loss before tax per the consolidated statement of comprehensive income as follows:

	Year ended 31 December 2020 £'000	Year ended 31 December 2019 £'000
Factors affecting the tax charge for the year:		
Loss before taxation	(10,876)	(4,146)
Loss before tax multiplied by the standard rate of corporation tax in the UK of 19.00%	(2,066)	(788)
Effects of:		
Profits taxed at US rate of 23.88% (31 December 2019: 23.88%)	(96)	(14)
Other expenses not deductible for tax purposes	409	166
Adjustments to tax charge in respect of prior years	96	207
Capital allowances	–	–
Difference in tax rates on deferred tax	27	34
Tax losses carried forward	225	–
State taxes	–	(28)
Change in valuation allowance/movement in unrecognised deferred tax	1,287	433
Other effects including foreign exchange differences	115	(10)
Total tax charge	(3)	–

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Notes to the financial statements cont.

for the Year ended 31 December 2020

8. Income tax cont.

Deferred and current tax assets and liabilities can be reconciled as follows:

	Group £'000	Company £'000
Deferred tax assets as at 1 January 2020	459	85
Movement in the year	(144)	(85)
Effect of foreign exchange revaluation	–	–
Deferred tax assets as at 31 December 2020	**315**	**–**
	£'000	£'000
Deferred tax liabilities as at 1 January 2020	(464)	–
Movement in the year	38	(129)
Effect of foreign exchange revaluation	–	–
Deferred tax liabilities as at 31 December 2020	**(426)**	**–**
Net deferred tax liabilities	**(111)**	**(129)**
	£'000	£'000
Current tax liability as at 1 January 2020	(23)	–
Adjustment in respect of prior years	60	
Current tax charge	(6)	–
Received	(24)	–
Effect of foreign exchange revaluation	**–**	**–**
Current tax asset as at 31 December 2020	**7**	**–**

The Group has recognised deferred tax assets in relation to losses to the extent that the Directors anticipate it is probable that taxable profits will be available in the next three years against which the temporary differences can be utilised. The Group has unrecognised tax losses of £11.5 million (31 December 2019: £8.6 million).

On 27 March 2020, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was enacted in the US. This includes certain tax provisions with retrospective effect. The impact of these provisions is expected to reduce the Company's current tax liability by approximately £27k, with an equal and opposite decrease in the Company's deferred tax asset for carried-forward losses. This impact will be included in the statutory accounts for subsequent years, where the year-end date falls after the date of enactment.

9. Earnings per share

(a) Basic earnings per share

Basic loss per share is calculated by dividing the loss attributable to owners of the parent by the weighted average number of ordinary shares in issue during the year.

Based on statutory earnings

	Year ended 31 December 2020 £'000	Year ended 31 December 2019 £'000
Loss attributable to owners of the parent	**(10,879)**	(4,146)
Weighted average number of ordinary shares in issue	**82,196,705**	44,671,798
Basic earnings per share (pence per share)	**(13.24p)**	(9.28p)

Based on adjusted earnings

	Year ended 31 December 2020 £'000	Year ended 31 December 2019 £'000
Profit/(loss) attributable to owners of the parent	**(8,557)**	1,002
Weighted average number of ordinary shares in issue	**82,196,705**	44,671,798
Basic earnings per share (pence per share)	**(10.41p)**	2.24p

(b) Diluted earnings per share

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

Based on statutory earnings

	Year ended 31 December 2020 £'000	Year ended 31 December 2019 £'000
Loss attributable to owners of the parent	**(10,879)**	(4,146)
Weighted average number of ordinary shares in issue	**82,196,705**	44,671,798
Dilutive effect of "in the money" share options	**14,451,762**	–
Diluted ordinary shares	**96,648,467**	44,671,798
Diluted earnings per share (pence per share)	**(11.26p)**	(9.28p)

Financial Statements

Notes to the financial statements cont.

for the Year ended 31 December 2020

10. Intangible assets

Group	Website development costs £'000	Software £'000	Publishing rights £'000	Brand £'000	Customer relationships £'000	Sub-total £'000	Goodwill £'000	Total £'000
Cost								
1 January 2019	542	18	1,162	3,624	5,730	11,076	11,511	22,587
Additions (external)	118	571	–	–	–	689	–	689
Additions at acquisition	107	–	–	1,300	526	1,933	6,053	7,986
Write off relating to intangible assets	–	–	(11)	–	–	(11)	(108)	(119)
Foreign exchange movement	–	–	–	(117)	(186)	(303)	(345)	(648)
1 January 2020	767	589	1,151	4,807	6,070	13,384	17,111	30,495
Additions (external)	56	241		–	–	297	–	297
Foreign exchange movement	(3)	–		(119)	(188)	(310)	(103)	(413)
31 December 2020	**820**	**830**	**1,151**	**4,688**	**5,882**	**13,371**	**17,008**	**30,379**
Amortisation and impairment								
1 January 2019	461	18	716	131	289	1,615	2	1,617
Amortisation charge for the year	79	–	58	427	810	1,374	–	1,374
Additions at acquisition	60	–	–	–	–	60	–	60
Write off relating to intangible assets	–	–	(9)	–	–	(9)	–	(9)
Foreign exchange movement	–	–	–	(14)	(34)	(48)	–	(48)
1 January 2020	600	18	765	544	1,065	2,992	2	2,994
Amortisation charge for the year	68	143	45	455	817	1,528	–	1,528
Impairment of intangibles	–	–	329		26	355	6,246	6,601
Foreign exchange movement	(2)	(12)	–	(35)	(77)	(126)	–	(126)
31 December 2020	**666**	**149**	**1,139**	**964**	**1,831**	**4,749**	**6,248**	**10,997**
NBV	**154**	**681**	**12**	**3,724**	**4,051**	**8,622**	**10,760**	**19,382**

Note that the tax amortisation benefit of the InvestmentNews brand and customer relationships will be amortised over 15 years.

The breakdown of goodwill, publishing rights, brand and customer relationships intangible asset values by brand are as follows:

	31 December 2020 £'000	31 December 2019 £'000
Goodwill		
Growth Company Investor Ltd	–	42
Information Age Media Ltd	–	414
InvestmentNews LLC	7,212	10,600
Last Word Media	3,548	6,053
	10,760	17,109

10. Intangible assets cont.

	Useful Economic Life (UEL)	Remaining UEL	31 December 2020 £'000	31 December 2019 £'000
Publishing rights				
What Investment			–	196
Information Age Media Ltd	20	5	12	190
			12	386

	Useful Economic Life (UEL)	Remaining UEL	31 December 2020 £'000	31 December 2019 £'000
Brand				
InvestmentNews	10	7	2,611	3,041
Last Word Media	12	10	1,113	1,222
			3,724	4,263

	Useful Economic Life (UEL)	Remaining UEL	31 December 2020 £'000	31 December 2019 £'000
Customer relationships				
InvestmentNews	7	4	3,642	4,517
Last Word Media	10	8	409	488
			4,051	5,005

The Group tests goodwill for impairment at each reporting date. If there are indicators of impairment, then other intangible assets are also tested.

The recoverable amounts are determined from value in use calculations. The key assumptions for the value in use calculations are those regarding the discount rates, growth rates and direct costs. Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the Group. The growth rates are based on a combination of industry growth forecasts and specific business plans for the Group. Changes in direct costs are based on past practices and expectations of future changes.

The Group prepares cash flow forecasts derived from the most recent financial budgets approved by management for a period of 12 months and extrapolates cash for a further 48 months. At 30 June 2020, due to reduced actual and forecast revenues resulting from the COVID-19 pandemic, an indicator of impairment was identified in respect of goodwill. As a result, a review for impairment was performed and an impairment of £6.6m, was recognised on a value in use basis. In estimating value in use, a discount rate of 16% (31 December 2019, 14%) was used as well as a long-term growth rate of 1% (31 December 2019: 2%).

At 31 December 2020 the impairment tests were re-run with updated assumptions and a greater degree of certainty heading into 2021 and beyond. The growth rate used in the cash flow forecast was 1% (31 December 2019: 2%). The rate used to discount the forecast cash flows was 14% (31 December 2019: 14%) and reflects a slight reduction in the levels of market uncertainty from those seen at the time of the Interim results. The projections built into the impairment test assume a revenue uplift on 10% into 2021 and a further 15% into 2022, while expenditure is assumed to be relatively flat, even if the composition changes within it. It is worth noting that should the WACC increase to 15% or higher, then this may give rise to a future impairment. While the forecasts still support the impairment made at the interims, there is no need for any further impairment to be made at this time.

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11. Property, plant and equipment

	Fixtures, fittings and equipment Group £'000	Fixtures, fittings and equipment Company £'000
Cost		
1 January 2019	152	116
Additions	257	118
At acquisition	458	–
1 January 2020	867	234
Additions	35	32
Disposal	(39)	(39)
Foreign exchange movement	(7)	–
31 December 2020	**856**	**227**
Depreciation		
1 January 2019	27	23
Charge for the year	104	52
At acquisition	393	–
1 January 2020	524	75
Charge for the year	153	67
Disposal	(5)	–
Foreign exchange movement	(6)	–
31 December 2020	**666**	**142**
Net book value		
31 December 2020	**190**	**85**
31 December 2019	343	159

12. Investments

Company	Subsidiary undertakings £'000
Cost	
1 January 2019	17,959
Additions	8,496
31 December 2019	26,455
31 December 2020	**26,455**
Impairment	
1 January 2019	(10)
31 December 2019	(10)
Impairment	(7,883)
31 December 2020	**(7,893)**
Net book value	
31 December 2020	**18,562**
31 December 2019	26,445

During the year, the decision was made to recognise an impairment of £7.9 million against the Company investments in order to better reflect the NBV of the intangible assets held post acquisitions (see note 10 for more information).

The Company holds 100% of the issued ordinary share capital and voting rights of the following subsidiary undertakings which have been included in the consolidated accounts.

Company	Principal activity	Incorporated in	Registered office
Bonhill Finance Limited	Financing arm of the Group	England and Wales	1st Floor Fleet House, 59-61 Clerkenwell Road, London, EC1M 5LA
Bonhill Group Inc.	Holding company for InvestmentNews LLC	USA	685 Third Avenue, New York, 10017
Growth Company Investor Limited	Online, print publishing & events for investors and entrepreneurs	England and Wales	1st Floor Fleet House, 59-61 Clerkenwell Road, London, EC1M 5LA
Information Age Media Limited	Monthly publication and events for IT professionals	England and Wales	1st Floor Fleet House, 59-61 Clerkenwell Road, London, EC1M 5LA
InvestmentNews LLC	Online, print publishing & events for US IFAs	USA	685 Third Avenue, New York, 10017
Last Word Media (Asia) PTE Limited*	Online, print publishing & events for investors and entrepreneurs	Singapore	3 Church Street, #12-02, Samsung Hub, Singapore (049483)
Last Word Media (HK) Limited**	Online, print publishing & events for investors and entrepreneurs	Hong Kong	36/F Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong
Last Word Media (UK) Limited	Online, print publishing & events for investors and entrepreneurs	England and Wales	1st Floor Fleet House, 59-61 Clerkenwell Road, London, EC1M 5LA

* Is held 25% by Bonhill Group plc and 75% by Last Word Media (UK) Limited.
** Is held 100% by Last Word Media (Asia) PTE Limited.

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for the Year ended 31 December 2020

13. Trade and other receivables

	Group		Company	
	31 December 2020 £'000	31 December 2019 £'000	**31 December 2020 £'000**	31 December 2019 £'000
Trade receivables	**3,367**	5,371	**527**	490
Provision for impairment of trade receivables	**(440)**	(160)	**(137)**	(87)
	2,927	5,211	**390**	403
Other receivables*	**1,383**	2,365	**314**	749
Prepayments and accrued income	**261**	454	**69**	26
Deferred expenses	**25**	40	**–**	2
Amounts owed from subsidiary undertakings	**–**	–	**2,251**	1,846
	4,596	8,070	**3,024**	3,026

* Other receivables consist of rent deposits and event venue deposits.

The Group's financial assets are short term in nature. In the opinion of the Directors, the carrying values equate to their fair values.

Additional information relating to the provision for impairment of trade receivables can be found in note 17.

14. Trade and other payables

	Group		Company	
	31 December 2020 £'000	31 December 2019 £'000	**31 December 2020 £'000**	31 December 2019 £'000
Trade payables	**697**	1,587	**150**	606
Taxation and social security	**495**	75	**–**	–
Other payables	**505**	639	**313**	190
Accruals	**1,024**	824	**494**	241
Deferred income	**633**	2,140	**65**	91
Amounts owed to subsidiary undertakings	**–**	–	**5,259**	2,596
	3,354	5,265	**6,281**	3,724

The Group's financial liabilities are short term in nature. In the opinion of the Directors, the carrying values equate to their fair values.

15. Right-of-use asset

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a term of 12 months or less.

In applying the modified retrospective approach, the Group has taken advantage of the following practical expedients:

- Leases with a remaining term of 12 months or less from the date of application have been accounted for as short-term leases (i.e. not recognised on the balance sheet) even though the initial term of the leases from lease commencement date may have been more than 12 months.

	Group	
Right-of-use asset	**2020 £'000**	2019 £'000
Carrying value as at start of the period	**1,493**	968
Additions to right-of-use assets	**(2)**	1,139
Amortisation charged	**(820)**	(593)
Termination of leases	**(508)**	–
Foreign exchange impact of revaluation	**(5)**	(21)
Carrying value as at the end of the period	**158**	1,493

	Group	
Lease liability	**2020 £'000**	2019 £'000
Carrying value as at start of the period	**1,600**	1,018
Additions to lease liability	**2**	1,139
Interest charged	**3**	60
Repayments made	**(902)**	(583)
Termination of leases	**(508)**	–
Foreign exchange impact of revaluation	**(11)**	(34)
Carrying value as at the end of the period	**184**	1,600

Lease liability current/non-current split	**£'000**	£'000
Current lease liability	**184**	888
Non-current lease liability	**–**	712
Total lease liability	**184**	1,600

Notes to the financial statements cont.

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15. Right-of-use asset cont.

	Company	
Right-of-use asset	**2020 £'000**	2019 £'000
Carrying value as at start of the period	**261**	–
Additions to right-of-use assets	**–**	290
Amortisation charged	**(185)**	(29)
Termination of lease	**(76)**	–
Foreign exchange impact of revaluation	**–**	–
Carrying value as at the end of the period	**–**	261

Lease liability	**£'000**	£'000
Carrying value as at start of the period	**260**	–
Additions to lease liability	**–**	290
Interest charged	**3**	3
Repayments made	**(156)**	(33)
Termination of lease	**(107)**	–
Foreign exchange impact of revaluation	**–**	–
Carrying value as at the end of the period	**–**	260

Lease liability current/non-current split	**£'000**	£'000
Current lease liability	**–**	260
Non-current lease liability	**–**	–
Total lease liability	**–**	260

During 2020 the Group terminated two leases. The first was the former Bonhill office located at New Broad Street, London and the second was the original lease acquired under InvestmentNews and owned by the former parent, Crain. A new lease has been secured on the same office, effective from 1 January 2021.

At the balance sheet date, the only remaining leases related to the current Bonhill office in Clerkenwell, London (formerly belonging to Last Word Media) and the office in Hong Kong.

16. Borrowings

	Group	
	31 December 2020 £'000	31 December 2019 £'000
Vendor loan	**1,010**	2,614
UK Bounceback loan	**50**	–
	1,060	2,614

The vendor loan held with Crain Communications Inc was part of the funding of the acquisition of InvestmentNews. This loan is not held by the Company. There is no charge or lien on assets due to these borrowings. This loan will be fully repaid by August 2021.

Total fees relating to the vendor loan amounted to £0.138 million and these are being amortised over the term of the loan. The loan and interest are guaranteed by the Company.

The weighted average interest rate on this loan has been 7.64% since inception.

During the year the Group received a loan of $1.3 million under the US Paycheck Protection Programme. This was subsequently fully forgiven in December 2020 and was converted to a grant and recognised in the income statement as part of net operating expenses.

The Company took out a UK Bounceback Loan for £50,000 in December 2020. As per the terms of the loan, this is not repayable for the first 12 months. The interest rate on the loan is fixed at 2.5% per annum and it has a term of 72 months.

16. Borrowings cont.

The interest-bearing loans are repayable as follows:

	Group	
	31 December 2020 £'000	31 December 2019 £'000
Within one year	**1,010**	1,568
Between one and two years	**–**	1,046
Between two and five years	**50**	–
Total	**1,060**	2,614

17. Financial risk management

As well as short-term trade receivables, accrued income, trade payables and accruals, as detailed in the notes that arise directly from operations the Group's financial instruments comprise cash, borrowings and payables. The fair values of these instruments are not materially different to their book values. The objective of holding financial instruments is to raise finance for the Group's operations and manage related risks. The Group's activities expose the Group to a number of risks including interest rate risk, credit risk and liquidity risk. The Group manages these risks by regularly monitoring the business and providing ongoing forecasts of the impact on the business.

Liquidity risk

The Directors closely monitor the Group's and Company's financial position to ensure it has sufficient funds to meet its obligations as they fall due. The Group finance function produces regular forecasts that estimate the cash inflows and outflows for the next 12 months, so that management can ensure that sufficient financing is in place as it is required. Given the increased uncertainty of liquidity due to COVID, there is (and has been for the last six months) a prioritised focus on cash forecasting. The Chief Financial Officer models the monthly cash flow on a daily basis to ensure there are no surprises. Management have worked with our key customers and suppliers to ensure that the overall working capital cycle is as smooth as possible.

Maturity analysis

The table below analyses the Group's and the Company's financial liabilities based on the contractual gross undiscounted cash flows for amounts outstanding at the reporting date up to maturity date:

Maturity analysis at 31 December 2020	**Less than 6 months £'000**	**Between 6 months and 1 year £'000**	**Between 1 year and 5 years £'000**	**Total £'000**
Group				
Borrowings	**–**	**1,010**	**50**	**1,060**
Lease financial liability	**–**	**184**	**–**	**184**
Trade and other payables	**3,354**	**–**	**–**	**3,354**
Total liabilities	**3,354**	**1,194**	**50**	**4,598**
Company				
Borrowings	**–**	**–**	**50**	**50**
Trade and other payables	**6,281**	**–**	**–**	**6,281**
Total liabilities	**6,281**	**–**	**50**	**6,331**

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17. Financial risk management cont.

Maturity analysis at 31 December 2019	Less than 6 months £'000	Between 6 months and 1 year £'000	Between 1 year and 5 years £'000	Total £'000
Group				
Borrowings	875	845	1,077	2,797
Lease financial liability	484	450	729	1,663
Trade and other payables	5,265	–	–	5,265
Total liabilities	6,624	1,295	1,806	9,725
Company				
Lease financial liability	94	94	78	266
Trade and other payables	3,724	–	–	3,724
Total liabilities	3,818	94	78	3,990

Trade and other payables consist of trade payables, other payables, accruals and amounts owed to subsidiary undertakings as shown in note 14.

The Group and Company would normally expect that sufficient cash is generated in the operating cycle to meet the contractual cash flows as disclosed above through effective cash management.

Interest rate risk

The Group's interest rate exposure arises mainly from its interest-bearing borrowings. Contractual agreements entered into at floating rates expose the Group to cash flow risk, while fixed-rate borrowings expose the Group to fair value risk. The Group regularly reviews its funding arrangements to ensure they are competitive with the marketplace.

The table below shows the Group's and Company's financial assets and liabilities split by those bearing fixed and floating rates and those that are non-interest bearing:

31 December 2020	**Fixed rate £'000**	**Floating rate £'000**	**Non-interest bearing £'000**	**Total asset £'000**	**Total liability £'000**
Group					
Cash and cash equivalents	–	1,343	–	1,343	–
Trade and other receivables	–	–	4,596	4,596	–
Total financial assets	–	1,343	4,596	5,939	–
Trade and other payables	–	–	(3,354)	–	(3,354)
Borrowings	(1,060)	–	–	–	(1,060)
Lease financial liability	(184)	–	–	–	(184)
Total liabilities at amortised cost	(1,244)	–	(3,354)	–	(4,598)

31 December 2020	**Fixed rate £'000**	**Floating rate £'000**	**Non-interest bearing £'000**	**Total asset £'000**	**Total liability £'000**
Company					
Cash and cash equivalents	–	148	–	148	–
Trade and other receivables	–	–	3,024	3,024	–
Total financial assets	–	148	3,024	3,172	–
Trade and other payables	–	–	(6,281)	–	(6,281)
Total liabilities at amortised cost	–	–	(6,281)	–	(6,281)

17. Financial risk management cont.

Interest rate risk cont.

31 December 2019	Fixed rate £'000	Floating rate £'000	Non-interest bearing £'000	Total asset £'000	Total liability £'000
Group					
Cash and cash equivalents	–	1,891	–	1,891	–
Trade and other receivables	–	–	8,070	8,070	–
Total financial assets	–	1,891	8,070	9,961	–
Trade and other payables	–	–	(5,265)	–	(5,265)
Borrowings	(2,614)	–	–	–	(2,614)
Lease financial liability	(1,600)	–	–	–	(1,600)
Total liabilities at amortised cost	(4,214)	–	(5,265)	–	(9,479)

31 December 2019	Fixed rate £'000	Floating rate £'000	Non-interest bearing £'000	Total asset £'000	Total liability £'000
Company					
Cash and cash equivalents	–	290	–	290	–
Trade and other receivables	–	–	3,026	3,026	–
Total financial assets	–	290	3,026	3,316	–
Trade and other payables	–	–	(3,724)	–	(3,724)
Borrowings	–	–	–	–	–
Lease financial liability	(260)	–	–	–	(260)
Total liabilities at amortised cost	(260)	–	(3,724)	–	(3,984)

Credit risk exposure

Credit risk predominantly arises from trade receivables, cash and cash equivalents and deposits with banks. Credit risk is managed on a Group basis. External credit checks are obtained for larger customers. In addition, the credit quality of each customer is assessed internally before accepting any terms of trade. Internal procedures take into account the customer's financial position, their reputation in the industry and past trading experience. As a result, the Group's and Company's exposure to bad debts is not significant. Cash and cash equivalents are held with banks with a minimum rating of 'A'.

	Group		Company	
Financial assets	**31 December 2020 £'000**	31 December 2019 £'000	**31 December 2020 £'000**	31 December 2019 £'000
Trade and other receivables	4,750	7,736	633	613
Estimated irrecoverable amounts	(440)	(160)	(137)	(87)
	4,310	7,576	496	526

Notes to the financial statements cont.

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17. Financial risk management cont.

Credit risk exposure cont.

Movements on the Group and Company's provision for impairment of trade receivables:

	Group		Company	
Financial assets	31 December 2020 £'000	31 December 2019 £'000	31 December 2020 £'000	31 December 2019 £'000
As at start of period	160	127	87	32
Addition to provision	316	33	55	55
Utilisation of provision	(36)	–	(5)	–
As at end of period	440	160	137	87

There has been much work done in 2020 to improve credit control processes, reconcile customer accounts and resolve outstanding queries, all culminating in a reduction to Group debtor days by over a month. The introduction of the Group-wide CRM system has made huge improvements to the invoicing process meaning that invoices are accurate first time and our customers are mostly paying these new invoices to terms. COVID-19 has not heavily impacted our debt collection, and whilst there are a few customers which have gone into administration in 2020, these are identified in the workings and 100% provided for. Any debt more than a year old or debt which was recognised before the acquisition by the Group has been fully provided for. This is expected to be a one-time provision, and is not representative of the trade receivables balance going forwards.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss ("ECL") provision for trade receivables. To measure expected credit losses on a collective basis, trade receivables are grouped based on similar ageing. The Group has determined that trade receivables across different propositions, sectors and countries have similar risk characteristics.

The Group has determined appropriate expected loss rates by considering historical credit losses experienced over a three-year period prior to the period end and adjusting these based on current and forward looking information. The Group has identified political and economic uncertainty in its key operating countries as the key macroeconomic factors affecting its customers. The provision is calculated by management on a specific basis based on their best estimate of recoverability considering the age and specific circumstances relating to the debtor.

As at 31 December 2020, the lifetime expected loss provision for trade receivables is as follows:

	Lifetime ECL					
Debtors 'at risk'	1%	3%	10%	50%	100%	Total £'000
Bonhill	–	12	78	97	275	462
InvestmentNews	–	–	188	12	61	261
Last Word Media	–	–	–	–	21	21
Total debt 'at risk'	–	12	266	109	357	744
Provision calculation						
Bonhill	–	–	8	49	275	332
InvestmentNews	–	–	19	6	61	87
Last Word Media	–	–	–	–	21	21
Total credit provision	–	–	27	55	357	440

Capital risk management

The Group's objectives when managing capital (i.e. equity and borrowings) are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

17. Financial risk management cont.

Foreign currency risk

The Group's policy is not to use forward contracts and therefore none were outstanding at the year end (31 December 2019: None). The following table summarises the Group's sensitivity to translational currency exposures at 31 December 2020.

2020 currency risks expressed in USD/GBP	£'000
Reasonable shift	10%
Impact on profit after tax if USD strengthens against GBP	305
Impact on profit after tax if USD weakens against GBP	(277)
Impact on equity excluding retained earnings if USD strengthens against GBP	(454)
Impact on equity excluding retained earnings if USD weakens against GBP	413

As at period end, the Group's net exposure to foreign exchange risk was as follows:

	Functional currency of individual entity			
	GBP		USD	
	31 December 2020 £'000	31 December 2019 £'000	31 December 2020 £'000	31 December 2019 £'000
Net foreign currency financial assets/(liabilities)				
GBP	–	–	(7)	–
USD	247	260	–	–
EUR	56	344	–	–
CAD	12	(77)	–	–
AED	(1)	(47)	–	–
NOK	–	(21)	–	–
RON	–	(17)	–	–
Other	–	(1)	–	–
Total net exposure	314	441	(7)	–

18. Called up share capital

Issued and fully paid ordinary shares of 1p each

	Number	£'000
As at 1 January 2019	34,299,978	343
Shares issued during the year	14,285,714	143
As at 1 January 2020	48,585,692	486
Shares issued during the year	50,000,000	500
As at 31 December 2020	98,585,692	986

Issue of shares

The Company issued 4,858,560 ordinary shares with a par value of 1p per share and for a price per share of 5p on 17/04/2020, and 45,141,440 ordinary shares with a par value of 1p per share and for a price per share of 5p on 01/05/2020.

The total number of authorised shares is equal to the total number of issued shares.

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18. Called up share capital cont.

Rights of shares

Dividends and income – Ordinary shares are entitled to receive dividends as approved by the Board of Directors.

Voting rights – Ordinary shares are entitled to one share per vote at General Meetings. Deferred shares cannot be transferred.

Distribution – Upon liquidation of the Company, once all liabilities have been met, ordinary shareholders will receive the value paid up per share plus £100.

The Company has granted options to subscribe for ordinary shares of 1p each, as follows:

			Number of shares for which rights are exercisable	
Grant date	Subscription price per share	Period within which options are exercisable	31 December 2020	31 December 2019
16.08.2018	80.0p	16/08/2021 – 16/02/2028	14,880	781,245
16.08.2018	80.0p	16/08/2022 – 16/02/2028	14,882	781,245
16.08.2018	1.0p	16/08/2021 – 16/02/2022	451,000	998,500
16.08.2018	1.0p	16/08/2022 – 16/02/2023	451,000	998,500
29.10.2019	80.0p	29/10/2022 – 29/10/2029	–	100,000
29.10.2019	80.0p	29/10/2023 – 29/10/2029	–	100,000
26.10.2020	1.0p	26/10/2020 – 25/10/2023	6,760,000	–
26.10.2020	1.0p	26/10/2020 – 25/10/2024	6,760,000	–
			14,451,762	3,759,490

During the year, 1,569,996 share options were forfeited (year ended 31 December 2019: 462,498). Another 795,234 share options were waived due to the introduction of the new EMI scheme.

Share premium

The share premium account shows the amount subscribed for share capital in excess of nominal value, net of share issue costs.

	£'000
Share premium as at 31 December 2019	–
Subscription of share capital in excess of nominal value (net of issue costs)	1,759
Share premium as at 31 December 2020	1,759

Merger reserve

Consideration for the acquisition of Last Word Media included £2.000 million of shares. The Group applied merger relief under the UK Companies Act s615 and so the value of the shares issued as consideration above their nominal value is included in a merger reserve.

19. Equity-settled share option schemes

During the year the Group recognised an expense for the following share-based payments.

	Year ended 31 December 2020 £'000	Year ended 31 December 2019 £'000
Share option charge	28	149
Employer NICs on share options	4	21
Release of deferred shares from the LWM acquisition	(50)	–
	(18)	170

19. Equity-settled share option schemes cont.

Details of the number of share options and the weighted average exercise price ("WAEP") during the period are as follows:

	Year ended 31 December 2020		Year ended 31 December 2019	
	No.	WAEP	No.	WAEP
Outstanding at the beginning of the year	3,296,992	35.7p	3,559,490	35.7p
Forfeited during the year	(2,365,230)	48.4p	(462,498)	35.7p
Granted during the year	13,520,000	1.0p	200,000	80.0p
Outstanding at the end of the year	14,451,762	1.2p	3,296,992	35.7p
Exercisable at the end of the year	–	–	–	–

The market price of the Company's shares on 31 December 2020 was 11.0p (31 December 2019: 38.0p). The average remaining contractual life is 8.1 years (31 December 2019: 6.9 years). The outstanding share options have exercise prices between 1.0p and 80.0p.

Options granted during the year have a vesting period of between three and four years and are detailed in the Remuneration Committee report on page 52. The options granted with a three-year vesting period have a fair value of £0.0172, and those with a four-year vesting period have a fair value of £0.0214. The exercise of options will normally be conditional on the holder being in the Group's employment at the end of the vesting period.

The Group did not enter into any share-based payment transactions with parties other than employees during the current or previous periods.

20. Related party transactions

Group and Company

There is no ultimate controlling party.

Key management compensation

No individuals other than the Directors meet the definition of key management personnel. Details of key management personnel compensation is disclosed in note 6.

Transactions/balances with Directors

Further details are disclosed in note 6 and note 19.

Company

Transactions with subsidiary companies during the Year ended 31 December 2020 and the Year ended 31 December 2019 were as follows:

Bonhill Group plc cross charges of costs to Growth Company Investor Ltd £nil (31 December 2019: £nil).

Bonhill Group plc cross charges of costs to Information Age Media Ltd £nil (31 December 2019: £nil).

Bonhill Group plc cross charges of costs to InvestmentNews LLC of £0.211 million (31 December 2019: £0.907 million).

Bonhill Group plc cross charges of costs to Last Word Media Ltd of £0.285 million (31 December 2019: £0.324 million).

At the balance sheet date, the following balances were outstanding:

	Year ended 31 December 2020 £'000	Year ended 31 December 2019 £'000
Loans due (to)/from subsidiary companies		
Growth Company Investor Ltd	(1,093)	(945)
Information Age Media Ltd	(3,516)	(1,623)
Bonhill Finance Ltd	368	368
Last Word Media Ltd	(311)	(27)
InvestmentNews LLC	1,544	1,478
	(3,008)	(749)

Notes to the financial statements cont.

for the Year ended 31 December 2020

21. Commitments and contingent liabilities

(a) Lease commitments
At 31 December 2020, the Group had no total future lease payments under non-cancellable operating leases less than one year being expensed under the short-term lease expedient on transition to IFRS 16 (31 December 2019: £nil).

(b) Contingent liabilities
There are no contingent liabilities expected to result in a material loss for the Group.

The Company is included in a Group registration for VAT purposes and is therefore jointly and severably liable for all other Group companies' unpaid debt in this connection.

The Company guarantees the loan from Crain Communications Inc. held by the subsidiary InvestmentNews LLC.

The Company is not expecting to pay contingent deferred consideration in relation to the acquisition of Last Word Media.

(c) Capital commitments
There were no material capital commitments as at 31 December 2020 (31 December 2019: £nil).

22. Events after the reporting date

On 2 January 2021, the Group entered into a new lease for the New York office for InvestmentNews. The transfer of the original lease from the previous parent company, Crain, to one that is held directly with the landlord of the building was a requirement of the Transitional Services Agreement. The lease had been agreed for eight years and as such a right of use asset of £2.0 million and a lease of financial liability of £2.0 million were recognised at this point.

Bonhill Group plc Annual Report & Financial Statements 2020

Directors and advisers

Directors

Neil Sachdev, Non-executive Chairman
Simon Stilwell, Chief Executive
Sarah Thompson, Chief Financial Officer
Anne Donoghue, Non-executive Director
Jon Kempster, Non-executive Director

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Registered Office
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