2014

WILMINGTON GROUP PLC ANNUAL REPORT AND FINANCIAL STATEMENTS

for the year ended 30 June 2014

Stock Code: WIL

Information, compliance and education for professional markets

Wilmington is a collaborative group of companies with a common aim. We transform potential into performance.

Our businesses enable professionals and their organisations to perform better by providing quality, relevant and reliable information, compliance and education. We share ideas and successes across the Group, harness shared resources and focus on our customers' needs. Wilmington has an entrepreneurial, supportive and creative culture, so initiatives can be realised quickly.

Read more in
our Chairman's Statement 08

REASONS TO INVEST

- High proportion of subscription and repeatable revenues
- High conversion of operating profits into cash
- Strong positions in well-funded professional markets
- Increasing international opportunities

Read more in
our Chief Executive's Review 12

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STRATEGIC REPORT – PAGES 04 TO 33

Investor website

Our corporate website at **www.wilmington.co.uk** contains a wide range of information of interest to institutional and private investors including:

- Latest news and press releases
- Annual Reports and investor presentations

Getting around this report

Read more in this Bond Solon 18

Read more online www.wilmington.co.uk

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STRATEGIC REPORT

Giving a comprehensive picture of the business and where it is going.

Talent, expertise, professionalism and commitment

Our People

We are committed to developing our people, to realising their potential and investing in training and development initiatives. We encourage a continuous development ethos that is underpinned by tailored development across our business.

Read more in **Our People** › 16

FINANCIAL AND OPERATIONAL HIGHLIGHTS

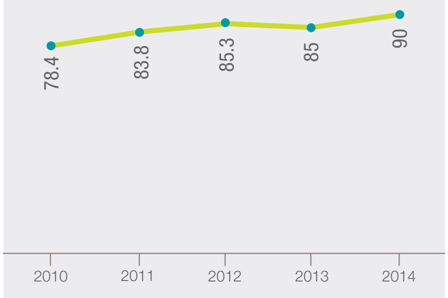
Strengthening the quality of our income streams

Financial Highlights

Group Revenue £m

90.0 +6%

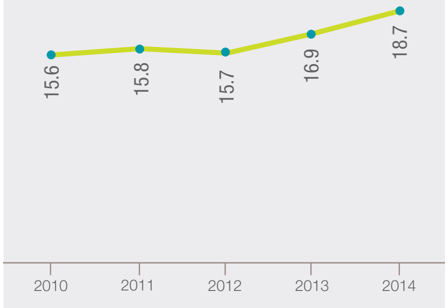
(2013: 85)



Adjusted EBITA[1] £m

18.7 +11%

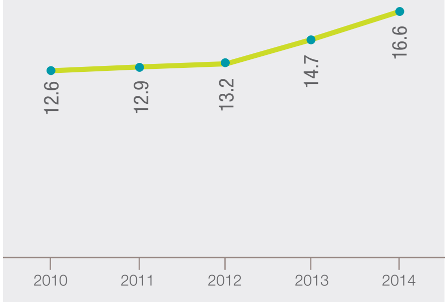
(2013: 16.9)



Adjusted Profit before tax £m

16.6 +13%

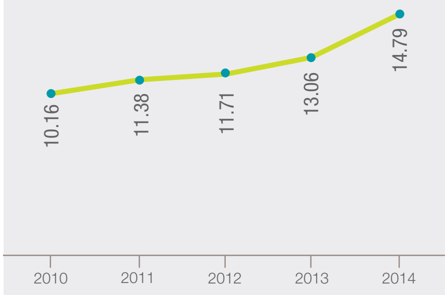
(2013: 14.7)



Adjusted Earnings per Share

14.79p +13%

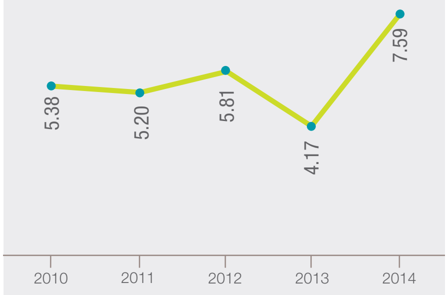
(2013: 13.06)



Basic Earnings per Share

7.59p +82%

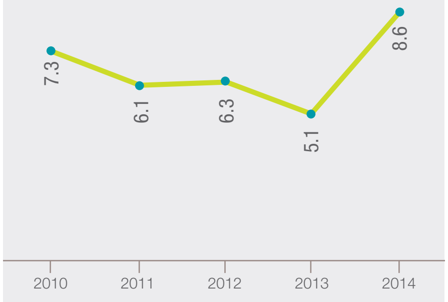
(2013: 4.17p)



Profit before tax £m

8.6 +13%

(2013: 5.1)



Adjusted EBITA margins improved to

20.8%

(2013: 19.8%)

Net debt: EBITDA reduces to

1.6 times

(2013: 1.8 times)

Final dividend increased to

3.7p

(2013: 3.5p)

Total dividend

7.3p

(2013: 7.0p)

Notes

1. Adjusted EBITA – see note 2 to the financial statements.
2. Adjusted EBITA margins – Adjusted EBITA divided by Revenue.
3. Adjusted Profit before Tax – see note 2 to the financial statements.
4. Adjusted Earnings per Share – see note 9 to the financial statements.
5. Net debt : EBITDA – Net debt divided by Adjusted EBITDA – see note 2 to the financial statements.

Well positioned for the next stage in the Group's evolution

Operational Highlights

- Appointment of new Group Chief Executive
- Strong momentum from Pensions & Insurance and Banking & Compliance
- Subscription and repeatable information sales at 79% of total revenue (2013: 79%)
- Growing international revenues; now 37% of total revenue (2013: 32%)
- Successful acquisition and integration of Compliance Week

Current Trading

- Trading in line with management expectations, outlook for 2015 remains unchanged

Read more in
Chief Executive's Review 12

Read more in
Operational Targets 26

"Our strategy has been to sytematically transform Wilmington into a high quality information, compliance and education provider servicing major professional markets."

Charles Brady
Chief Executive

GROUP AT A GLANCE

Continued expansion of the Group's global income streams

The Group's continued overseas acquisition trail has increased further the income streams that originate outside of the UK. This diversifies the Group's offering and helps to establish a solid platform for further expansion.

Pensions & Insurance ('P&I')

Revenue
£17.0m
(2013: £14.6m)

Sector
This division, which includes Axco, Pendragon, Inese and International Company Profile ('ICP'), provides in-depth regulatory and compliance information, market intelligence, events, training, analysis and workflow tools for the international insurance markets and the UK pensions industry.

Principal Businesses
– Axco
– Pendragon
– Inese
– ICP

Banking & Compliance ('B&C')

Revenue
£21.9m
(2013: £16.6m)

Sector
The Banking & Compliance division provides corporate finance and capital markets training and accredited programmes in anti-money laundering, compliance, wealth management, financial crime and trust management along with subscription information and events. This division serves primarily tier one banks, the international financial services industry and major multinational companies.

Read more on Compliance week 20

Principal Businesses
– International Compliance Training ('ICT')
– AMT
– Compliance Week
– CLT International

Healthcare

Revenue
£13.7m
(2013: £13.1m)

Sector
This division includes Agence de Presse Médicale ('APM'), the French language medical news agency, Binley's, the UK healthcare information business, and NHiS, a provider of business intelligence and data analysis to the pharmaceutical industry.

Principal Businesses
– APM
– Binley's
– NHiS

Legal

Revenue
£17.4m
(2013: £19.3m)

Sector
The division provides training, conferences, professional support services and information including legal continuing professional development (CPD), expert witness training, databases, magazines and specialist reports.

Read more on Bond Solon 18

Principal Businesses
– Ark & Legal Information
– Central Law Training ('CLT')
– Central Law Training Scotland
– Bond Solon
– La Touche

Business Intelligence ('BI')

Revenue
£9.6m
(2013: £10.9m)

Sector
This division includes our Data Suppression and Fraud Prevention services as well as our Charities, Fund Management and Film & TV services

Principal Businesses
– Charities Choice
– Caritas
– Smee & Ford
– Millennium
– AP Pensions
– Film & TV

Accountancy

Revenue
£10.4m
(2013: £10.6m)

Sector
The Accountancy division is the leading provider of training, technical support and marketing services to UK Accountancy firms and accountants in commerce and industry.

Principal Businesses
– Mercia
– Mercia Ireland
– Practice Track

Revenue Analysis

Revenue can be analysed by segment as follows:

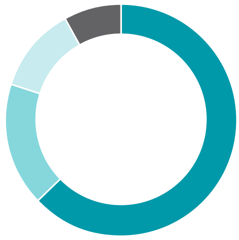
Total Revenue
% of Group revenue

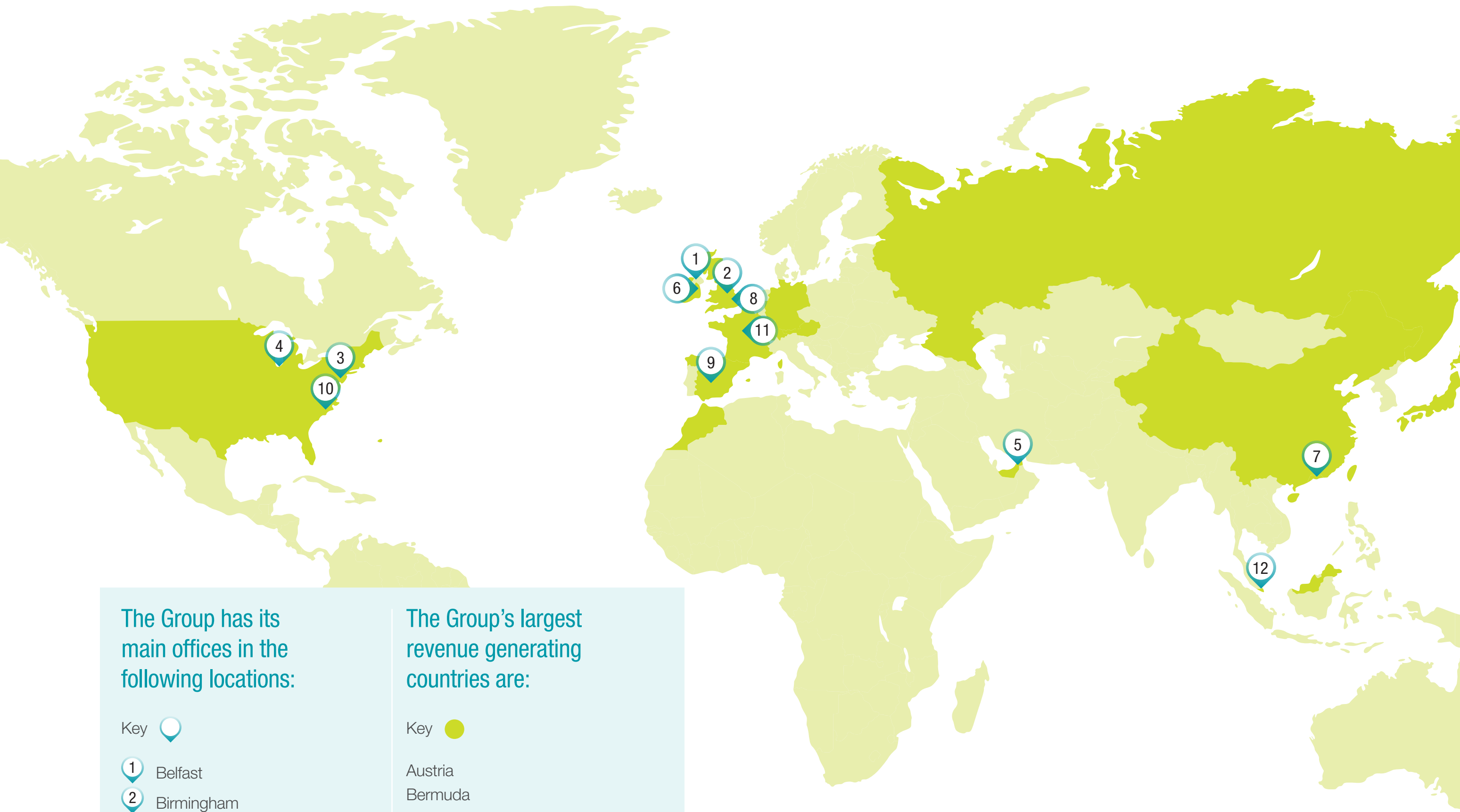
Pensions & Insurance	19%
Banking & Compliance	24%
Healthcare	15%
Legal	19%
Business Intelligence	11%
Accountancy	12%

Revenue can be analysed by geography as follows:

Total Revenue
% of Group revenue

UK	63%
Europe (excluding the UK)	17%
North America	12%
Rest of the World	8%





The Group has its main offices in the following locations:

Key

1. Belfast
2. Birmingham
3. Boston
4. Chicago
5. Dubai
6. Dublin
7. Hong Kong
8. London (Head Office)
9. Madrid
10. New York
11. Paris
12. Singapore

The Group's largest revenue generating countries are:

Key

Austria
Bermuda
Channel Islands
France
Germany
Hong Kong (China)
Japan
Morocco
Republic of Ireland
Russia
Singapore
Spain
Switzerland
UK
United Arab Emirates
US

CHAIRMAN'S STATEMENT

Building a higher quality business

I am pleased to present my report on Wilmington's results for the twelve months ended 30 June 2014. It has been a successful year in the ongoing development of Wilmington as we continue to make good progress and have again achieved solid earnings growth.

I am pleased that the Group has produced another year of solid growth in adjusted profit. This is testament to our strategy of building a quality business focused on providing information, compliance and education to professional markets. In an increasingly regulated world we are seeing many exciting opportunities. Wilmington's businesses, which have become increasingly digital and international, are based on long-term client relationships with a high proportion of subscription and repeatable revenues.

Revenues in the year ended 30 June 2014 increased by 6% to £90.0m (2013: £85.0m). Adjusted EBITA was up 11% (£1.8m) to £18.7m (2013: £16.9m), reflecting strong organic growth in our Banking & Compliance and Pensions & Insurance divisions. I am also pleased to report a maiden profit contribution of £0.9m from Compliance Week (acquired in August 2013) and a full year profit contribution from Inese and NHiS acquired earlier in 2013. The growth from our higher margin businesses, combined with the discontinuation of low margin activities and tight control of overheads has resulted in an improvement of 100 bpts in Adjusted EBITA Margin to 20.8% (2013: 19.8%). The growth in Adjusted EBITA combined with a reduced interest charge translated into Adjusted Profit before Tax up a pleasing 13% (£1.9m) to £16.6m (2013: £14.7m).

"The Group is well positioned to move to the next stage of its development; we have wider geographical presence, and invested in new strategic systems."

Mark Asplin
Chairman

Although the year was successful overall, as previously indicated we have experienced challenging trading conditions in our Legal and Healthcare divisions which both suffered from adverse competitive pressures and as a result saw some underlying revenue and profit decline. In response we have made significant changes to the respective management teams and repositioned and strengthened our client offerings.

At 30 June 2014 net debt was broadly unchanged on the prior year at £33.7m (2013: £33.4m) despite investing £7.3m of net cash on the acquisition of Compliance Week at the beginning of the year. Gearing as calculated by Net Debt to Adjusted EBITDA has reduced to 1.6 times (2013: 1.8 times) and Cash Conversion[6] remained strong at 108% (2013: 115%).

In the year we have invested in a number of initiatives designed to enhance the quality of our prospects. I reported in February that the Group is investing in Salesforce.com©, as a new Group-wide CRM. In doing so we are taking the opportunity to review and improve all of the processes which operate across our businesses to establish best practice and maximise efficiency. These reviews and investments will provide the foundation for future development, materially enhance the way in which we interact with our customers and transform the way we run our businesses. These projects are progressing well.

Acquisitions

In August 2013 we acquired Compliance Week for £7.3m in cash. This investment is consistent with our strategy of growth through selective value adding acquisitions. It also increases our exposure to the growing corporate risk management and compliance markets as well as giving us a significantly larger presence in North America.

Compliance Week is the leading provider of governance, risk and compliance information and events for public companies and large enterprises primarily in the US. Compliance Week has started to work with other Wilmington Group companies, providing access to their North American customers and markets as well as opportunities for developing new revenue streams. Wilmington is well placed to support Compliance Week's ambitions to grow outside of the US and in October 2013 the Group successfully launched 'Compliance Week Europe' in Brussels.

Business Strategy

Our strategy is to increase shareholder value by delivering sustainable and growing profits from servicing the information, compliance and education requirements of the global professional business markets.

We continue to progress our strategic aims of moving towards higher quality and more sustainable income streams. Revenue from subscriptions and repeatable revenue were maintained at 79% of Group turnover (2013: 79%).

In addition, we have actively sought to increase our income streams from outside the UK where we see good prospects for long-term sustainable growth in many of the major professional markets we operate in. Revenue outside the UK has grown to 37% of total revenue compared to 32% last year. Alongside cost savings and product development which have already been implemented this should result in further progress being made in 2014/15.

This strategy has delivered a portfolio of businesses with a significant proportion of revenues derived from subscriptions to products which disseminate content-rich, high-value information digitally along with certificated education and compliance programmes. Tighter regulatory control and more complex legislation in many of our key markets will continue to drive the demand for our products and services globally.

Board Changes

As reported earlier this year, Charles J Brady ('Charlie') has announced his intention to retire as Chief Executive. At the request of the Board Charlie has agreed to stay on in a part time capacity as an Executive Director and to continue in his role in our Banking & Compliance division as Chairman of the International Compliance Association ('ICA'). Charlie has been a part of the ICA since its inception 12 years ago. We are pleased that he has agreed to continue to assist in the development of our growing international compliance training business.

We undertook a rigorous process to find a successor to Charlie, supported by external recruitment consultants and led by the Nomination Committee. I am delighted that Pedro Ros has joined the Board and will take Wilmington to the next level in its development as our new Chief Executive. Pedro is a highly experienced executive who previously held senior Board positions at WPP plc and TNS plc. Pedro brings to the Group a wealth of international acquisition, market research and social media experience together with a proven ability to grow information and professional services businesses.

I would now like to take this opportunity on behalf of the Board to formally thank Charlie for his leadership over the last 12 years and for handing over the business in such a strong position as his legacy. Charlie spearheaded Wilmington's digital transformation, shifting the Group from a predominantly print based trade magazine publisher to the multinational digital provider of high quality information compliance and education it is today. Charlie will ensure an orderly handover to Pedro and will step down as Chief Executive on the 1 October 2014.

Pedro, working with the executive management team and the Board is currently undertaking a review of our business and will provide an update in December 2014. I am confident that he will bring a new perspective and fresh ideas, all of which should make for an exciting future.

Richard Cockton, the Company Secretary, has also indicated that he will retire at the AGM in November 2014. I am delighted to announce that Linda Wake will become Company Secretary in succession to Richard, whilst maintaining her role as Deputy Finance Director. On behalf of myself and the Board I would like to thank Richard for his excellent contribution to the Group, both as Company Secretary and as Chief Accountant over the past 16 years.

Dividend

I am proud of the Group's record of maintaining its dividend over the recent years. It reflects our confidence in the strategy and resilience of our business models. The improved financial performance has reflected in increased dividend cover.[7] I am pleased to confirm that the final dividend for this year will be 3.7p (2013: 3.5p) per share making a total dividend of 7.3p (2013: 7.0p) per share for the year an increase of 4%. The dividend cover following for this year is 2.0 times (2013: 1.9) and it is the Board's intention to maintain its progressive dividend policy whilst ensuring that a suitable dividend cover is maintained.

The final dividend of 3.7p per share will be paid on 10 November 2014 to shareholders on the share register as at 17 October 2014.

Wilmington's People

As a digital information, compliance and education company, operating in dynamic and competitive markets, we are fundamentally reliant on the quality and professionalism of our people. I would once again like to express my own and my fellow Board members' appreciation of the hard work and dedication of our people.

Outlook and Current Trading

I am pleased to report that the new financial year has started in line with our expectations.

The Group is well positioned to move to the next stage of its development; we have widened our geographical presence, strengthened our back office and operational management teams and invested in new strategic systems. The business continues to offer good opportunities for us to generate attractive returns over the long term.

The macro economic climate is still changing slowly for the better and the Group is in a good position to take advantage of this. We are seeing tighter regulatory control and more complex legislation implemented in our key markets and remain confident that these changes will continue to drive the demand for our products and services globally.

Mark Asplin
Chairman
17 September 2014

Notes
6. Cash conversion – see note 28 to the financial statements.
7. Dividend cover – Adjusted Earnings per Share divided by the Dividends in respect of the year.

QUESTION AND ANSWER WITH PEDRO ROS

What attracted you to Wilmington?

Pedro: My first impressions of Wilmington were very positive. I saw a strong company, growing and actively acquisitive, with a highly capable management team. The Group had successfully managed its transition from print to digital, and there was clear potential for continued development and growth.

I saw in particular opportunities in continued focus on the development of high-value insight products that meet clients' evolving needs; in implementing a class-leading digital strategy; and in continuing to identify value-additive acquisition targets, particularly in international markets.

These opportunities are directly in line with the Group's business strategy of servicing the information, compliance and education requirements of professional business markets, while increasing income streams from outside the UK. Today having had a chance to look in more detail my belief in Wilmington's potential is, if anything, even stronger.

Read more in Business Review 12

Where does your experience align most closely with the Group's objectives?

Pedro: Wilmington's management team has achieved excellent results over the years. I bring to the table substantial experience of leading international businesses in related markets; I have a track record of initiating and completing acquisitions that deliver exceptional growth.

I have worked in many different geographies, running successful organisations in the business-intelligence, market-information and business-to-business knowledge sectors. I enjoy leading teams, setting clear objectives and motivating people to achieve exceptional results.

"My first impressions of Wilmington were very positive. I saw a strong company, growing and highly acquisitive with a highly capable management team."

Pedro Ros
Executive Director

My passion for new technologies and digital innovation will be more evident as we shape the Group's future direction. Achieving our demanding objectives for the coming years requires attracting and retaining the very best talent and I will continue to promote Wilmington as an employer of choice.

Following your appointment in July, what do you consider the key strengths that will help Wilmington going forward?

Pedro: Wilmington's content and information brands have made the transition from print to digital without any loss of reputation or brand strength. This leaves the Group in an excellent position to exploit the opportunities that their market positions present and to engage effectively and profitability with the professional communities that comprise the bulk of our client base.

Wilmington's training businesses enjoy good market positions. These businesses are evolving into value added multi-format resources for our clients increasingly underpinned by technology.

Wilmington employs exceptional people across all areas of the Group. It is particularly noteworthy that many of the talented entrepreneurs who joined us at the time of their businesses' acquisition have remained in post, often moving in time to more senior roles within the Group.

Media has been through an evolution with the transition from print to digital. Where do you think the industry will go next and what challenges the Group might face?

Pedro: The major challenge publishing businesses faced over the last decade was the transition from print to digital. We have successfully navigated this challenge and in doing so, we also created a much higher quality business based overwhelmingly around subscription information with only a small proportion of advertising revenues.

Over the coming years, in the face of data ubiquity or big data we will see increasing demands for tools which make sense of large and complex data and are likely to see some falling in demand for simple data supply. Wilmington has been preparing for this over recent years and much of what we sell is now imbedded into the workflow of our clients. We will continue to invest in the people, products and technology to take advantage of the opportunities which will arise in the future and to give our clients tools which will help them to achieve their objectives.

We know that you are a keen sports fan; can you share your sporting passions?

Pedro: For many years I played basketball and it became a way of life that I enjoyed to the full. It taught me a lot about team spirit and developing a strong work ethic; I also learned why it's right sometimes to sacrifice your personal ambition for the good of the team.

I also love football and I have supported Espanyol, Barcelona's less-well-known team, since I was a child. Although Espanyol is not a strong contender in international club competitions, it is still my team and I remain an enthusiastic supporter even though I live in the UK.

My friends in London tell me that I should also choose an English team to support, but I'm undecided . . . and open to suggestions!

CHIEF EXECUTIVE'S REVIEW

Transforming potential into performance

Operational Review

Our strategy has been to systematically transform Wilmington into a high quality information, compliance and education provider servicing major professional markets.

By focusing on the fundamentals of our business we are able to improve the quality of our earnings. By investing in higher growth businesses and exiting from structurally challenged businesses and, in particular, reducing the drag from legacy print products we have created a Group with more predictable revenues, higher margins, growth prospects and strong cash flows. The strong cash flow generated by the Group provides the momentum for organic and acquisition investment.

During the year, Wilmington produced another strong performance with Adjusted EBITA up 11% to £18.7m from £16.9m in 2013. Adjusted Profit before Tax was up 13% to £16.6m (2013: £14.7m). Adjusting for acquisitions, currency fluctuations and the termination of non-core activities, underlying Adjusted EBITA growth was 4%.

Group revenues in the year ended 30 June 2014 were up 6% to £90.0m (2013: £85.0m), reflecting full year contributions from the two acquisitions made in 2013 and the more recent acquisition of Compliance Week.

"By focusing on the fundamentals of our business we are able to improve the quality of our earnings."

Charles Brady
Chief Executive

Adjusting for acquisitions, currency fluctuations and the termination of non-core activities underlying revenue was up slightly on the same period last year.

The two largest divisions, Pensions & Insurance and Banking & Compliance, both continue to perform very well with strong organic revenue and contribution growth. It is in these areas where we see the best opportunities and where we are investing most heavily. However, as previously highlighted we have continued to witness more challenging conditions in our Healthcare and Legal divisions.

On 15 August 2013 we acquired Compliance Week, the leading provider of governance, risk and compliance information and events for public companies and large enterprises primarily in the US, which contributed £3.2m to revenue and £0.9m to operating profit in the year.

Pensions & Insurance

% of Group Revenue	% of Group Contribution
19%	31%

This division, which includes Axco, Pendragon, Inese and International Company Profile ('ICP') provides in-depth regulatory and compliance information, market intelligence, events, training, analysis and workflow tools for the international insurance markets and the UK pensions industry.

Divisional revenue grew 16% (£2.4m) helped by a full year revenue contribution of £2.7m (2013: £1.1m) from Inese, a provider of Spanish language subscription based publications, events and online services for the Spanish insurance market, which was acquired in March 2013. Underlying revenue growth was 7% after adjusting for adverse currency movements. As expected the divisional margin was a little lower than the previous year due to the full year impact of the acquisition of Inese which has operating profit margins of just under 30%.

Axco, which provides subscription information, market and regulatory intelligence, workflow tools and analytics for the multinational insurance market reported an 8% constant currency sales growth. Sales, which are driven predominantly by demand for in depth insurance market and regulatory information for all countries globally, benefited from increased demand for our new 'Insight' delivery platform which provides clients with tailored information which can be integrated into their own systems. We maintained our commitment to invest in and develop Axco content, products and services as well as continued investment in technology for content management and product delivery. In July 2014 we launched Insight Risk Manager, a regulatory intelligence service for the risk managers in multinational firms. This launch was supported by the major global insurance brokers and Airmic, the UK Risk Managers Association.

Pendragon, the leading digital regulatory information service for the UK pension industry, maintained its market leading position in the UK pensions market and recorded revenue growth of 4%. The business is investing in new delivery technology for launch later this year which will help strengthen the backbone of its information offerings for the future.

ICP, the leading provider of credit insurance reports for developing markets, has enjoyed another successful year with continued increase in demand for credit insurance reports, particularly in the Middle East. ICP recorded revenue growth of 9%.

Inese, which was acquired in March 2013, had a good year with revenue of £2.7m and a contribution of £0.7m to operating profits. This contribution of £0.7m when added to last year's contribution of £0.4m represents a very satisfactory pre-tax return on our acquisition cost of £1.2m. The integration of Inese has gone very well and we are now focusing on investing in their products and services, which will include the implementation of new CMS and delivery technology based on the systems developed this year for Compliance Week.

Overall the division's contribution grew by 11% to £6.8m (2013: £6.1m). Adjusting for acquisitions and currency fluctuations underlying profits were up 8% on 7% underlying revenue growth.

Banking & Compliance

% of Group Revenue	% of Group Contribution
24%	25%

The Banking & Compliance division provides corporate finance and capital markets training and accredited programmes in anti-money laundering, compliance, wealth management, financial crime and trust management along with subscription information and events. This division serves primarily tier one banks, the international financial services industry and major multinational companies.

The division continued to show strong revenue growth momentum with an increase of 32% compared to 2013 helped by £3.2m of new revenues from Compliance Week. Growth drivers included increased demand for Compliance and Anti Money Laundering programmes to international banks. Underlying revenue growth was 14% after adjusting for adverse currency movements. Margins grew from 21% to 25% helped by a contribution of £0.9m (28% margin) from Compliance Week and increased margins from our compliance training programmes. Underlying contribution grew by 34%.

International Compliance Training ('ICT') which provides accredited training programmes in Anti Money Laundering, Compliance and Financial Crime has continued to secure major in-house training assignments during the year and has a strong and growing pipeline of projects into the 2014/15 financial year. Growth drivers for this division include the provision of major anti-money laundering programmes to international banks. Demand for accredited face to face training is growing and we anticipate significant revenue growth from this area moving forward. We also continue to see opportunities in emerging markets with recent initiatives in Malaysia and Poland. To support this revenue growth we are investing in significantly more training and administrative capacity.

The financial year 2013/14 was a record year for Adkins Matchett & Toy Group ('AMT'), which provides corporate finance and capital markets training to major international investment banks. AMT saw revenue grow 10% and contribution up 9% on 2013. AMT has benefited from significant investments in its client offerings and is increasingly using technology to support and supplement its core face to face courses. Initiatives included a cross divisional Massive Online Open Course ('MOOC') system for a global client covering fundamental banking skills. Elsewhere AMT Online is now an integral part of client offerings allowing for structured online self-study, complete assessments and online exams with detailed feedback and reporting to the learning and development function.

AMT has had an excellent start to the 2014/15 financial year with its graduate entrant training for investment banks in its main centres of New York, Hong Kong and London. As AMT generates 50% of its revenue in the first quarter of the financial year this again bodes well for the rest of the year.

Compliance Week has integrated well into the business since its acquisition in August and the redevelopment of its key content, management and delivery technology has been successfully completed. With the assistance of some of our UK based businesses Compliance Week also launched their first event outside of the US with the inaugural 'Compliance Week Europe' which was held in October 2013 in Brussels.

CHIEF EXECUTIVE'S REVIEW

Healthcare

% of Group Revenue	% of Group Contribution
15%	13%

This division includes Agence de Presse Médicale ('APM'), the French language medical news agency, Binley's, the UK healthcare information business, and NHiS, a provider of business intelligence and data analysis to the pharmaceutical industry.

The division has experienced challenging market conditions in the period and although revenue was up 5% (£0.6m) adjusting for currency fluctuations and the full year of contribution from NHiS (acquired February 2013) of £2.2m (2013: £0.9m) underlying revenue was down 6%. Contribution was maintained at the same levels as 2013 but underlying profits were down £0.3m (11%).

APM has had another strong year with underlying revenue up 3%. APM has one of the highest proportions of subscription income in the Group at over 95%, with renewal rates also in excess of 95%. All of APM's revenues are delivered digitally. Despite a difficult economic backdrop in France, the quality of APM's editorial content has ensured its continued growth.

Binley's underlying revenue was down 12% (£0.8m) due mainly to the fall-off in lower margin mailing services as reported in our half year results and the reduction in expenditure by some of our pharmaceutical clients. The business mitigated the impact on its profits by reducing its associated overhead base to offset some of the revenue loss. Onmedica, our permissioned GP email market access service, had a good year with revenue up 13% albeit from a relatively small base.

NHiS, a provider of business intelligence, data analysis, workflow tools and other services to pharmaceutical companies in the UK, which was acquired in February 2013, recorded revenue of £2.2m. NHiS has seen a shift towards consultancy led analytical assignments over the last few months as our clients seek deeper insight into the changing requirements of the NHiS. We are investing in the next generation of data visualisation subscription products as well as developing integrated solutions with Binley's to our major pharmaceutical clients. We are also exploring some potentially exciting international opportunities where the NHiS technology and processes are very compatible.

During the year we have significantly strengthened the Healthcare management team, with five senior appointments. I am optimistic that this team will bring new momentum and expertise to the division.

Legal

% of Group Revenue	% of Group Contribution
19%	10%

The division provides training, conferences, professional support services and information including legal continuing professional development (CPD), expert witness training, databases, magazines and specialist reports.

As previously indicated the Legal Division's revenue was reduced by 10% (£1.9m) in the year. Underlying revenue decline was 8% adjusting for the disposal of Ark Australia in 2013.

Central Law Training has continued to experience difficult trading conditions in its legal CPD courses. Legal CPD training is undergoing significant changes with the regulations governing minimum CPD requirements being relaxed by the Solicitors' Regulatory Authority. This will mean that solicitors will, over the next 18 months, have to reassess how they undertake CPD to ensure that they are "Competent". We believe that this change may bring positive future opportunities for the Group, but will also result in a period of less activity whilst solicitors reassess their training objectives and requirements. We have also experienced strong price competition and have seen the exit of some competitors from the market. Legal CPD revenue represents less than 30% of the overall division's turnover.

Central Law Training's course programmes have been modified to reflect current market conditions. We have also changed the management team, with a number of executives leaving the Group. New appointments have been made, including the MD of Bond Solon taking over as Divisional MD and the promotion of new senior executives appointed at Central Law Training. These changes inter alia resulted in reorganisation costs of £0.2m.

Other than legal CPD the division has performed well. We have seen good growth in Bond Solon, our witness familiarisation business, which enjoyed a record sales year with revenue up 7% in the UK and 13% in Ireland. We have also seen a 27% increase in revenue from our Scottish legal training business.

Overall, despite the £1.9m (10%) decrease in revenue the impact on contribution from the division was mitigated due to good cost control to show a reduction of £0.6m. Margins had dropped slightly to 13%.

Business Intelligence

% of Group Revenue	% of Group Contribution
11%	11%

This division includes our Data Suppression and Fraud Prevention services as well as our Charities, Fund Management and Film & TV services.

Over recent years the division has undergone the most significant transformation of all our businesses, with the transition from a print and advertising based business to digital services, subscription information products and workflow tools.

Overall revenue was down 12% (£1.3m) but £0.8m of this reduction was due to exiting non-core activities including the low margin list brokerage service operated by Millennium. As previously reported we are seeing the expected decline in legacy print revenues being partially offset by growth of new, higher margin digital businesses. This has allowed us to increase overall margins from 23% to 26%.

The remainder of the division — our fund data, charities, data suppression, fraud prevention services and legacy notification businesses — have seen underlying stable revenue and improved profit performance. Overall contribution was maintained at £2.5m.

Accountancy

% of Group Revenue	% of Group Contribution
12%	10%

The Accountancy division is the leading provider of training, technical support and marketing services to UK Accountancy firms and accountants in commerce and industry.

Overall revenues declined by 1% in what was expected to be a quiet year in terms of legislation and regulation change. We saw a slight drop off in face to face training as a result. We are very pleased that despite the reduction in revenue contribution has been maintained at last year's levels as a result of good cost control.

A growing percentage of the division's revenue is generated from technical and marketing support for accountancy clients. Technical support initiatives include our market leading accountancy firm website platform and SEM solutions optimised for specialist accountancy practices.

Regulation and deregulation provide opportunities in the Accountancy market. With audit exemption limits continuing to rise and the introduction of micro-entity accounting simplification this is likely to be a constraining factor on short term revenue growth. However, offsetting this are opportunities from the implementation of IFRS to UK entities and the demand for more sophisticated technical and marketing support.

Operating profits and margins were maintained at £2.1m and 20 percent respectively.

Group Overheads

Group overheads, which include Board and head office salaries as well as unallocated central overheads, increased by 5% to £3.3m.

Charles J Brady
Chief Executive
17 September 2014

OUR PEOPLE AND CASE STUDIES

Committed to developing our people

Our People

Integral to Wilmington's growth and success is the talent, expertise, professionalism and commitment of our people. During the year we have continued to build towards our goals of becoming an employer of choice and ensuring we remain a great place to work. Our dynamic changing markets continue to present challenges and in order to achieve our growth plans we are committed to ensuring we attract and retain the right and best talent.

Talent management is a key priority. We are committed to developing our people, to realising their potential and investing in training and development initiatives. We encourage a continuous development ethos that is underpinned by tailored development across our businesses.

We respond appropriately to employment legislation and regulatory requirements across our increasingly international Group. Last year investment was committed to update our HR systems and we have successfully implemented auto enrolment in the year. Compliance with the Anti-Bribery and Corruption legislation continues to be an on-going priority and training on Wilmington policies and procedures is delivered to all staff using Bond Solon's on line training platform.

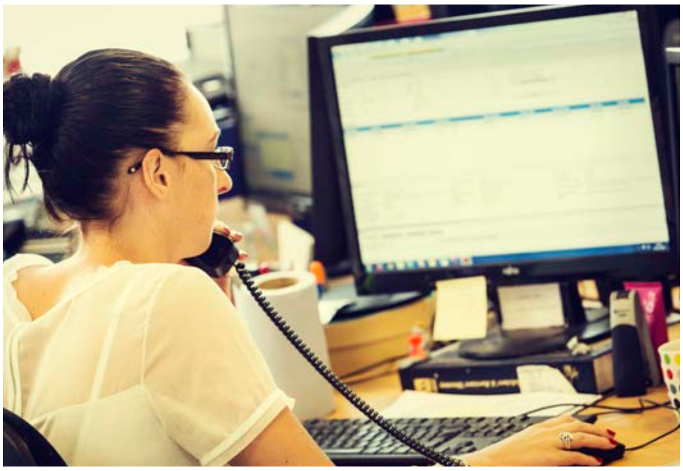
CASE STUDY
INTERNATIONAL COMPANY PROFILE – LEADERS IN A GLOBAL NICHE INFORMATION MARKET

Established in 1982, International Company Profile (ICP) was set up to provide credit reports on companies in emerging markets.

It has grown into one of the key credit reporting agencies in the world and specialises in regions such as the Middle East and Eastern Europe which lack the coverage of larger company information providers. ICP reports provide our customers in the global credit insurance industry with information on company ownership, management, legal status, history, operations, financial performance and credit appraisal. ICP services its global client base through offices in London and Dubai along with specialist researchers operating in many countries across the world.

ICP has a multilingual research team with 15 languages spoken including French, Spanish, Polish, German, Croatian, Russian, Hindi, Gujarati, Turkish, Arabic and Portuguese.

The Managing Director and senior team have all been with ICP for over 15 years. The team's unique experience and deep knowledge of specialist credit reporting help to maintain ICP's reputation as the market leader in its sector.



CASE STUDY
BOND SOLON

Cleaning up in the Regulatory and Enforcement Training Market

In January 2014 Bond Solon won a five year contract to deliver a comprehensive range of legal and investigative training courses for the Environment Agency ('EA'). The training programmes are being rolled out to approximately 1,500 of their staff who have regulatory/enforcement responsibilities. As statutory warranted officers, without this training EA staff are unable to carry out their duties.

Bond Solon were successful in winning the contract based on a number of factors including their reputation as the leading provider of Enforcement training and qualifications in the UK and their position as the training provider for the majority of central government agencies. In particular, they were influenced by Bond Solon's strong presence across DEFRA agencies including the Water Services Regulation Authority, Animal Health and Veterinary Laboratories, Centre for Environment, Fisheries and Environment Research Agency, The Food and Environment Research Agency, the Rural Payments Agency and the Drinking Water Inspectorate.

The EA were also impressed with Bond Solon's ability to design and contextualise the training programmes by fully incorporating the EA's range of enforcement and regulatory work, strategy, powers, procedures and technological resources. This means that each training solution is fully supported by a series of thematic case studies and exercises, practical scenarios and course materials which fully reflect the day-to-day enforcement work of their staff.

Over 16 different bespoke training programmes are being designed ranging from two days to eight days in duration covering a wide range of topics including Investigative Interviewing, Evidence Gathering, Search and Seizure, Courtroom Skills and Senior Investigating Officers Training. A number of these courses are already being rolled out across England at a number of EA sites.

This contract strengthens Bond Solon's position as the leading provider of Enforcement Training and Qualifications in the UK working extensively across both central and local government.

Pictured
The Bond Solon team, led by Piers Lawson (far left).

CASE STUDY
COMPLIANCE WEEK

Successful acquisition and integration of an overseas business

In August 2013 the Group completed the acquisition of Boston based Compliance Week (‘CW’), the leading governance, risk and compliance (‘GRC’) information and event provider to the US corporate market.

CW is a business that we had tracked for a number of years as it built a very successful digital subscription business based around compliance news and information for large US corporations and the companies who support and advise them.

Over a number of years CW had also developed its main US conference, held in May each year in Washington, into the leading annual event for senior compliance professionals in the US. It subsequently added a West Coast event serving the specialist needs of the technology dominated corporations in this region.

We considered the acquisition a great opportunity both to expand our compliance interests and also to gain greater access to the key US market for all of our businesses. We were fortunate to acquire a great team with the business including some of the leading experts on corporate compliance issues, many of whom had worked for CW for several years.

The last year has seen a period of intense activity and investment as we successfully redesigned and redeveloped all of the technology and systems used by CW to manage its business, its content and to deliver digital services to its customer base.

Now that we have strengthened the CW platform we plan to focus on the development of new information services to provide to CW’s audience of large US Corporations to support them in increasingly complex compliance pressures.

With the assistance of some of our UK based businesses CW also launched their first event outside of the US with the inaugural ‘CW Europe’ which was held in October 2013 in Brussels. The event was a great success and a larger event is taking place in Brussels in October 2014. We will continue to look at opportunities for further international expansion for both the events and the information offerings.

Our investment in CW has also provided a platform to support other Group activities as we have established corporate, financial and HR structures and systems. Our Axco division has already taken advantage of the opportunity to base a new senior US employee at the Boston office and we are confident that we will see further development and growth from this base over the coming years.

CASE STUDY
SALESFORCE.COM©

Supporting future growth

Major investment in Salesforce.com©, a CRM system to provide a single, world class platform for all of our businesses

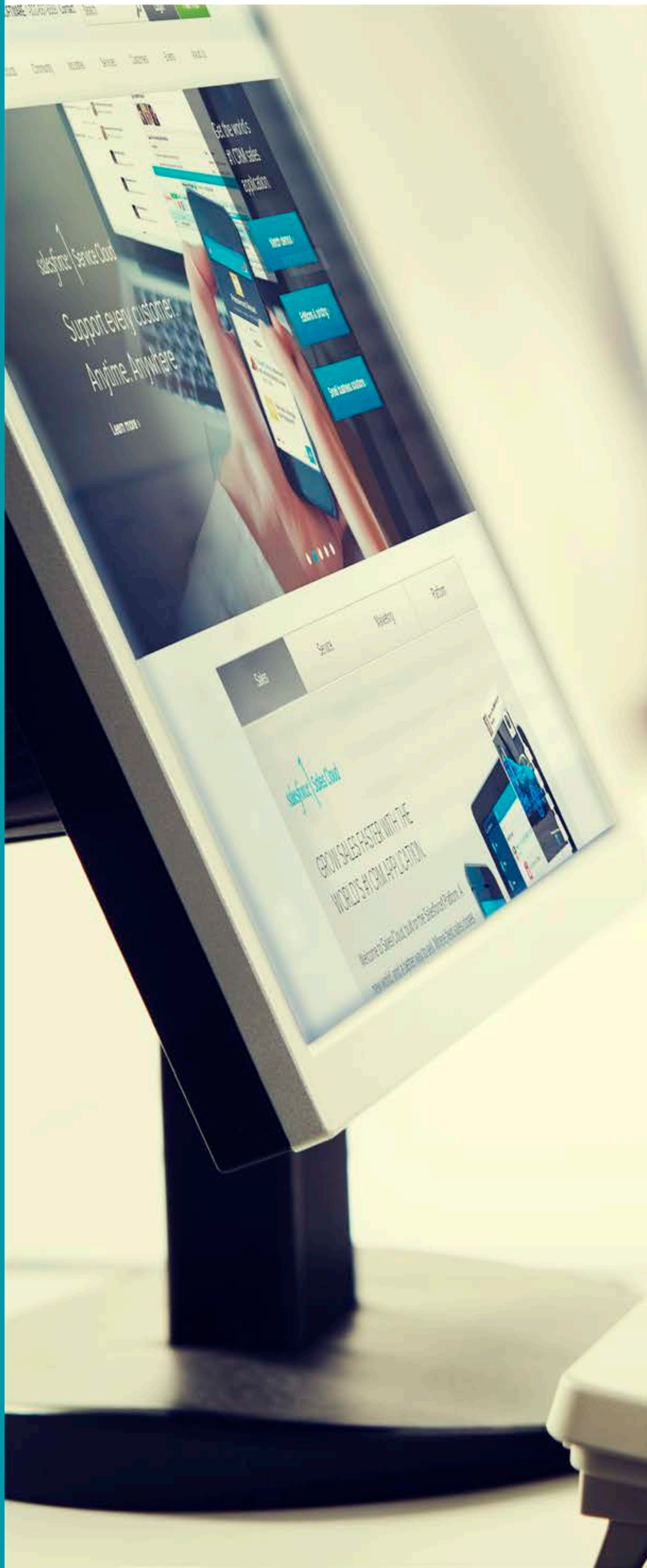
Over recent years the Group has made significant investments to ensure that we have the technology to develop and deliver market leading digital services to our customers.

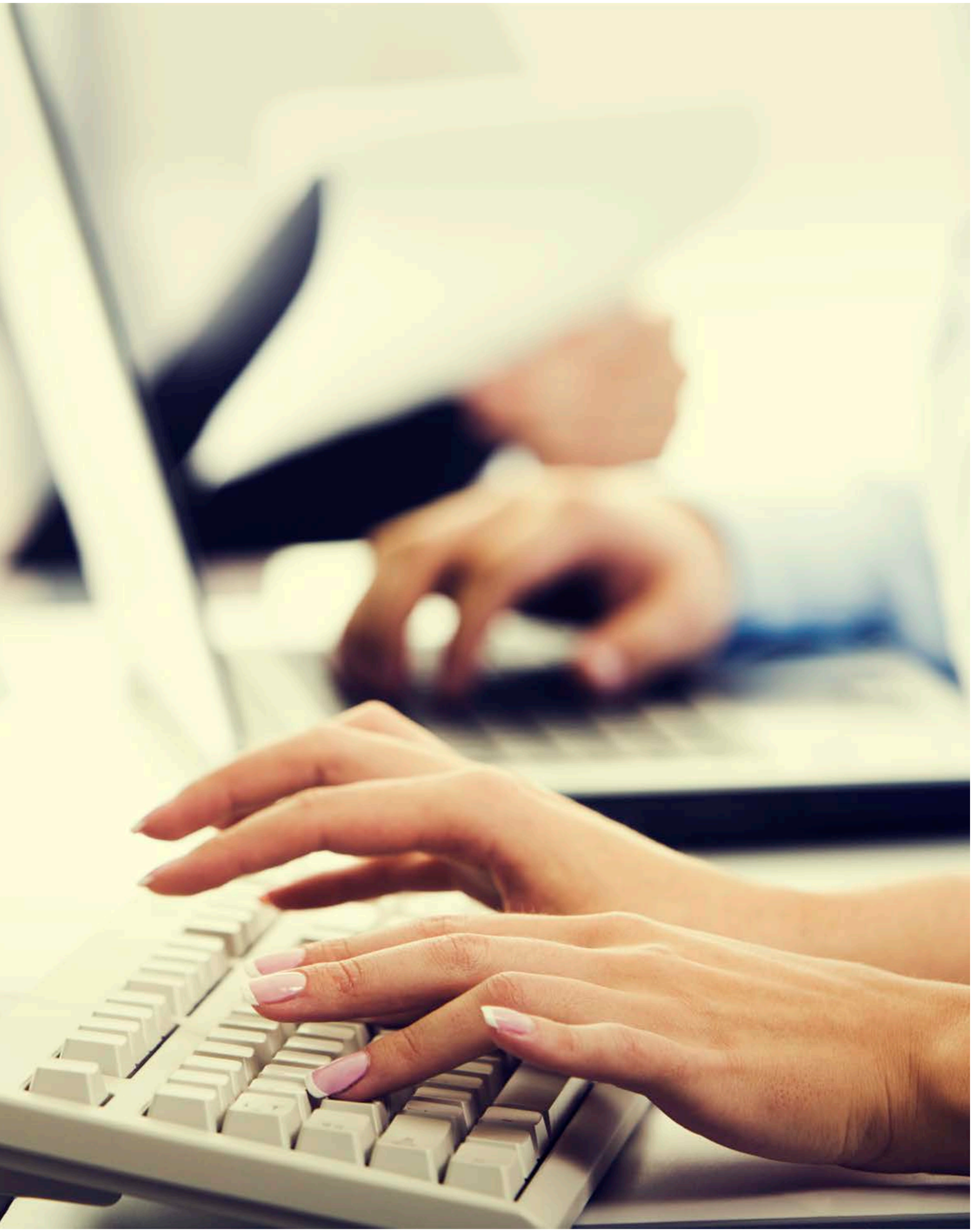
However, the evolution of the Group's divisions has meant that we currently use a number of different systems for the management of customer databases, CRM, invoicing, management reporting and associated systems.

As Wilmington has become an increasingly focused business the benefits of combining, coordinating and harmonising our approach to our markets has grown. In 2014 we therefore took the decision to embark on an ambitious, multi-year project to deploy a single, global CRM system which replace all of our legacy systems and provide a single platform of the highest quality.

In addition to replacing our CRM technology we are taking the opportunity to review and improve all of the processes and related systems which we operate across our businesses to establish best practice, maximum efficiency and automation in the way we run our business. The resulting efficiency savings will mitigate the costs of deploying Salesforce.com© but the principle benefit is a common platform from which to support future growth. We are also taking the opportunity to review, cleanse and expand the databases which drive our CRM.

Our Salesforce.com© instance will also integrate with our other customer facing and administrative technology. Compliance Week was the first division to deploy the new solution and it is integrated into the subscriber website (managing customer access and preferences) and also into our email solution (generating automated customer communications). This is an ambitious project, and it will take a number of years to finalise but we have already begun to see the benefits in areas where it has been deployed. We are confident that it will eventually have a transformative impact on the way that we run our businesses.





CORPORATE, ENVIRONMENT AND SOCIAL RESPONSIBILITY

Making a positive impact

Wilmington seeks to be a socially responsible Group of businesses that have a positive impact on the communities within which it operates.

We seek to employ a workforce that reflects both the diversity of our customers and the communities where we have a presence. We do not discriminate on grounds of age, sex, race, ethnicity, religion, sexual orientation or disability. We strive to provide all our employees the opportunity to grow and develop whilst employed at Wilmington. This includes providing excellent working conditions, the latest technology and appropriate training and development to help and encourage our employees fulfil their potential.

Our apprentice and intern investments have also continued to grow during this time, across different businesses and key geographical locations, developing further the Group's community and people investment over and above the commitment we make to our employees.

Wilmington continued to support in www.charitychoice.co.uk, a website which supports charities and raises awareness of their fundraising activities. The online donation service saw donations during the year of £881k for various charities.

Environmental policies

The Board recognises that Wilmington's business has an impact on the environment, principally through the use of energy, waste generation, and paper use and print and production technologies. We are committed to reducing the impact wherever possible and to utilising sustainable materials and technology. We seek to ensure that Wilmington's divisions are compliant with relevant environmental legislation and require, where possible, our suppliers and contractors to meet the same objectives. Furthermore, our progress towards a digitally based business is reducing our environmental impact. Accordingly whilst environmental issues are important we do not believe that they constitute a risk for the Group.

The Head of Facilities Management is responsible for managing and monitoring environmental issues across the Group.

Our policies are to:

- meet or exceed the requirements of current environmental legislation that relates to the Group;
- minimise energy and water usage in our buildings, vehicles and processes and improve the efficient use of those resources;
- apply the principles of continuous improvement in respect of air, water, noise and light pollution from our premises, and reduce any impacts from our operations on the environment and local community;
- minimise our waste and then reuse or recycle as much of it as possible;
- as far as possible, purchase products and services that do the least damage to the environment and encourage others to do the same;
- ensure environmental and energy performance issues are considered in the acquisitions, refurbishment, design, location and use of buildings;
- assess the environmental impact of any new processes of products we intend to introduce in advance;
- ensure understanding of our environmental policy internally and externally and communicate its performance on a regular basis, and encourage feedback;
- set and monitor KPIs for our environmental performance at least annually; and
- update our environmental policy regularly.

Paper

Paper is sourced from a chain of custody certified suppliers to ensure only sustainable raw materials are used within its production. The vast majority of paper is produced at mills with ISO 14001 accreditation and Environmental Management System ('EMAS') registration.

Printers

All our major print suppliers are ISO 14001 certified or encouraged to work towards a minimum of this standard. Many now also utilise FSC or PEFC chain of custody certification. All our printers work in a digital environment, with the resultant reduction in transport, courier and energy utilising activities.

Packaging

For magazines we use recyclable polythene with a thickness of 25 microns. Where possible we are also converting to exo-biodegradable and potato starch forms of polythene.

Offices

The Group's activities are primarily based in office accommodation and, wherever practicable, the Group adopts energy saving policies. Any new and replacement air conditioning units being sourced from the energy efficient range and show a 70% saving in energy consumption. With regard to the office environment, the Group encourages the recycling of materials such as paper, cardboard, toners and cartridges wherever possible. The Group also ensures the correct disposal of electrical equipment and fluorescent tubes is compliant with the Waste Electrical and Electronic Equipment Directive ('WEEE').

Over the past few years, we have reduced our property portfolio by 43,000 square feet, representing approximately a third of our previous occupancy space. We have also installed occupancy detection lighting and eco-friendly WCs and basin taps in a number of areas around the Group.

Travel

The introduction of video conferencing technology in the Group's offices has significantly reduced the requirements for travel, particularly when dealing with overseas offices and clients. The success of training webinars has also seen the additional benefit of reducing delegate travel to venues. Wilmington is also continuing its cycle incentive incorporating the Cycle to Work scheme which is within the guidelines of the Government's green travel plan. As part of the scheme Wilmington provides employees with a loan for cycle and safety equipment up to a maximum of £1,000. To further support the cycle scheme, Wilmington has also arranged for free cycle parking facilities for employees based in its London offices.

Greenhouse gas emissions reporting

The release of greenhouse gases (GHG), notably carbon dioxide (CO2) generated by burning fossil fuels, has an impact on climate change which, either directly or indirectly, presents considerable risks both to the business and the planet. The Group is committed to monitoring and reducing its GHG emissions.

Global CO_2 emissions data for period 1 July 2013 to 30 June 2014	Thousand Tonnes of CO_2e
Emissions from	
Emissions from	
Scope 1 – Direct CO_2 emissions	66
Scope 2 – Indirect CO_2 emissions	619
Total emissions	
CO_2 ratio (thousand tonnes of CO_2 per employee	0.85

Methodology

Wilmington Group's GHG emissions (detailed above) were calculated using activity data from the Group's management accounting system (verified by third party supplier invoicing), and emission factors from Defra's Conversion Factors for Company Reporting 2014 for converting energy usage to carbon dioxide equivalent (CO_2e) emissions. We have followed the methodology in the GHG Protocol Corporate Accounting and Reporting Standard (revised edition). The analysis has used an operational control approach – please note that this means that certain sites which have a service agreement for utilities have not been included in the footprint.

This assessment takes into account of all of the emission sources required under the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013. We do not have any responsibility for any emission sources that are not included in our consolidated statement.

OPERATIONAL TARGETS

At a Group level, we have seven key financial and operational targets

1. Adjusted Profit before Tax
This measure indicates the trading profits of the Group, after bank and interest charges, but before amortisation and impairment of intangible assets and goodwill, adjusting items, the unwinding of discounts on the provisions for the future purchase of non-controlling interests and share-based payments. Amortisation of publishing rights, titles and benefits and impairment are non-cash technical adjustments which do not necessarily reflect the inherent change in value of assets. See note 2 for the calculation of Adjusted Profit before Tax.

In the year ended 30 June 2014, Adjusted Profit before Tax increased by 13% to £16.6m (2013: £14.7m).

2. Adjusted Earnings per Share
This key measure indicates the underlying profit attributable to individual shareholders. It measures not only trading performance, but also the impact of treasury management, capital structure, bank and interest charges, as well as the efficient structuring of the Group to appropriately manage tax. Our business and financial strategies are directed at delivering consistent adjusted earnings per share growth and our incentive programmes are designed to support this strategy.

For the year ended 30 June 2014, Adjusted Earnings per Share increased by 13% to 14.79p per share (2013: 13.06p). The increase was due to better overall financial performance achieved by the businesses.

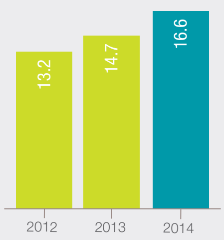
3. Cash Conversion
The quality of the operating profits is underpinned by the associated cash flow. The Group's business is strongly cash generative; Operating Cash Flow for the year ended 30 June 2014 of £20.2m represented 108% of adjusted operating profit before interest and amortisation (2013: £19.4m, 115%).

4. Free Cash Flow[8]
Free Cash Flow is an important indicator of resources available for payment of the Dividend and for support of our acquisition strategy. Free Cash Flow, which is calculated after deduction from operating cash flow of capital expenditure, payment of corporation tax and payment of interest, increased by 7% to £13.2m (2013: £12.4m).

Adjusted profit before tax £m

+13%

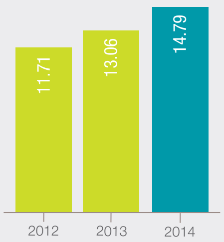
(2013: +11%)



Adjusted earnings per share p

+13%

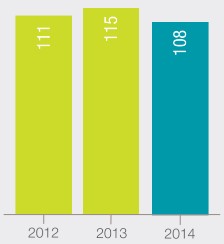
(2013: +12%)



Cash conversion %

-7bp

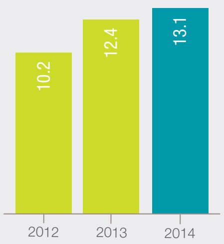
(2013: +4bp)



Free cash flow £m

+7%

(2013: +22%)



At Divisional level we maintain a number of KPIs specific to the performance of each business within the division,

Each of the operating divisions monitors a number of key performance indicators. This year we delivered an improved performance against the majority of our financial and operational targets. By continuing to focus on these benchmarks, we have been able to concentrate on mitigating the adverse effects of the global recession and produce good results whilst establishing a more resilient and efficient platform to support future growth.

5. Consistent and Sustainable Revenue Streams

The disposal of non-core assets in recent years has allowed the Group to focus on a portfolio of assets based in key professional markets, with the emphasis on provision of information, compliance and education to these markets. This push towards more robust and sustainable revenue streams has resulted in a strong portfolio of offerings, which includes:

- data, information, intelligence and solution sales;
- professional education, training, events and services; and
- professional accreditation and assessment.

The Group has continued to increase the supply of its products and services online and digitally, but remains conscious of the needs of markets, which continue to prefer some products produced in hard copy format or in person. Our businesses are supported by management and delivery systems utilising appropriate technology. We have continued to invest considerable resources in the improvement of our operating systems and online services which will deliver benefits in the current year and beyond.

Group Turnover: subscriptions and repeatable revenue

79%

(2013: 79%)

Subscriptions and repeatable revenue represent 79% of Group turnover compared to 79% in the prior year.

6. Adjusted operating margin (‘Return on sales’)

Adjusted operating margin or return on sales (‘ROS’) is defined as Adjusted EBITA (see note 2) expressed as a percentage of revenue. During the year ended 30 June 2014 ROS was 20.8% compared to 19.8% in the prior year.

Return on Sales: subscriptions and repeatable revenue

20.8%

(2013: 19.8%)

7. Return on equity (‘ROE’)

ROE is defined as the Adjusted Profit before Tax (see note 2) expressed as a percentage of the average equity attributable to the owners of the parent during the year. ROE was 31.9% for the year to 30 June 2014, compared to 28.5% in the prior year.

Return on equity

31.9%

(2013: 28.1%)

Notes

8. Free cash flow – see note 28 to the financial statements.

FINANCIAL REVIEW

Transforming potential into performance

	2014 £m	2013 £m	Change %
Revenue	**90.0**	85.0	6
Adjusted EBITA	**18.7**	16.9	11
Adjusted EBITA Margin	**20.8**	19.8	

Adjusted results
Reference is occasionally made in this financial review to adjusted results. Adjusted results in the opinion of the Directors provide a more comparable indication of the Group's underlying financial performance and exclude adjusting items set out in note 2.

Revenue
Revenue for the twelve months to 30 June 2014 increased by £5.0m to £90.0m (2013: £85.0m). On a like-for-like basis (excluding the impact of acquisitions, foreign exchange and disposals) underlying revenue was up slightly.

"Revenue increased by £5.0m to £90.0m and operating profit was up from £7.4m to £10.7m."

Anthony M Foye
Chief Finance Officer

Net operating expenses
Net operating expenses, excluding adjusting items, were £71.3m (2013: £68.2m), up 5% reflecting the impact of acquisitions made in 2013 and in the period.

Amortisation of Intangible assets
Amortisation of intangible assets (excluding computer software) increased from £6.1m to £6.3m reflecting the acquisitions of the businesses made in the period offset by assets which had been fully amortised in previous years. Also included in the 2013 comparative is £0.8m of accelerated amortisation in respect of intangibles within our Business Intelligence division.

Adjusting items
The Group incurred other adjusting items of £0.8m compared to a net cost of £1.3m in 2013. £0.4m of other adjusting items relate to costs of acquisitions made or aborted in the year and £0.1m in respect of the recruitment costs of the new Chief Executive. £0.2m of these costs were associated with a reorganisation of the Legal division.

Interest payable
Interest payable was down 5% from £2.3m to £2.1m supported by strong cash flow in the period. The Group had seen cash inflows associated with the sale of assets including a surplus freehold property at net book value for £0.7m, and strong operational cash inflows, offset by the acquisition of businesses and the purchase of minority interests. This resulted in net debt of £33.7m by the year end (2013: £33.4m). A dividend of £6.1m (2013: £5.9m) has been paid in the year.

Taxation
Taxation increased by £0.5m (37%) from £1.5m to £2.0m. The increase in the tax expense is due to larger deferred tax credits in 2013 and the non-tax deductibility of the impairment provision which is partly offset by the tax free property disposal in 2013.

The underlying tax rate which ignores the tax effects of adjusting items decreased from 24.7% to 24.0%. This reduction reflects inter alia the reduction in UK corporation tax rates during the year.

Operating profit

Operating profit was up from £7.4m to £10.7m largely due to the impairment charge of £4.5m in 2013 (offset by the profit on disposal of property of £3.3m). Adjusted EBITA was up 11% at £18.7m (2013: £16.9m) and Adjusted EBITA margins were up 100 bpts to 20.8% (2013: 19.8%). Acquisitions in the year contributed £0.9m to operating profits.

Profit before taxation

Profit before taxation was up from £5.1m to £8.6m. This reflects higher operating profits and a small net reduction in finance costs. Adjusted Profit before Tax increased by 13% to £16.6m (2013: £14.7m).

Earnings per share

Adjusted Basic Earnings per Share increased by 13% to 14.79p (2013: 13.06p). Basic earnings per share increased to 7.59p from 4.17p and diluted earnings per share increased to 7.39p from 4.07p.

Goodwill

Goodwill increased by £3.6m to £76.9m due to additions from acquisitions in the year (£4.0m) offset by exchange rate movements of £0.4m.

Intangible assets

Intangible assets declined £2.7m reflecting amortisation, offset by £4.0m from acquisitions made in the year.

Property, plant and equipment

Property, plant and equipment decreased by £0.2m to £5.7m reflecting additions to tangible fixed assets of £0.9m (2013: £1.2m) offset by depreciation and disposals.

Trade and other receivables

Trade receivables within trade and other receivables increased by £0.7m compared to 30 June 2013 reflecting acquisitions made during the year.

Trade and other payables

Trade and other payables which include deferred income were up £1.4m compared to 30 June 2013 reflecting the increase in deferred income and acquisitions made in the year.

Subscriptions and deferred income, which represents revenue received in advance, increased by 6% from £18.6m in 2013 to £19.6m. Included in this category was £1.0m which related to Compliance Week acquired during the year. The underlying position was flat; however, subscription information subscriptions were up 5% offsetting declines in lower margin training revenue received in advance.

Net debt

Net debt, which includes cash and cash equivalents, bank loans and bank overdrafts, was £33.7m (2013: £33.4m), an increase of £0.3m despite spending a net £7.3m in cash on acquisitions in the period. Operating cash flow and strong cash conversion supplemented by £0.7m from the disposal of a surplus freehold property helped towards the debt reduction. Free cash flow increased to £13.2m from £12.4m.

The net debt at 30 June represented just over half of our debt and overdraft facility of £65m.

Cash received on disposal of property

In October 2013 the Group disposed of one of its freehold properties for £0.7m in cash.

Treasury shares

During the year 716,410 shares were reissued in settlement of shares vesting under the Group's profit share plan and share option scheme. This resulted in a transfer to share capital at the weighted average cost of shares held in treasury.

Dividend

It is the Board's intention to pay a progressive dividend whilst ensuring a cover of at least two times the Group's adjusted earnings per share over the dividend per share in respect of the year. A final dividend of 3.7p per share (June 2013 final 3.5p) will be paid on 10 November 2014 to shareholders on the register as at 17 October 2014.

Anthony M Foye
Chief Finance Officer
17 September 2014

PRINCIPAL RISKS AND UNCERTAINTIES

RISK DESCRIPTION	TREND	POTENTIAL IMPACT	MITIGATION
STAFF RECRUITMENT AND RETENTION **Wilmington is a people-based business; failure to attract or retain key employees could seriously impede future growth.**	→	• Failure to recruit or retain key staff could lead to reduced innovation and progress in the business	• The Group operates a competitive remuneration package. • Just as importantly, the Group operates a culture where each individual can maximise his or her potential. • Management Development Programmes enhance the skills of executives and managers needed in their current and future roles. • The introduction of a dedicated Recruitment Manager and ongoing evaluation processes will assist high quality hiring and development.
COMPETITION **The Group operates in highly competitive markets that are constantly challenging the boundaries of technological advances, regulation and legislation, and which have new competitors entering the market.**	→	• Loss of market share due to changing markets • Reduced financial performance arising from competitive threats	• By empowering and resourcing innovation in local operations to respond to changing market needs, the potential adverse effects of competition can be mitigated and growth can be maintained. • The Group operates in specialised global niche markets offering high barriers to entry.
CYBER SECURITY/INFORMATION TECHNOLOGY/BUSINESS INTERRUPTION **Group and operational management depend on timely and reliable information from our software systems. We seek to ensure continuous availability, security and operation of those information systems.**	↑	• Delay or impact on decision making through lack of availability of sound data • Reduced service to customers due to poor information handling or interruption of business • Global threats to systems and critical information increase each year	• During the year Group has outsourced the hosting of all websites improving resiliency, efficiency and scalability. • There is back-up built into Group-wide systems and we are increasingly using Cloud based solutions. • We have a central team, Wilmington Group Support, to provide day to day IT & Systems support for users. • We provide and assist Group companies with strategic IT needs and to ensure adequate IT security policies are used across the Group. • We carry out regular IT audits and we have comprehensive IT systems monitoring in place. • We have a comprehensive IT induction for employees to ensure they are aware of security risks and how to combat them. • We regularly test our network and we have comprehensive IT disaster recovery solutions in place should we, in the unlikely event, suffer a disaster at an office or location.

↓ Lower risk ↑ Higher Risk → No change

RISK DESCRIPTION	TREND	POTENTIAL IMPACT	MITIGATION
ACQUISITIONS **The identification and purchase of businesses which meet our demanding financial and growth criteria are an important part of our strategy for developing the Group, as is ensuring the new businesses are rapidly integrated into the Group.**	→	• Failure to deliver expected results resulting from poor acquisition selection • Reduced financial performance arising from failure to integrate acquisitions into the Group • Unforeseen liabilities arising from a failure to understand acquisition targets fully	• We acquire businesses whose technology and markets we know well. The Executive Management Board together with Divisional Managing Directors ('DMDs') are responsible for finding and completing acquisitions in their business sectors, subject to Board approval, supported by central resources to search for opportunities. We employ detailed post-acquisition integration plans. • Thorough due diligence is performed by a combination of in-house and external experts to ensure that a comprehensive appraisal of the commercial, legal and financial position of every target is obtained. • Incentives are aligned to encourage acquisitions which are value-enhancing from day one.
LAWS AND REGULATIONS **Group operations are subject to wide-ranging laws and regulations including business conduct, employment, environmental and health and safety legislation. There is also exposure to product litigation and contractual risk. The laws and regulations we are exposed to as our businesses expand around the world increase each year.**	→	• Diversion of management resources creating opportunity costs • Penalties arising from breach of laws and regulations • Loss of revenue and profit associated with contractual disputes	• The Group's emphasis on excellent internal controls, high ethical standards, the deployment of high-quality management resources and the strong focus on quality control over products and processes in each operating business help to protect us from product failure, litigation and contractual issues. • Health and Safety policies, guidance and monthly reporting requirements are updated to reflect changing reporting and governance requirements and to enhance compliance. Our well-established policies on bribery and corruption have been maintained during the year to ensure continued compliance with best practice internally, via the Group Code of Conduct and externally, via appropriate clauses included in third-party agreements.
RESEARCH & DEVELOPMENT AND INTELLECTUAL PROPERTY STRATEGY **New products are critical to our organic growth and underpin our ability to earn high margins and high returns over the long term.** **Protection of our intellectual property builds competitive advantage by strengthening barriers-to-entry. Our intangible resources include data, processes, technological know-how, branding and our workforce.**	↑	• Loss of market share resulting from product obsolescence and failure to innovate to meet customer needs • Loss of market share resulting from a failure to protect key intellectual property	• New product development 'best practice' is shared between Group companies and return on investment of past and future innovation projects is tracked. This ensures that the collective experience and expertise of the Group can be utilised to maximum effect. • Large R&D projects, especially those which are capitalised, require Head Office approval, ensuring that the Group's significant projects are aligned to overall strategy. Such projects are overseen by the newly appointed Chief Technology Officer. • Workforce quality and retention is a central objective. This focus ensures that intangible resources stay and grow within the business. • Operating businesses are actively encouraged to develop and protect know-how in local jurisdictions. • Innovation is encouraged and fostered throughout the Group, inter alia, via the Wilmington Awards.

PRINCIPAL RISKS AND UNCERTAINTIES

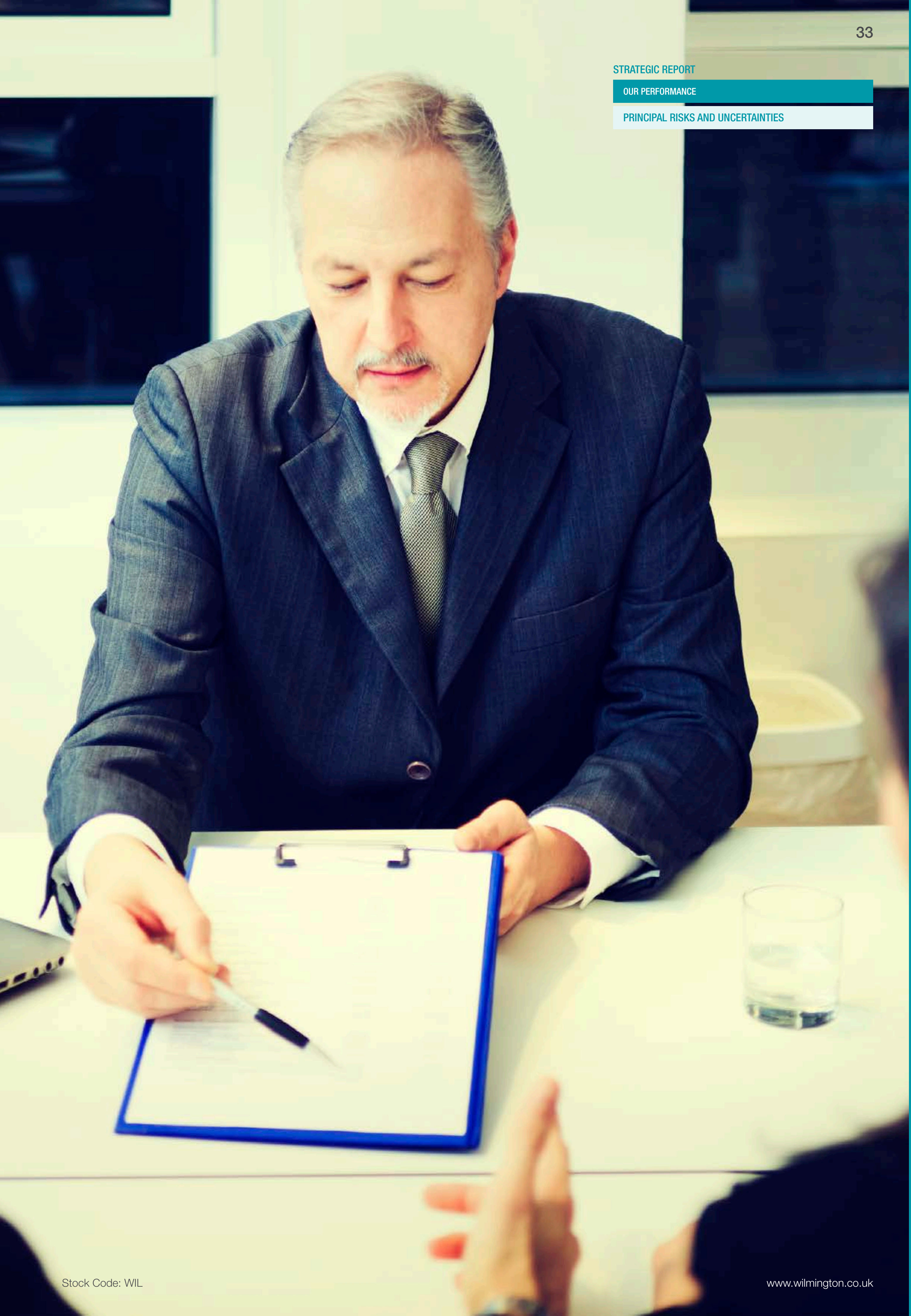
RISK DESCRIPTION	TREND	POTENTIAL IMPACT	MITIGATION
INFORMATION AVAILABILITY **Freely available information principally via the internet poses a potential risk for the Group. The risk resides largely with government agencies and not-for-profit organisations that may make information publicly available at no cost.**	↑	• Free to access or inexpensive information may compete directly with paid for, value added information supplied by the Group	• Wilmington offers enriched, value added data and information in innovative ways that can be read in an easy to use format.
DATA CONFIDENTIALITY **The Group is increasingly required to comply with strict privacy and data protection legislation.**	↑	• Adherence to an increasing compliance landscape can increase costs • Failure to comply with the regulations could result in a fine and/or a loss of reputation • The need to comply with the regulations can restrict the Group's ability to create and utilise its databases.	• To ensure that the Group was compliant with the relevant data protection legislation, we commissioned an extensive external audit of the Group's data management systems and we have adopted procedures to ensure compliance with best practice. • We have a dedicated Data Compliance Manager who works alongside DMD's to monitor our adherence to the regulations.
REMOTENESS OF OPERATIONS AND GLOBALISATION **A key operational risk emanates from remoteness of operations from Head Office and the increasing global spread of our businesses.**	↓	• Weakening of financial control and divergence from overall Group strategy in remote operations, leading to unexpected financial outcomes • Failure to comply with local laws and regulations in unfamiliar territories, leading to legal or regulatory disputes • Reputational risk	• Control is exercised locally in accordance with the Group's policy of autonomous management. We seek to employ local high quality experts. • The Group's acquisition model ensures retention of management and staff in acquired businesses meaning that local expertise is maintained. • DMD's ensure that overall Group strategy is fulfilled through an on-going review of the businesses. The right balance between autonomy and adherence to the overall objectives of the Group is a key function of the DMD's. • Regular visits by senior management, finance staff and internal audit support local control. • Working with established local partners.

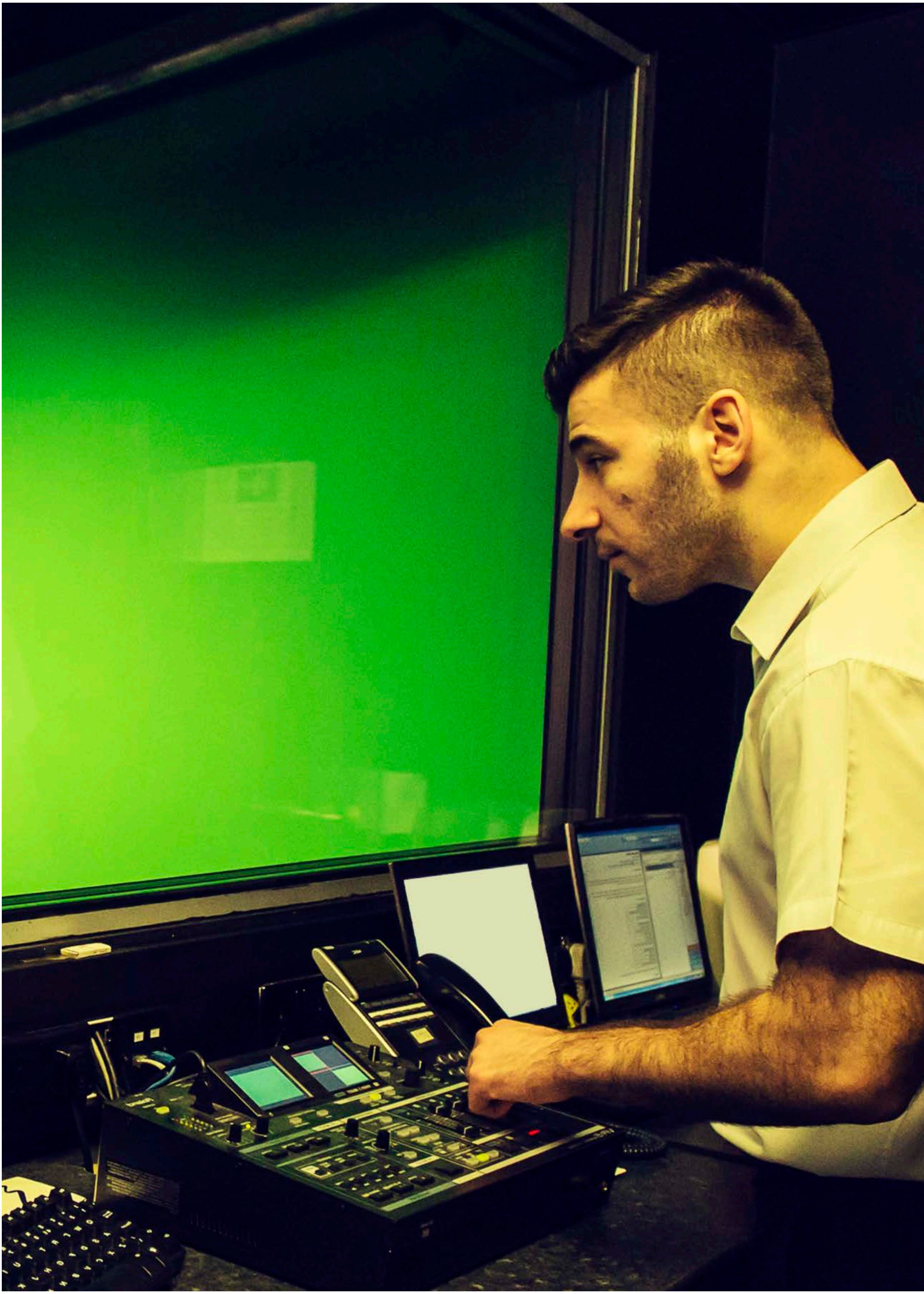
Other matters

The Group has no known issues relating to human rights matters. The welfare of all the Group's stakeholders, including the community, is carefully considered to ensure that such parties are not adversely affected by the Group's actions in the course of its day to day business.

The information forming the strategic report on pages 04 to 33 was approved and authorised for issue by the Board and signed on their behalf on 17 September 2014.

Anthony M Foye
Chief Finance Officer





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OUR GOVERNANCE

Presents information on the Board and its activities and those of the Committees.

The next level of development

Chief Executive

New Chief Executive Pedro Ros brings experience of leading international businesses in related markets, and a track record of initiating and completing acquisitions that deliver exceptional growth.

Read more in
Board of Directors 36

BOARD OF DIRECTORS

Ensuring we remain a great place to work

Mark Asplin
Non-executive Chairman

Appointment to the Board
April 2005

Committee membership
Audit Committee, Nomination Committee and Remuneration Committee

Key areas of prior experience
Mark Asplin, aged 54, is a Chartered Accountant and joined the Board in April 2005. Mark was appointed Chairman in November 2011. He was until 2002 a partner at KPMG. During his time at KPMG he helped build its Corporate Finance practice, undertaking roles which included Head of M&A and Head of Valuations, both for the central region of the UK. He left KPMG to set up Jasper Corporate Finance, an independent corporate finance practice.

Charles J Brady
Chief Executive

Appointment to the Board
November 1999

Committee membership
Nomination Committee

Key areas of prior experience
Charles J Brady, aged 59, is a solicitor and was a law lecturer before founding in 1985 the business which is now CLT. CLT was acquired by Wilmington in June 1999. Charlie joined the Board in November 1999 and was appointed Chief Executive in February 2002. Charlie announced his intention to retire as Chief Executive in February 2014 and will hand over to Pedro Ros on 1 October 2014.

Pedro Ros
Chief Executive designate

Appointment to the Board
July 2014

Committee membership
None

Key areas of prior experience
Pedro Ros, aged 52, joined the board of Wilmington on 14 July 2014 and will assume the role of Chief Executive, succeeding Charles J Brady, on 1 October 2014. Pedro joined Wilmington from Creston plc, where he was Head of Strategic Insight. He was until June 2012, Chief Executive Officer and then Chairman of TNS, a global subsidiary of WPP plc, a world leader in market information and business analysis. Pedro has a degree in Economics from the Universidad Autonoma de Barcelona, and has completed Management Programmes at Michigan University/IESE and Stanford University.

Anthony M Foye
Chief Finance Officer

Appointment to the Board
September 2012

Committee membership
None

Key areas of prior experience
Anthony M Foye, aged 52, is a Chartered Accountant. Between 1987 and 2004 Tony was Finance Director of Taylor & Francis Group plc. On a merger in May 2004 with Informa plc, Tony became Group Finance Director of the enlarged Group, a position he held until December 2007. From January 2008, Tony worked on a number of projects with various private equity groups. Between May 2009 and March 2011 Tony was Chief Finance Officer and Chief Operating Officer of Critical Information Group plc. He was also a Non-Executive Director of YouGov plc from March 2005 to June 2009.

Board Composition at 30 June 2014

Executive

43%

Non-executive

57%

* Excludes Pedro Ros, appointed on 14 July 2014

Board Tenure at 30 June 2014

0–4 years

57%

4+ years

43%

Neil E Smith

Chief Operating Officer

Appointment to the Board
December 2011

Committee membership
None

Key areas of prior experience
Neil E Smith, aged 43, is Wilmington's Chief Operating Officer and joined the Board in December 2011. Neil E Smith has worked in the media industry for 22 years. In 1997 he led an MBO of the Business Information division of Macmillan which was backed by Wilmington and he subsequently led the development of the Group's Business Intelligence division prior to his appointment as Chief Operating Officer. Neil has been a member of the Wilmington Executive Board since 2004 and in 2005 he gained a Masters in Finance (with distinction) from London Business School.

Derek Carter

Non-executive Director

Appointment to the Board
December 2011

Committee membership
Audit Committee, Nomination Committee (Chairman) and Remuneration Committee.

Key areas of prior experience
Derek Carter, aged 65, was previously Chief Executive of Emap Communications for 11 years, where he led Emap's growth into a market leading mixed media business built on powerful information, events and magazine brands and its subsequent sale to Apax/Guardian Media Group in 2008. Derek, who was previously Chairman of DocuGroup, a leading European information business serving the construction sector, is the Senior Independent Director ('SID').

Terence B Garthwaite

Non-executive Director

Appointment to the Board
June 2005

Committee membership
Audit Committee (Chairman), Nomination Committee and Remuneration Committee.

Key areas of prior experience
Terence B Garthwaite, aged 69, is a Chartered Accountant and enjoyed a distinguished career in finance and industry including a period as Finance Director of engineering Group Senior plc. He is currently a Non-executive Director of Brammer plc, a European power transmissions supplier.

Nathalie Schwarz

Non-executive Director

Appointment to the Board
December 2011

Committee membership
Audit Committee, Nomination Committee and Remuneration Committee (Chairman).

Key areas of prior experience
Nathalie Schwarz, aged 44, was formally the Commercial and Corporate Development Director on the Board at Channel 4 Television and was Strategy and Development Director on the Board of Capital Radio plc. Nathalie qualified as a solicitor with Clifford Chance.

DIRECTORS' REPORT

Communicating our plans and objectives

The Directors present their report together with the audited financial statements for the year ended 30 June 2014.

General information

The Company is public limited and is incorporated and domiciled in the UK. The Company is premium listed on the London Stock Exchange. The Company's registered address is 6–14 Underwood Street, London, N1 7JQ.

Branches outside the UK

The Group operates one branch outside the UK in Singapore.

Future developments

Future developments have been incorporated in the Strategic Report on pages 04 to 33.

Dividends

The Directors recommend that a final dividend for the year of 3.7p per ordinary share be paid on 10 November 2014 to Shareholders on the register on 17 October 2013, which together with the interim dividend of 3.6p per ordinary share already paid makes a total dividend for the year of 7.3p (2013: 7.0p) – an increase of 4% per ordinary share.

Research and development activities

The Group has designed and developed a range of data, information and education services to professionals and businesses. The Group has successfully transitioned the vast majority of its traditional print business publications to feature rich, online digital information and analysis services. This transition has only been possible through the novel use of technology. The Group looks to continue to research and develop in technological areas that support the Group's strategy. Initiatives included a cross divisional Massive Online Open Course ('MOOC') system for a global client covering fundamental banking skills.

Political donations

No political donations were made during the year (2013: nil).

Post balance sheet events

The Nomination Committee searched for a successor tor the Chief Executive following the announcement on 25 February 2014 that Charles J Brady intended to retire. The Committee considered internal and external candidates for the role and, after a rigorous recruitment process, was pleased to announce that Pedro Ros was appointed on 14 July 2014 and will assume the role of Chief Executive from 1 October 2014.

Directors and Directors' interests

The Directors who have served during the year and up to the date of this report are set out on pages 36 and 37 which include brief biographical details. Their remuneration and interests in the share capital of the Company are set out in the Directors' Remuneration Report on pages 49 to 63.

All Executive and Non-executive Directors offer themselves for re-election at each Annual General Meeting as a result of the Company deciding to adopt best practice guidelines and the 2012 UK Corporate Governance Code.

None of the Directors had any material interest in any contract, other than their employment contract, that was significant in relation to the Group's business at any time during the year.

Details of the Directors' service contracts, letters of appointment and interests in the shares of the Company are shown in the Directors' Remuneration Report on pages 49 and 63.

Directors' third party indemnity provisions

To preclude the possibility of the Company incurring expenses which might arise from the need to indemnify a Director or Officer from claims made against him or her or the cost associated with their defence, the Group has effected Directors' and Officers' qualifying third party liability insurance as permitted by the Companies Act 2006, which has been in force throughout the financial year and up to the date of approval of these financial statements.

Wilmington's people

The Group's policy is to consider all job applications on a fair basis free from discrimination in relation to age, sex, race, ethnicity, religion, sexual orientation or disability not related to job performance. Every consideration is given to applications for employment from disabled persons, where the requirements of the job may be adequately covered by a disabled person. Where existing employees become disabled, it is the Group's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development wherever appropriate.

The Group places a great deal of importance on communicating its plans and objectives to its entire staff and, where appropriate, consulting with them. Each of the Divisions is run by a number of experienced business managers, many of who are shareholders in the Company or its subsidiary undertakings and whose remuneration is linked to revenue and/or profit achievements.

Financial instruments

An explanation of the Group's treasury policies and existing financial instruments is set out in note 20 of the Financial Statements.

Purchase of own shares and sale of treasury shares

The Group has, in previous years, purchased its own shares and holds such shares in treasury. No shares have been purchased during the year to 30 June 2014. If a purchase of own shares is proposed the Company seeks authority from its shareholders at the Annual General Meeting to purchase its own shares.

During the year, 47,500 shares held in treasury were reissued for cash of £55,000 to settle vested share options awards. In addition, 668,910 shares held in treasury were reissued at nil cost to settle vested share awards. Further details of both transactions are set out in note 22.

At 30 June 2014, 425,590 shares were held in Treasury (2013: 1,142,000), which represents 0.5% (2013: 1.3%) of the called up share capital of the Company.

Contracts of significance with shareholders

The Company and its subsidiary undertakings do not have any contractual or other arrangements with any continuing shareholders which are essential to the business of the Company.

Takeover directive disclosures

As at 30 June 2014, the Company had only one authorised class of share, namely ordinary shares of 5p each, of which there were in issue 86,103,137 (2013: 86,103,137). There are no special arrangements or restrictions relating to any of these shares, whether in terms of transfers, voting rights, or relating to changes in control of the Company. The Company does not have any special rules in place regarding the appointment and replacement of Directors, or regarding amendments to the Company's articles of association.

Under the terms of the Company's banking arrangements, in the event that a person or group of persons acting in concert gains control of the Company, the lending banks may require, by giving not less than 30 days' notice, the repayment and cancellation of the facilities.

Except for share awards, there are no special conditions or agreements in place which would take effect, alter or terminate in the event of a takeover. Subject to various conditions, if the Company is taken over, all share awards will vest and may be exercised. Apart from the interests of the Directors disclosed in the Directors' Remuneration Report and the substantial interests listed on page 53, there are no individuals or entities with significant holdings, either direct or indirect, in the Company.

Annual General Meeting

A separate notice convening the Annual General Meeting of the Company to be held at the offices of Canaccord Genuity, 88 Wood Street, London, EC2V 7QR on 6 November 2014 will be sent out with this Annual Report and Financial Statements.

Corporate governance

The Company's statement on corporate governance can be found in the Corporate Governance Report on pages 40 to 45 of these financial statements. The Corporate Governance Report forms part of this Directors' Report and is incorporated into it by cross-reference.

Going concern

As highlighted in note 20 to the Financial Statements, the Group meets its day-to-day working capital requirements through an overdraft facility and a revolving credit facility which are due for renewal in February 2016.

The current economic conditions create uncertainty, in particular, over:

- the level of demand for the Group's products;
- the exchange rate between Sterling and the US Dollar and the Euro; and
- the availability of bank finance in the foreseeable future.

The Group's budgets and forecasts, taking account of reasonably possible changes in trading performance, show that the Group will be able to operate within the level of its current facility and covenants.

After reviewing the Group's budget and forecasts for the 18 months to 31 December 2015 and its medium-term plans, the Directors have a reasonable expectation that the Group has adequate resources to continue in operation for the foreseeable future. Therefore, they have adopted the going concern basis in preparing these financial statements.

Mark Asplin
Non-Executive Chairman
17 September 2014

CORPORATE GOVERNANCE REPORT

What does it mean to Wilmington?

The Board of Wilmington is committed to maintain appropriate standards of corporate governance and have implemented in full the changes to the UK Corporate Governance Code introduced in 2012.

The Directors and I see good governance as fundamental to effective management of the business and delivery of long-term shareholder value.

CHAIRMAN'S INTRODUCTION

Compliance with the UK Corporate Governance Code

The governance rules applicable to all UK companies admitted to the Official List of the UK Listing Authority are set out in the UK Corporate Governance Code (the 'Code'), published by the Financial Reporting Council. The Board fully supports the principles set out in the Code and confirms that it has complied with all of the provisions of the Code throughout the financial year ended 30 June 2014.

This report sets out Wilmington's governance policies and practices and includes details of how the Group applies the principles and complies with the provisions of the Code.

Composition and independence

The board reviews Non-executive Director independence on an annual basis and takes into account the individual's professional characteristics, their behaviour at Board meetings and their contribution to unbiased and independent debate. All of the Non-executive Directors are considered by the Board to be independent.

"The Board of Wilmington is committed to maintain appropriate standards of corporate governance and have implemented in full the changes to the UK."

Mark Asplin
Chairman

We are aware that, for some investors, length of Non-executive Directors' service beyond nine years may prejudice their independence. Terence Garthwaite has served on the Board since 2005. The Board believe that Terence Garthwaite continues to exercise a degree of rigorous enquiry and intellectual challenge in respect of his role as Non-executive Director and continue to regard him as independent. His continuity of service has been, and continues to be, of considerable benefit to the Company through a period of significant change in the Executive Directors and provides an important knowledge link with the past and an in-depth understanding of the Company which is considered to be highly beneficial to the Board.

The Board consisted of a majority of independent Non-executive Directors throughout the year.

Biographical details of all the current Directors are set out on pages 36 and 37.

In accordance with the UK Corporate Governance Code, all the Directors will stand for re-election at the AGM.

Diversity

Wilmington believes that a diverse culture is a key factor in driving its success.

As at 30 June 2014, the Wilmington Board had one female Non-executive Director, Nathalie Schwarz, representing 14.0% of Board membership. The Executive Committee known as the Executive Management Board (responsible for the day-to-day management of the Company) had one female member, Linda Wake, representing 20.0% of this Committee's membership. Nathalie and Linda both bring invaluable skills and experience to Wilmington. The Group's employees are split between 62% female and 38% male.

Board evaluation and re-election

The Board undertakes a formal annual evaluation of its own performance and that of each individual Director. As in previous years, and in accordance with the recommendations of the Code, all of the Directors will be offering themselves for re-election at the AGM in November 2014.

Shareholder engagement

The Board regards it as important to maintain an active dialogue with our shareholders. Further details regarding this engagement with our shareholders are set out on page 45.

Mark Asplin
Non-Executive Chairman
17 September 2014

LEADERSHIP

The Board

The Company is controlled through the Board of Directors which, at 30 June 2014, comprised three Executive and four Non-executive Directors. Short biographies of each Director are set out on pages 36 and 37. The Board focuses on formulation of strategy, management of effective business controls and review of business performance.

The Board meets as often as necessary to discharge its duties effectively. In the financial year ended 30 June 2014, thirteen Board meetings were scheduled and the Directors' attendance record is set out on page 43.

The Board has three formally constituted Committees, the Audit Committee, the Remuneration Committee and the Nomination Committee, each of which operates with defined terms of reference.

The terms of reference of the three Committees are available on the Company's website www.wilmington.co.uk. The Audit Committee met three times during the year, the Remuneration Committee met twice during the year and the Nomination Committee met four times during the year.

There is an Executive Committee known as the Executive Management Board that is responsible for the day-to-day management of the Company's business within a framework of delegated responsibilities. It is chaired by the Chief Executive and includes the Chief Finance Officer, the Chief Operating Officer, Deputy Finance Director and Chief Technology Officer.

Governance framework

30 June 2014

CHAIRMAN

BOARD: NON-EXECUTIVE CHAIRMAN, THREE EXECUTIVE DIRECTORS AND THREE NON-EXECUTIVE DIRECTORS

AUDIT COMMITTEE | NOMINATIONS COMMITTEE | CHIEF EXECUTIVE | REMUNERATION COMMITTEE

EXECUTIVE MANAGEMENT BOARD: THREE EXECUTIVE DIRECTORS, DEPUTY FINANCE DIRECTOR AND CHIEF TECHNOLOGY OFFICER

DIVISIONAL OPERATING BOARDS*

* Each operating segment has a divisional operating board.

Linda Wake

Executive Management Board Director

Appointment to the Executive Management Board

October 2010

Committee membership

None

Key areas of prior experience

Linda Wake, aged 37, qualified as a Chartered management accountant in 2000, having worked in the media industry since 1995. She joined Wilmington in 2004 and was quickly promoted to Divisional Finance Director. She joined the Executive Management Board in October 2010 in the role as Deputy Finance Director. Linda has recently been appointed as the Company Secretary and is due to take over from Richard Cockton, the current Company Secretary, on 6 November 2014.

Chris Jelley

Executive Management Board Director

Appointment to the Executive Management Board

April 2014

Committee membership

None

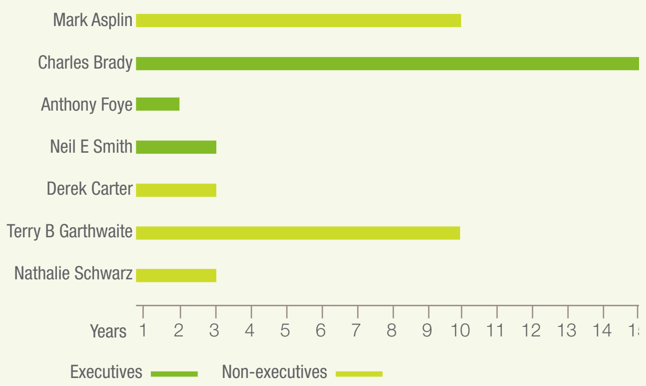
Key areas of prior experience

Chris Jelley, aged 45, joined Wilmington in November 2011. A British Computer Society Chartered IT professional, Chris has spent the last 25 years in the digital space working in a variety of senior roles and delivering cutting-edge solutions in the finance, insurance and e-commerce sectors. Chris obtained his Doctorate in Applied Mathematics and Computing from Cranfield University in 1997 and joined the Wilmington Executive team in the role as Chief Technology Officer in April 2014.

CORPORATE GOVERNANCE REPORT

Length of tenure of Directors

30 June 2014



Balance of Directors

30 June 2014

Female	14%
Male	86%

Executive	43%
Non-executive	57%

The Directors

As at the date of this report the Directors of the Company are:

Non-executive Chairman
Mark Asplin

Executive Directors
Charles J Brady
Pedro Ros*
Anthony M Foye
Neil E Smith

Non-executive Directors
Derek Carter (Senior Independent Director)
Terence B Garthwaite
Nathalie Schwarz

*Pedro Ros was appointed to the Board on 14 July 2014 as an Executive Director with the intention of taking over as Chief Executive from 1 October 2014 following the announcement of the intention to retire by Charles J Brady on 25 February 2014.

Chairman and Chief Executive

The roles of the Chairman and that of the Chief Executive are held by separate individuals and the Board has clearly defined their responsibilities. The Chairman is primarily responsible for the effective working of the Board, ensuring that each Director, particularly the Non-executive Directors, is able to make an effective contribution and provide constructive comments on the business. The Chief Executive has responsibility for all operational matters which includes the implementation of Group strategy and policies approved by the Board.

Non-executive Directors

All the Non-executive Directors are independent of the Company's Executive management and free from any business or other relationship that could materially interfere with the exercise of their independent judgement. The Non-executive Directors are responsible for bringing independent and objective judgement and scrutiny of all matters before the Board and its Committees, using their substantial and wide-ranging experience.

The terms and conditions of appointment of Non-executive Directors are available for inspection at the Company's registered office during normal business hours and at the Annual General Meeting.

No Director has, or had at any time during the year, any interest in a contract with any Group company, except for their service arrangements.

All Directors are equally accountable for the proper stewardship of the Company's affairs, and all Directors, in accordance with the Articles of Association, submit themselves for re-election at least once every three years. At Wilmington Directors are submitted for re-election every year.

Senior Independent Director

Derek Carter is the Senior Independent Director ('SID'). His role as SID includes:

- Being available to shareholders if they have concerns which contact through the Chairman, Chief Executive or Chief Finance Officer has failed to resolve (no such requests were received from shareholders during the year); and
- Meeting with the other Non-executive Directors on the Board once a year to assess the Chairman's performance as Chairman, taking into account the views of the Executive Directors.

EFFECTIVENESS

Meetings

There were thirteen meetings of the Board in the year. The Board has a formal schedule of matters specifically reserved to it for decision which it reviews periodically. This includes approval of acquisitions and disposals and major capital expenditure. The Board also reviews the Register of Risks. At each Board meeting the Chief Executive provided a review of the business and how it was performing together with strategic issues arising. In the year the range of subjects discussed included:

- The strategy of the Group in response to changing economic conditions;
- Key business areas, including the challenging market conditions in the legal division;
- The integration of recent acquisitions;
- The Group's debt and capital structure;
- The Group's financial results;
- Dividend policy;
- Regulatory and governance issues;
- The development of the Group's people;
- The Risk Assessment register; and
- Insurance Policy and Cover.

In addition to the thirteen meetings described above, the Board has two off-site strategy meetings each year at which the Group's strategic direction, three year plan and significant projects are discussed.

Where meetings are required between Board meetings and a full complement of Directors cannot be achieved, a Committee of Directors considers the necessary formalities.

Attendance table

	Board meetings attended	Board meetings eligible to attend
Mark Asplin (Non-executive Chairman)	13	13
Charles J Brady (Chief Executive)	13	13
Anthony Foye	13	13
Neil E Smith	13	13
Terry B Garthwaite (Non-executive)	12	13
Derek Carter (Non-executive)	13	13
Nathalie Schwarz (Non-executive)	13	13

Information flow

The Chairman, together with the Company secretary, ensures that the Directors receive clear information on all relevant matters in a timely manner. Board papers are circulated sufficiently in advance of meetings for them to be thoroughly digested to ensure clarity of informed debate. The Board papers contain the Chief Executive's written report, high level papers on each business area, key metrics and specific papers relating to agenda items. The Board papers are accompanied by a management information pack containing detailed financial and other supporting information. The Board receives updates throughout the year and occasional ad hoc papers on matters of particular relevance or importance.

Time commitment

The Board is satisfied that the Chairman and each of the Non-executive Directors committed sufficient time during the year to enable them to fulfil their duties as Directors of the Company. None of the Non-executive Directors has any conflict of interest.

Induction and professional development

The Chairman is responsible for ensuring that induction and training are provided to each Director and for organising the induction process and regular updating and training of Board members.

Training and updating in relation to the business of the Group and the legal and regulatory responsibilities of Directors was provided throughout the year by a variety of means to Board members including presentations by Executives, visits to business operations and circulation of briefing material. Individual Directors are also expected to take responsibility for identifying their training needs and to ensure they are adequately informed about the Group and their responsibilities as a Director. The Board is confident that all its members have the knowledge, ability and experience to perform the functions required of a Director of a listed company.

Access to independent advice

All Directors have access to the advice and services of the Company Secretary who ensures that Board processes are followed and good corporate governance standards are maintained. Any Director who considers it necessary or appropriate may take independent, professional advice at the Company's expense. None of the Directors sought such advice in the year.

Performance evaluation

The Board undertakes a formal annual evaluation of its own performance and that of each individual Director. As part of its evaluation, a questionnaire was approved by the Board. Directors submitted their completed questionnaires to the Chairman of the Audit Committee who reviewed their responses. These were subsequently discussed in an open session. The exercise, which is undertaken on a regular basis, was viewed positively by the Board. No major areas were highlighted within this review process but the Board intend to continue to develop themes arising from previous reviews, specifically on:

- strategic messaging;
- Board information; and
- succession.

The Chairman has carried out a review of the performance of individual members of the Board. In all cases the performance of the Directors was considered to have reached a high standard.

CORPORATE GOVERNANCE REPORT

The Board and its Committees will monitor progress and continue their critical review of its effectiveness during the year ahead. In accordance with the prevailing recommendations of the Code, it is the current intention of the Board that an external facilitation of the Board evaluation will be carried out in 2015.

Re-election of Directors

Notwithstanding that the Company's articles of association require the Directors to offer themselves for re-election at least once every three years, in accordance with the recommendations of the Code all of the Directors will be offering themselves for re-election at the AGM in November 2014. In light of the performance evaluations summarised above and the provisions of the Company's articles of association, the Board recommends that all of the Directors be re-elected.

Nomination Committee

The Nomination Committee and the Board seek to maintain an appropriate balance between the Executive and Non-executive Directors. The Committee is chaired by Derek Carter as SID and comprises all the Non-executive Directors, including the Chairman, and the Chief Executive. It has full responsibility for reviewing the Board structure and for interviewing and nominating candidates to serve on the Board as well as reviewing senior Executive development. Suitable candidates, once nominated, meet with the Chairman and the Chief Executive. The candidates are then put forward for consideration and appointment by the Board as a whole. The Committee has access to external professional advice at the Company's expense as and when required.

The Nomination Committee reviews on a continuing basis the composition of both the Board and the Executive management Board making recommendations where appropriate. Further details of Nomination Committee's activities can be found in the Nomination Committee Report on page 48.

Audit Committee

The Audit Committee is composed of all the Non-executive Directors including the Chairman. The Board is satisfied that Terence B Garthwaite, who chairs the Committee, has recent and relevant financial experience.

The main roles and responsibilities of the Audit Committee are set out in written terms of reference and are available on the Company's website www.wilmington.co.uk.

Details of Audit Committee's policies and activities can be found in the Audit Committee Report on pages 46 and 47.

ACCOUNTABILITY

Internal control

In line with the Turnbull Report recommendations, the Board maintains an ongoing process for identifying, evaluating and managing significant risks faced by the Group. The Board regularly reviews this process, which has been in operation from the start of the year to the date of approval of this report. The Board is responsible for the Group's system of internal control and risk management, and for reviewing the effectiveness of these systems. These systems are designed to manage, rather than eliminate, the risk of failure to achieve business objectives, and to provide reasonable, but not absolute, assurance against material misstatement or loss.

Also, in line with the Turnbull Report recommendations, the Board regularly reviews the effectiveness of the Group's systems of internal control. The Board's monitoring covers all controls, including financial, operational and compliance controls and risk management. It is based principally on reviewing reports from management to consider whether significant risks are identified, evaluated, managed and controlled.

Further details of specific risks such as interest rate risk, liquidity risk and foreign currency risk are given in the Financial Statements in note 20. The Group has a Data Protection Officer to co-ordinate the Group's data protection activities.

The key features of the internal financial control system that operated throughout the period under review are as follows:

i) Financial reporting

The Board reviewed the Annual Report, together with the annual and half-year results announcements.

The Board considered the appropriateness of the Group's accounting policies, critical accounting estimates and key judgements. It reviewed accounting papers prepared by management on areas of financial reporting judgement. This included a consideration of the carrying value of goodwill based on Executive management's expectations of future performance.

The Board considered and is satisfied that, taken as a whole, the Annual Report is fair, balanced and understandable, and that it provides the information necessary for shareholders to assess the Group's performance, business model and strategy.

ii) Management information systems

Effective planning, budgeting and forecasting systems are in place, as well as a monthly review of actual results compared with budget and the prior year. The annual budget, updated three times per year, is reviewed by the Board. Risk assessment and evaluation takes place as an integral part of this process. Monthly reports on performance are provided to the Board and the Group reports results to shareholders twice a year.

Each area of the business carries out risk assessments of its operations, and ensures that the key risks are addressed.

Insurance cover for the Group, as well as individual operating companies, has been procured where it is considered appropriate.

In addition, the Board has identified key strategic risks faced by the Group, which have been prioritised and are set out in the Strategic Report on pages 30 to 32.

iii) Internal audit

The Group has implemented a limited embryonic internal audit process during the year which performs relevant reviews as part of a programme approved by the Audit Committee. The Committee considers any issues or risks arising from internal audit in order that appropriate actions can be undertaken for their satisfactory resolution. The internal audit manager has a direct reporting line to the Chairman of the Audit Committee.

iv) Acquisitions, disposals and treasury

The Board also discusses in detail the projected financial impact of major proposed acquisitions and disposals, including their financing. All such proposed substantial investments are considered by all Directors. The Board is also responsible for reviewing and approving the Group's treasury strategy, including mitigation against changes in interest rates and foreign exchange rates.

Organisations

There are well-structured financial and administrative functions at both the Group and operating company level staffed by appropriately qualified staff. The key functions at Group level include: Group accounting, corporate planning, Group treasury, Human resources, Company secretarial, internal audit and Group taxation.

REMUNERATION

Remuneration Committee

The Remuneration Committee is chaired by Nathalie Schwarz and consists of all the Non-executives and the Chairman. It is responsible for recommending to the Board the framework and policy for Executive Directors' remuneration. Given the small size of the Board, the Committee recognises the potential for conflicts of interest, and has taken appropriate measures to minimise the risk. The Committee meets not less than once a year, and takes advice from the Chief Executive as appropriate. In carrying out its work, the Board itself determines the remuneration of the Non-executive Directors. The Committee has the power to seek external advice, and to appoint consultants as and when required in respect of the remuneration of Executive Directors. Further details of the Group's policies on remuneration and service contracts can be found in the Directors' Remuneration Report on pages 49 to 63.

RELATIONS WITH SHAREHOLDERS

Dialogue with institutional shareholders

The Directors seek to build on a mutual understanding of objectives between the Company and its institutional shareholders by means of a programme of meetings with major shareholders, fund managers and analysts each year. The Company also makes presentations to analysts and fund managers following publication of its half-year and full-year results. A copy of the presentation slide show is available on the Company's website www.wilmington.co.uk. As referred to earlier, the 'SID' is available to shareholders if they have concerns which other contacts have failed to resolve.

The Chairman or one of the other Non-executive Directors is available on request to attend meetings with major shareholders. In the past year, the Chairman attended such meetings. The Board regularly receives copies of analysts' and brokers' briefings.

The Group's website includes a specific and comprehensive investor relations section containing all RNS announcements, share price information, annual documents available for download and similar materials.

Constructive use of the Annual General Meeting

A separate notice convening the Annual General Meeting is being sent out with this Report and Financial Statements. Separate votes are held for each proposed resolution, including the approval of the Remuneration Policy included in the Directors' Remuneration Report on pages 56 to 63. At the Annual General Meeting, after the formal business has been concluded, the Chairman will welcome questions from shareholders. All Directors attend the meeting at which they have the opportunity to meet with shareholders. Details of resolutions to be proposed at the Annual General Meeting on 6 November 2014 and an explanation of the items of special business can be found in the circular that contains the notice convening the Annual General Meeting.

Substantial shareholdings

As at 31 August 2014, the Company is aware of the following interests amounting to 3.0% or more in the Company's issued ordinary share capital:

	Number of ordinary shares	%
Liontrust Asset Management	12,188,698	14.2
Aberdeen Asset Management	10,883,259	12.6
Standard Life Investments	5,450,412	6.3
Herald Investment Management	4,386,501	5.1
Schroder Investment Management	4,175,000	4.8
GVO Investment Management	4,080,879	4.7
M&G Investment Management	3,602,085	4.2
Mr Brian David Gilbert	3,222,223	3.7
Mr Rory Conwell	3,083,170	3.6
Charles J Brady	3,056,429	3.6
Threadneedle Investments	2,849,741	3.3
Baillie Gifford	2,809,095	3.3

Approved by order of the Board

Mark Asplin
Non-executive Chairman
17 September 2014

AUDIT COMMITTEE REPORT

Dear Shareholder

It is my pleasure to present the Audit Committee report for the year ended 30 June 2014.

Committee meetings

The Committee met three times during the year. The meetings are attended by Committee members and, by invitation, the Chief Finance Officer and representatives from the external auditors. Once a year, the Committee meets separately with the external auditors and with management without the other being present.

Roles and responsibilities

- Monitoring the integrity of the annual and interim financial statements, the accompanying reports to shareholders and corporate governance statements;
- Reporting to the Board on the appropriateness of our accounting policies and practices;
- In conjunction with the Board reviewing and monitoring the effectiveness of the Group's internal control and risk-management systems, including reviewing the process for identifying, assessing and reporting all key risks;
- Managing the limited embryonic internal audit process and approving their forward audit plan;
- To make recommendations to the Board in relation to the appointment and removal of the external auditors and to approve their remuneration and terms of engagement;
- To review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process, taking into consideration, relevant UK professional and regulatory requirements;
- To develop and implement policy on the engagement of the external auditor to supply non-audit services, taking into account relevant ethical guidance regarding the provision of non-audit services by the external audit firm, and to report to the Board, identifying any matters in respect of which it considers that action or improvement is needed and making recommendations as the steps to be taken;
- To report to the Board on how it has discharged its responsibilities; and
- To oversee the whistle blowing provisions of the Group to ensure that they are operating effectively.

“The Audit Committee considered and discussed four significant areas”

Terry B Garthwaite
Chairman of the Audit Committee

Activities of the Committee

- Reviewed and discussed with the external auditors the key accounting considerations and judgements reflected in the Group's results for the six month period ended 31 December 2013;
- Reviewed and agreed the external auditors' audit plan in advance of their audit for the year ended 30 June 2014;
- Discussed the report received from the external auditors regarding their audit in respect of the year ended 30 June 2014, which included comments on their findings on internal control and a statement on their independence and objectivity;
- Reviewed the Group's whistle blowing policy and satisfied themselves that this met FCA rules and good standards of corporate governance;
- Received reports from internal audit covering various aspects of the Group's operations, controls and processes; and
- Reviewed and approved the non-audit assignments undertaken by the external auditors in the year ended 30 June 2014.

Significant areas

The significant areas considered by the Committee and discussed with the external auditors during the year were:

i) Management override of internal controls:
The Committee considered the inherent risk of management override of internal controls as defined by auditing standards. In so doing, the Committee reviewed the robustness and effectiveness of the overall control environment of the Group, including consideration of the Group's whistle blowing arrangements and the review conducted by the internal and external audits and, was satisfied that there were no issues arising.

ii) Goodwill impairment:
The Committee received reports from management on the carrying value of the Group's businesses, including goodwill. The Committee reviewed management's recommendations, which were also considered by the external auditors, including evaluation of the appropriateness of the assumptions applied in determining asset carrying values and the appropriateness of the identification of cash generating units. After review, the Committee was satisfied with the assumptions and judgements applied by management and concluded that no impairment of carrying values was required.

iii) Revenue recognition:
The Committee considered the inherent risk of fraud in revenue recognition as defined by auditing standards and was satisfied that there were no issues arising.

iv) Acquisition accounting:
The Committee considered the acquisition accounting for Compliance Week, focusing on the judgements and assumptions used by management in determining the acquired intangible asset valuation. After review, the Committee was satisfied with the assumptions and judgements applied by management.

External audit

The Group's external auditors are PricewaterhouseCoopers LLP. The Audit Committee is responsible for reviewing the independence and objectivity of the external auditors, and ensuring this is safeguarded notwithstanding any provision of any other services to the Group.

The Board recognises the importance of safeguarding auditor objectivity and has taken the following steps to ensure that auditor independence is not compromised:

- The Audit Committee carries out each year a full evaluation of the external auditor as to its complete independence from the Group and relevant officers of the Group in all material respects and that it is adequately resourced and technically capable to deliver an objective audit to shareholders. Based on this review the Audit Committee recommends to the Board each year the continuation, or removal and replacement, of the external auditor;
- The external auditors provided audit related services such as regulatory and statutory reporting as well as formalities relating to shareholders and other circulars;
- The external auditors may undertake due diligence reviews and provide assistance on tax matters given its knowledge of the Group's businesses. Such provision will however be assessed on a case-by-case basis so that the best placed adviser is retained. The Audit Committee monitors the application of policy in this regard and keeps the policy under review;
- The Audit Committee reviews on a regular basis all fees paid for audit, and all consultancy fees, with a view to assessing the reasonableness of fees, value of delivery, and any independence issues that may have arisen or may potentially arise in the future;
- The external auditors' report to the Directors and the Audit Committee confirming their independence in accordance with Auditing Standards. In addition to the steps taken by the Board to safeguard auditor objectivity, the Audit Practice Board Ethical Standard 3 requires audit partner rotation every five years for listed companies; and
- Different teams are utilised on all other assignments undertaken by the auditors. Before any such assignments can commence teams must obtain approval of the Audit Committee. This approval confirms that sufficient and appropriate safeguards are put in place to ensure that auditor independence is retained.

The Audit Committee give careful consideration before appointing the auditors to provide other services. The Group regularly use other providers to ensure that independence and full value for money are achieved. Other services are generally limited to work that is closely related to the annual audit or where the work is of such a nature that a detailed understanding of the business is necessary.

PricewaterhouseCoopers LLP have remained in place as auditors for 6 years following a tender process in 2009. As part of its review the Committee notes that the Group Audit Partner was rotated in 2013 and the current audit partner's five year term will end in 2017. After careful review the Committee believes that a tender is not in the Group's interests at this time. During this year, £72,000 and £17,000 was paid by the Group to PricewaterhouseCoopers LLP for taxation services and other assurance services respectively.

Attendance table

	Board meetings attended	Board meetings eligible to attend
Mark Asplin (Non-executive Chairman)	3	3
Terry B Garthwaite (Non-executive)	3	3
Derek Carter (Non-executive)	3	3
Nathalie Schwarz (Non-executive)	3	3

Approved on behalf of the Board by:

Terence B Garthwaite
Chairman of the Audit Committee
17 September 2014

NOMINATION COMMITTEE REPORT

Dear Shareholder

It is my pleasure to present the Nomination Committee report for the year ended 30 June 2014.

Key responsibilities

The key responsibilities of the Committee are to:

- Review the size, balance and constitution of the Board including the diversity and balance of skills, knowledge and experience of the Non-executive Directors;
- Consider succession planning for Directors and other senior Executives;
- Identify and nominate for the approval of the Board candidates to fill Board vacancies;
- Review annually the time commitment required of Non-executive Directors; and
- Make recommendations for the Board, in consultation with the respective Committee chairman regarding membership of the audit and remuneration Committees.

Main activities of the Committee during the year and subsequent to the year end

The Committee met four times during the year to 30 June 2014. The key matters considered at these meetings were:

i) Board composition

The Committee searched for a successor for the Chief Executive following the announcement on 25 February 2014 that Charles J Brady intended to retire. The Committee considered internal and external candidates for the role and, after a rigorous recruitment process, was pleased to announce that Pedro Ros was appointed as a Director on 14 July 2014 and will assume the role of Chief Executive from 1 October 2014. The Committee reviewed the composition of the Board including the range of skills, level of experience and balance between Executive and Non-executive Directors. The Committee used Independent Search Partnership LLP, an External Search Consultancy, in assisting with the search for a successor for the Chief Executive role. Independent Search Partnership LLP has no connection with the Group. The Committee also reviewed the membership of the various Board Committees.

ii) Succession planning

The Committee kept under review the succession plans for both the Executive and Non-executive Directors and the level of senior management immediately below Board level.

The Nomination Committee was also pleased to confirm that Chris Jelley, the Group's Chief Technology Officer, has been promoted to the Group's Executive Management Board, effective from 1 April 2014.

Richard Cockton, the Group Company Secretary, has indicated that he will retire at the AGM on 6 November 2014. The committee is delighted to announce that Linda Wake will become Group Company Secretary in succession to Richard, whilst maintaining her role as Deputy Finance Director.

Attendance table

	Board meetings attended	Board meetings eligible to attend
Mark Asplin (Non-executive Chairman)	4	4
Charles J Brady (Chief Executive)	4	4
Terry B Garthwaite (Non-executive)	4	4
Derek Carter (Non-executive)	4	4
Nathalie Schwarz (Non-executive)	3	4

Approved on behalf of the Board by:

Derek Carter
Chairman of the Nomination Committee
18 September 2014

"The Board is delighted to welcome Pedro Ros to Wilmington. His global experience combined with his proven ability to grow information and professional services businesses both organically and through successfully integrated acquisition make him a natural choice for us."

Derek Carter
Chairman of the
Nomination Committee

DIRECTORS' REMUNERATION REPORT

REMUNERATION COMMITTEE CHAIRMAN'S ANNUAL STATEMENT

Dear Shareholder

On behalf of the Board I am pleased to present the Remuneration report for the period ended 30 June 2014.

To reflect the requirements of the revised remuneration reporting regulations, this report is presented in two sections: the Annual Report on Remuneration and the Directors' Remuneration Policy.

The Annual Report on Remuneration provides details on the amounts earned in respect of the year ended 30 June 2014 and how the Directors' Remuneration Policy will be operated for the year commencing 1 July 2014. This is subject to an advisory vote at the Annual General Meeting.

The Directors' Remuneration Policy sets out the forward-looking remuneration, recruitment and termination policy. It will also be subject to a binding vote at the 2014 Annual General Meeting and subject to shareholder approval, shall take binding effect from the close of that meeting.

Review of 2014

As described in the Strategic Report section of this Annual Report, Wilmington has performed well across all key financial and operational measures. The Group has made progress as evidenced by the improved financial performance in 2014 and consequently an annual bonus to Executive Directors of 88.6% of base salary is due for performance against targets set by the Committee for the 2014 financial year. Consequently, 91.8% of the 2011 PSP has therefore vested based on performance to 30 June 2014.

"The Annual Report on Remuneration provides details on the amounts earned in respect of the year ended 30 June 2014 and how the Directors' Remuneration Policy will be operated for the year commencing 1 July 2014."

Nathalie Schwarz
Chairman of the Remuneration Committee

Outlook for 2015

For the current financial year:

- An increase of 2.0% in annual salary is being awarded to the Executive Directors for the new financial year.
- The annual bonus potential for Executive Directors remains unchanged at up to a maximum of 100% of base salary dependent on key financial performance indicators. There are clear financial targets based on the achievement of adjusted profit, return on equity and return on sales and the Committee is satisfied that these are challenging and, in order for the maximum bonus to be earned, will demonstrate significant further improvement in the profit performance of the business;
- The Committee will continue to monitor the performance conditions for any future PSP awards to ensure that the conditions continue to be appropriate for the Company and the prevailing market and reflect the application of a 'pay for performance' philosophy in the best interests of the Company and shareholders; and
- It is intended that PSP awards in 2014/15 will be made on a similar basis to the 2013/14 awards. The maximum award to all Executive Directors will be 100% of base salary.
- The Chief Executive (designate), Pedro Ros, was recruited in July 2014 and his on-going remuneration package has been set in accordance with the recruitment policy.
- Charles Brady is expected to remain on the Board in a part time capacity as an Executive Director. His remuneration consists of base salary and taxable benefits set at a level which reflects his part time status. Charles Brady will not participate in the annual bonus scheme or be eligible for future grants of awards under the PSP.
- The Committee intends to review the remuneration policy during the year to ensure it remains aligned to the business strategy and delivery of shareholder value.

Approved on behalf of the Board by:

Nathalie Schwarz
Chairman of the Remuneration Committee
17 September 2014

DIRECTORS' REMUNERATION REPORT

ANNUAL REPORT ON REMUNERATION

Certain details set out on pages 50 to 63 of this report have been audited by PricewaterhouseCoopers LLP.

Introduction (unaudited information)

The Committee has an established policy on the remuneration of Executive and Non-executive Directors. The key principles are as follows:

- Remuneration is directly aligned with the performance of the Group and the interests of shareholders. It is designed to reward, motivate, incentivise and retain Executives of the highest calibre, without paying more than is necessary.
- A significant proportion of Executives' potential remuneration is structured so as to link rewards to annual and long-term Group performance targets, which are reviewed annually. Targets are calibrated appropriately so as to ensure that they cannot encourage excessive risk.

Single total figure of remuneration for each Director (audited information)

The tables below report the total remuneration receivable in respect of qualifying services by each Director during the year.

2014	Total salary and fees[a] £'000	Taxable benefits[b] £'000	Annual bonus[c] £'000	PSP[d] £'000	Pensions related benefits £'000	Total £'000
Executive Directors						
Charles J Brady	369	29	302	243	—	943
Anthony M Foye	252	25	205	—	—	482
Neil E Smith	283	23	231	154	—	691
Non-executive Directors						
Mark Asplin	79	—	—	—	—	79
Terence B Garthwaite	41	—	—	—	—	41
Derek Carter	41	—	—	—	—	41
Nathalie Schwarz	41	—	—	—	—	41

2013	Total salary and fees[a] £'000	Taxable benefits[b] £'000	Annual bonus[c] £'000	PSP[d] £'000	Pensions related benefits £'000	Total £'000
Executive Directors						
Charles J Brady	369	29	273	264	—	935
Anthony M Foye (appointed on 3 September 2012)	210	21	154	—	—	385
Neil E Smith	283	23	208	94	—	608
Non-executive Directors						
Mark Asplin	79	—	—	—	—	79
Terence B Garthwaite	41	—	—	—	—	41
Derek Carter	41	—	—	—	—	41
Nathalie Schwarz	41	—	—	—	—	41

(a) Total salary and fees — the amount of salary/fees received in the year. The 2013 amount includes salary of £25k and £10k for Charles J Brady and Neil E Smith that was sacrificed to an individual pension scheme.

(b) Taxable benefits — the taxable value of benefits received in the year (i.e. car allowance and private medical insurance).

(c) Annual bonus — the cash value of the bonus earned in respect of the year. A description of performance against the objectives which applied for the financial year is provided on page 51.

(d) PSP – the value of performance related incentives vesting in respect of the financial year.

For the year ended 30 June 2014:

- EPS growth in excess of RPI was 7.1%, ROE (for PSP)[9] was 30.0% the Company's TSR was positioned 40th out of 156 comparator companies for the three year performance period ending 30 June 2014 and 91.8% of maximum LTIP award will vest (these amounts represent the Group's best estimates and are subject to final confirmation from the Committee's adviser Aon Hewitt Limited due to be finalised shortly after the finalisation of these accounts);
- The value shown for PSP includes the value of dividends that would have accrued on vested shares during the performance period that will subsequently be paid to the participants; and
- The PSP awards will vest on the third anniversary of the date of grant (vesting date), the estimated value of the vested shares shown above is based on the three month average share price to 30 June 2014.

9. ROE (for PSP) – The three year average Adjusted EBITA, less impairment, add amortisation of intangible assets – computer software divided by the average equity attributable to the owners of the parent.

For the year ended 30 June 2013 comparative figures:

- EPS growth in excess of RPI was 6.1%, ROE (for PSP) was 28.5% the Company's TSR was positioned 90th out of 163 comparator companies for the three year performance period ending 30 June 2013, therefore 55.0% of maximum LTIP award vested; and
- The value shown for PSP includes the value of dividends accruing on vested shares during the performance period, subsequently paid to the participants.

Total salary and fees (audited information)

For the year ended 30 June 2014

Total salary and fees are based on the need to retain the skills and knowledge that the Executive and Non-executive Directors bring to the Company. The salaries and fees are set at a level that is consistent in businesses of the Company's size and nature. Executive Directors' salaries remained unchanged in 2013/14 compared to 2012/13. Non-Executive Directors' fees also remain unchanged during the same period.

For the year ended 30 June 2015 (unaudited information)

It is intended that the Executive Director salaries will be increased by 2.0% for 2014/15. The fee for Mark Asplin, a Non-Executive Director, is being increased to £100,000 with effect from 1 July 2014 in order to reflect his increased work load and to align his fees with those of similar roles across the market.

Annual bonus (audited information)

For the year ended 30 June 2014

Annual bonus payments were based on the Company's performance against targets based on linear ranges of adjusted profit, ROE (for Annual bonus) and ROS, set at the start of the year. In relation to the bonuses payable, these were based on the following level of achievement against each of the three metrics:

- Up to 60% of salary for the adjusted profit measure;
- Up to 20% of salary for the ROE (for Annual bonus) measure;
- Up to 20% of salary for the ROS measure;
- Linear scales of bonus for each metric were set at the start of the financial year;
- Annual bonus payments are pro-rated to match service periods where a Director only served for part of the year;
- Adjusted profit is profit before adjusting items, impairment of goodwill, amortisation of publishing rights, title and benefits, unwinding of the discount on the provisions for the future purchase of non-controlling interests, unwinding of the discount on deferred consideration, provision for the Executives' bonuses, share-based payments and after deducting the interest of non-controlling shareholders in such profits;
- The profit element of ROE (for Annual bonus) is based on Adjusted Profit before Tax after other adjusting items; and
- The profit element of ROS is based on Adjusted EBITA after impairment.

The following provides the adjusted profit, ROE (for Annual Bonus) and ROS target reference points together with the bonus pay-outs to the Executive Directors for 2013/14:

	Minimum target set	Maximum target set	Performance out-turn	Resulting pay out as a % of base salary
Adjusted profit	£15,279,000	£17,570,000	£17,137,000	48.6%
ROE (for Annual bonus)	25.0%	27.0%	30.5%	20.0%
ROS	17.5%	19.5%	20.8%	20.0%
Total				88.6%

For the year ending 30 June 2015 (unaudited remuneration)

The Committee has agreed that the metrics used to determine the annual bonus for 2014/15 remain unchanged and the maximum bonus opportunity will remain at 100% of base salary. The bonus will be subject to stretching targets. The Committee believes that the targets for the financial measures for the forthcoming financial year are commercially sensitive and that to disclose them may damage the Company's competitive position. Targets will be published retrospectively in next year's Directors' Remuneration Report or at such point that the Remuneration Committee considers that the performance targets are no longer commercially sensitive.

DIRECTORS' REMUNERATION REPORT

PSP (audited information)

Awards vesting in respect of the year ended 30 June 2014
The PSP awards granted on 19 October 2011 that are due to vest on 19 October 2014 were subject to EPS growth, ROE (for PSP) and relative TSR performance against the FTSE SmallCap over a three year period to 30 June 2014. The performance conditions for these awards were as shown in the table below:

One-third of award — Average annual EPS growth in excess of RPI	Percentage of Award Vesting
Less than 3% per annum	0.0%
3% per annum	25.0%
Between 3% per annum and 9% per annum	On a straight line basis between 25.0% and 100.0%
9% per annum or more	100.0%

One-third of award — ROE (for PSP)	Percentage of Award Vesting
Less than 25.0%	0.0%
25.0%	25.0%
Between 25.0% and 29.0%	On a straight line basis between 25.0% and 100.0%
29.0% or above	100.0%

One-third of award — TSR versus FTSE SmallCap	Percentage of Award Vesting
Below median	0.0%
Median	25.0%
Between median and upper quartile	On a straight line basis between 25.0% and 100.0%
Upper quartile or above	100.0%

The table below details the Company's performance against these objectives for the three year performance period:

Element	Target Range	Performance out-turn	Shares vested as a % of maximum
EPS Growth	3.0% – 9.0%	7.1%	25.51%
ROE (for PSP)	25.0% – 29.0%	30.0%	33.33%
TSR	Median or above	40 out 156	33.00%
Total			91.84%

Awards granted during the year
In respect of the year ended 30 June 2014 the following PSP awards were granted on 19 September 2013:

Name	Type of award	Number of shares	Face value at grant	% of award vesting at minimum threshold
Charles J Brady	PSP	94,165	185,128	25.0%
Anthony M Foye	PSP	63,722	125,277	25.0%
Neil E Smith	PSP	71,953	141,460	25.0%

The face value is based on a price of 196.6 pence being the average share price from the five business days immediately preceding the award which was made on 19 September 2013. The awards vest on 19 September 2016. The performance conditions for these awards are the same as the performance conditions detailed in the table above. The number of shares awarded represents 50% of each individual's salary.

The Committee determined that all participants (including Executives) will be required to hold no less than 50% of any vested shares (net of taxes) for a minimum of two years.

For the year ending 30 June 2015 (unaudited remuneration)

It is intended that awards in 2014/15 will be made on a similar basis to the 2013/14 awards. The maximum award to all Executive Directors will be 150% of base salary. No changes are proposed to the performance conditions detailed in the table above.

Shareholding guidelines and statement of Directors' share awards (audited information)

Shareholding guidelines for Executives have been adopted, linked to the out-turn from the PSP. At the time Awards vest under the PSP (or any other Executive plan established in the future), Executives will be expected to retain no fewer than 50% of vested shares (net of taxes) until such time as a total personal shareholding equivalent to 100% of pre-tax base salary has been achieved. This requirement will not apply to participants to the scheme other than the Executives.

It should be noted that at 30 June 2014 all Executives held shares worth significantly more than the shareholding guideline level.

The holdings of the Executive Directors and their families as at 30 June 2014 are as follows:

	Beneficial/ Non-Beneficial	At 1 July 2013 (or date of appointment)	Movement in year	At 30 June 2014	At 30 June 2014 Percentage
Charles J Brady	Beneficial	3,412,151	(355,722)	3,056,429	3.55%
Anthony M Foye	Beneficial	435,000	—	435,000	0.51%
Neil E Smith	Beneficial	379,609	21,729	401,338	0.47%
Mark Asplin	Beneficial	41,390	—	41,390	0.05%
Derek Carter	Beneficial	10,000	—	10,000	0.01%
Terence B Garthwaite	Beneficial	5,000	—	5,000	0.01%

No changes have occurred between the shareholdings as described above and the date of issuance of this report.

As at 30 June 2014 the Company's share price was 195.25p and its highest and lowest share prices during the year ended 30 June 2014 were 290.25p and 160.00p respectively. Interests are shown as a percentage of shares in issue at 30 June 2014.

Executive Directors' interests under share schemes (audited information)

Awards held under the PSP by each person who was a Director at 30 June 2014 are as follows:

	Award date	Number of shares at 1 July 2013	Granted during the year	Lapsed during the year	Exercised during the year	Number of shares at 30 June 2014*	Date which awards vest
Charles J Brady	20 Oct 2010	202,374	—	(91,068)	(111,306)	—	20 Oct 2013
Charles J Brady	19 Oct 2011	112,301	—	—	—	112,301	19 Oct 2014
Charles J Brady	17 Oct 2012	122,400	—	—	—	122,400	17 Oct 2015
Charles J Brady	19 Sep 2013	—	94,165	—	—	94,165	19 Sept 2016
Anthony M Foye	17 Oct 2012	183,111	—	—	—	183,111	17 Oct 2015
Anthony M Foye	19 Sep 2013	—	63,722	—	—	63,722	19 Sept 2016
Neil E Smith	20 Oct 2010	71,830	—	(32,323)	(39,507)	—	20 Oct 2013
Neil E Smith	19 Oct 2011	71,509	—	—	—	71,509	19 Oct 2014
Neil E Smith	17 Oct 2012	93,528	—	—	—	93,528	17 Oct 2015
Neil E Smith	19 Sep 2013	—	71,953	—	—	71,953	19 Sept 2016

* Unvested and subject to performance conditions.

Dilution (unaudited information)

Under the rules of the PSP, awards under the unvested Company's discretionary schemes which may be satisfied by a new issue of shares must not exceed 5.0% of the Company's issued share capital in any rolling 10 year period and the total of all awards satisfied via new issue shares under all plans (both discretionary and all-employee) over a ten year period must not exceed 10.0% of the Company's issued share capital in any rolling 10 year period.

At 30 June 2014, the headroom under the Company's 5.0% and 10.0% limits was 2,622,311 and 4,816,031 shares respectively, out of an issued share capital of 86,103,137 shares.

DIRECTORS' REMUNERATION REPORT

Pensions related benefits (audited information)

Executive Directors did not participate in a contribution scheme.

Payments to past Directors (audited information)

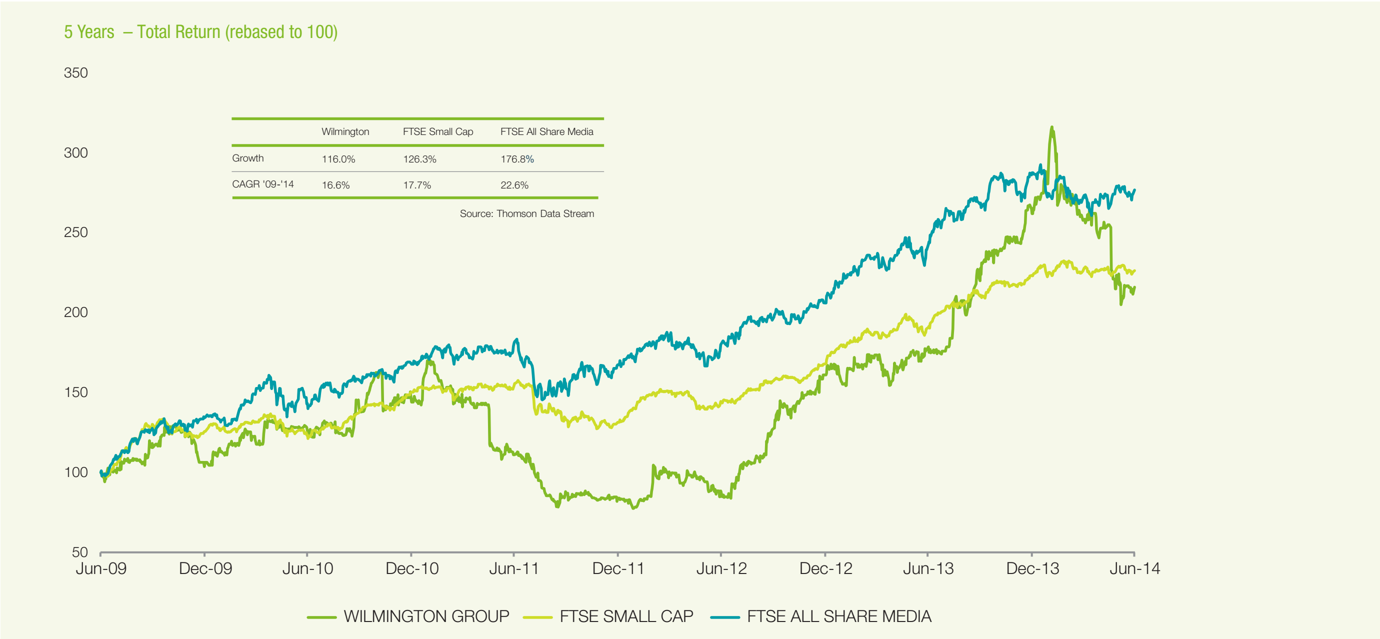
R B Brookes received £179k during the year in respect of the 2010 PSP scheme that vested on 30 June 2013. In respect of the year to 30 June 2013 R B Brookes received a salary of £127k (£12k was sacrificed to an individual pension scheme) and taxable benefits of £15k.

Payments for loss of office (audited information)

No payments for loss of office have been made during the period.

Performance graph and table (unaudited information)

The graph included in the annual report on the Company website (due for publication in October 2014) shows, for the year ended 30 June 2014 and for each of the previous four years, the total shareholder return (calculated in accordance with the Large and Medium-sized Company and Groups (Accounts and Reports) Regulations 2013) on a holding of the Company's ordinary shares compared with a hypothetical holding of shares of the same kind and number as those by reference to which the FTSE All-Share Media Index and the FTSE Small Cap Index are calculated. These indices have been chosen as the appropriate comparators because it is these indices within which the Company's shares are quoted.



Chief Executive single figure (unaudited information)

	Total Remuneration £'000	Annual Bonus as a % of maximum opportunity %	PSP as a % of maximum number of shares %
2013/14 Charles J Brady	943	88.6%	91.84%
2012/13 Charles J Brady	935	80.0%	55.00%
2011/12 Charles J Brady	580	55.2%	–
2010/11 Charles J Brady	535	46.3%	–
2009/10 Charles J Brady	393	2.8%	–

Percentage change in remuneration of Chief Executive and employees (unaudited information)

The percentage change in salary, taxable benefits and annual bonus between 2012/13 and 2013/14 for the Chief Executive and for all employees in the Group was:

	Salary	Taxable benefits	Annual bonus
Chief Executives	0.0%	0.0%	10.6%
Employee population	2.0%	0.0%	35.0%

Relative importance of spend on pay (unaudited information)

The difference in actual expenditure between 2012/13 and 2013/14 on remuneration for all employees in comparison to distributions to shareholders by way of dividend are set out in the table below:

	2013/14 £'000	2012/13 £'000
Expenditure on remuneration for all employees	33,655	30,877
Distributions to shareholders by way of a dividend	6,058	5,947

Details of the Remuneration Committee, advisers to the Committee and their fees (unaudited information)

Details of the Directors who were members of the Committee during the year are disclosed on pages 36 and 37. The Committee has also received assistance from the Chief Executive with respect to the remuneration of the other Executive Directors and on the Company's remuneration policy more generally. He is not in attendance when his own remuneration is discussed.

During the year, the Committee received independent advice from the following external consultants:

Committees advisers	Fees for committee assistance £'000
Aon Hewitt Limited (formerly Hewitt New Bridge Street Limited) provided advice to the Committee on market practice, governance and performance analysis.	4
Deloitte LLP provided advice to the Committee on the new regulations which impacts the presentation of the Remuneration Report.	12

Deloitte LLP was appointed by the Committee in 2013. Aon Hewitt Limited was appointed by the Committee in previous years. The Committee took into account the Remuneration Consultants Group's Code of Conduct when reviewing the appointment of Aon Hewitt Limited and Deloitte LLP.

The Committee is satisfied that all advice received was objective and independent.

Details of the attendance of the Committee are set out in the table below:

Committee member	Member since	Committee Meetings attended	Committee Meetings eligible to attend
Nathalie Schwarz (Committee chairman)	December 2011	1	1
Derek Carter	December 2011	2	2
Mark Asplin	April 2005	2	2
Terence B Garthwaite	June 2005	2	2

Statement of voting at general meeting (unaudited information)

At the AGM held on 5 November 2013 the Directors' remuneration report received the following votes from shareholders.

	Total number of votes	% of votes cast
For	62,698,300	100%
Against	—	0%
Total votes cast (for and against)	**62,698,300**	
Votes withheld	5,141,481	
Total votes (including withheld votes)	**67,839,781**	

DIRECTORS' REMUNERATION REPORT

REMUNERATION POLICY

The table below sets out the Company's Directors' remuneration policy which, subject to shareholder approval at the 2014 Annual General Meeting, shall take binding effect from the close of that meeting.

	BASE SALARY
PURPOSE AND LINK TO STRATEGY	Core element of fixed remuneration set at a market competitive level with the aim to recruit, motivate and retain Directors of the calibre required.
OPERATION	The Committee ordinarily reviews base salaries annually taking into account: • Performance of the Group and pay conditions elsewhere in the workforce; • Performance of the individual; • Changes in position or responsibility; and • Market competitiveness. The Committee periodically takes external advice to benchmark salaries by reference to Executives with similar positions in comparator organisations. In considering relevant benchmarking the Committee is also aware of the risk of an upward pay ratchet through placing undue emphasis on comparator pay surveys. Base salary is the only pensionable element of remuneration.
OPPORTUNITY	While there is no maximum salary, increases will normally be in line with the typical level of salary increase awarded (in percentage of salary terms) to other employees in the Group. Salary increases above this level may be awarded in certain circumstances, such as: • where an Executive Director has been promoted or has had a change in scope or responsibility; • a new Executive Director being moved to market positioning over time; • where there has been a significant change in market practice; • where there has been a significant change in the size and/or complexity of the business. Such increases may be implemented over such time period as the Committee deems appropriate.
PERFORMANCE METRIC	Not applicable.
	PENSION
PURPOSE AND LINK TO STRATEGY	Helps recruit and retain Executives. Rewards sustained contribution and commitment to the Group. Provides market competitive post-employment benefits.
OPERATION	Executive Directors are eligible to participate in the defined contribution pension scheme. The Committee has the discretion to pay cash supplements in lieu of pension contributions in certain circumstances.
OPPORTUNITY	The Company contributes up to 10% of salary to a pension scheme on behalf of the Executive Directors, and/or as a salary supplement in lieu of pension contributions where appropriate. Executive Directors are entitled to elect to sacrifice part of their salary and bonus into a personal pension scheme.
PERFORMANCE METRIC	Not applicable.

	TAXABLE BENEFITS
PURPOSE AND LINK TO STRATEGY	Fixed element of remuneration set at a market competitive level with the aim to recruit, motivate and retain Directors of the calibre required.
OPERATION	Executive Directors receive benefits in line with market practice and principally include a fully expensed car or car allowance and private medical cover (for the Executive Director and his or her family), and permanent health insurance. Other benefits may be provided based on individual circumstances and response to market pressures.
OPPORTUNITY	Whilst the Committee has not set an absolute maximum on the level of benefits Executive Directors may receive, the value of the benefit is set at a level which the Committee considers to be appropriately positioned taking into account relevant market levels based on the nature and location of the role and individual circumstances.
PERFORMANCE METRIC	Not applicable.

	ANNUAL BONUS
PURPOSE AND LINK TO STRATEGY	Rewards the achievement of the Group strategy of sustainable growth.
OPERATION	Targets are reviewed annually and any pay-out is determined by the Committee after the year-end based on targets set for the financial period. The bonus plan rules contain provisions such that appropriate means of redress may be sought (i.e. claw back) if it transpires that a bonus was paid for performance in a year which later proves to have materially misstated. There is no scope to make discretionary bonus payments outside of the scope of the bonus plan
OPPORTUNITY	The maximum bonus is 100% of base salary.
PERFORMANCE METRIC	Stretching targets are set each year reflecting the business priorities which underpin Group strategy and align to key performance indicators. The annual bonus is determined based on performance against a mix of targets. The majority will be determined by financial measures and may include adjusted profit, return on equity ('ROE') and Return on Sale ('ROS') targets. Vesting of financial metrics will apply on a sliding scale up to 100% of maximum potential for this element of the bonus based on the satisfaction of performance conditions. Vesting of non-financial or individual metrics (where applicable) will apply on a scale between 0% and 100% based on the Committee's assessment of the extent to which non-financial or individual performance metrics has been met.

DIRECTORS' REMUNERATION REPORT

	PERFORMANCE SHARE PLAN ('PSP')
PURPOSE AND LINK TO STRATEGY	Incentivises Executive Directors to achieve returns for shareholders over a longer time frame.
OPERATION	Executive Directors may receive awards in the form of conditional awards of shares, options to acquire shares for nil cost or as cash settled equivalents. Share awards may be settled in cash at the election of the Committee. Vesting is dependent on the achievement of performance conditions normally over a three year measurement period. The Committee will determine performance conditions prior to each Award, with performance measured over a single period of three years with no provision to re-test. The Committee may operate claw back if, at any time before the later of (i) the second anniversary of the vesting of an award and (ii) the publication of the Company's second set of audited financial accounts following such vesting, there has been a material misstatement of the Company's financial accounts, an error occurred when assessing the number of shares over which a PSP award vests, or the participant has been guilty of gross misconduct. In these circumstances, there may be a proportionate reduction of future bonuses and/or share awards made under the PSP to reflect the overpayment of shares, or the participant may be required to repay the overpaid amounts from personal funds. An additional payment (in the form of cash or shares) may be made in respect of shares which vest under the PSP to reflect the value of dividends which would have been paid on those shares in respect of record dates during the vesting period. The Committee shall determine the basis on which the value of such dividends shall be calculated, and may assume the reinvestment of dividends in the Company's shares on a cumulative basis.
OPPORTUNITY	The maximum award limit under the PSP scheme will be 150% of base salary.
PERFORMANCE METRIC	The awards under the PSP will be based on a mix of key longer term metrics for the Group. These will be metrics which the Committee considers to be the most appropriate measures of longer term performance and could include TSR, EPS and ROE. Where more than one performance condition applies, these will normally apply with an equal weighting. The threshold pay-out level under the PSP is 25% of the maximum award. There will usually be straight line vesting between threshold and maximum performance.

The Committee may amend the terms of awards under the PSP in accordance with the PSP rules in the event of a variation of the Company's share capital, demerger, special dividend or other similar event. The Committee may amend the rules of the PSP and awards granted under it within the scope defined in the PSP rules as approved by shareholders.

Explanation of performance metrics chosen

Performance measures for the annual bonus and PSP are reviewed annually to ensure they continue to reflect the business strategy and remain sufficiently stretching.

The Committee considers that adjusted profit, Return on Equity ('ROE') and Return on Sale ('ROS') targets are closely aligned to the Group's key performance metrics and in application to the annual bonus alone provide a balanced measure of performance that encourages sustainable growth. The application of TSR, EPS and ROE targets to the PSP align management's objectives with those of shareholders for the following reasons:

- The EPS target will reward significant and sustained increase in earnings that would be expected to flow through into shareholder value. For the participants, this will also deliver a strong 'line of sight' as it will be straightforward to evaluate and communicate;
- The ROE performance condition will reward Executives for delivery of returns to shareholders but adding a further discipline of ensuring the most efficient use of shareholders' funds; and
- The TSR performance condition will provide a balance to the financial performance conditions by rewarding relative share price performance against the companies comprising the FTSE Small Cap Index and ensures that a share price-based discipline in the package (in the absence of options) is retained. This will ensure that management can be rewarded for delivering superior market returns.

The Committee considers that this blend of measures provides a link to the Company's strategy, which is to create a sustained improvement in underlying performance and maximise returns to shareholders.

When setting the performance targets, the Committee will take into account a number of different reference points, which may include the Company's business plans and strategy and market environment. Full vesting will only occur for what the Committee considers to be stretching performance.

The Committee may vary any performance measure if an event occurs which causes it to determine that it would be appropriate to vary the measure, provided that any such variation is fair and reasonable and (in the opinion of the Committee) the altered performance measure would be not materially less difficult to satisfy than the unaltered performance measure would have been but for the event in question. If the Committee were to make such a variation, a full explanation would be given in the next Directors' Remuneration Report.

Legacy matters

The Committee also retains discretion to make payments outside of this Policy:

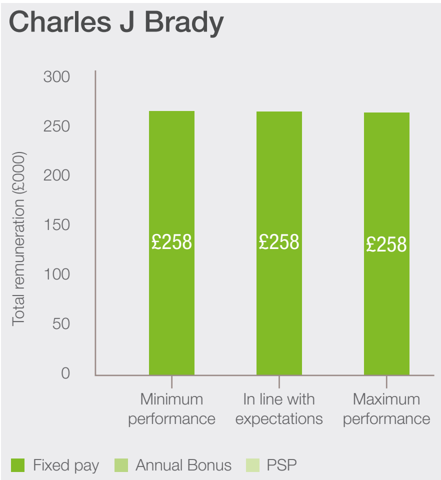
- to satisfy payments to Executive Directors made under contractual commitments made prior to (and not in contemplation of) the individual becoming an Executive Director; and
- to satisfy contractual commitments under legacy remuneration arrangements.

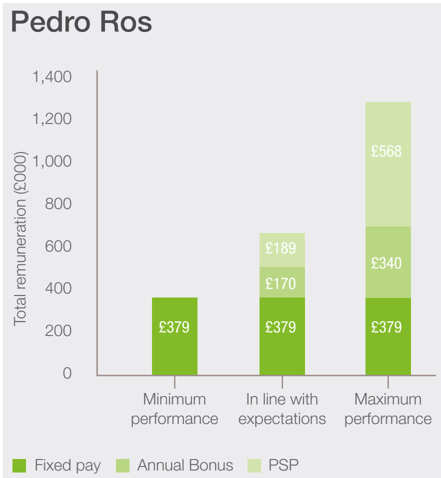
Illustration of the application of the remuneration policy

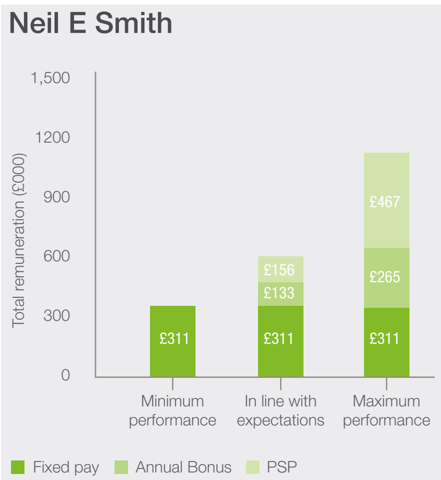
The following charts set out for each of the Executive Directors an illustration of the application for 2014/15 of the remuneration policy set out above. The charts show the split of remuneration between fixed pay and variable pay in the Policy for:

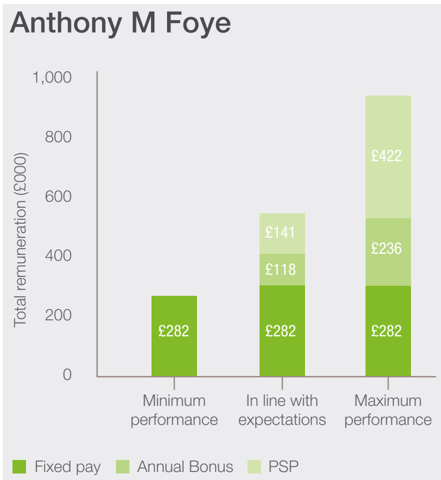
- minimum remuneration receivable — salary, fees, taxable benefits and pension;
- the remuneration receivable if the Director was, in respect of any performance measures or targets, performing in line with the Company's expectation; and
- maximum remuneration receivable (not allowing for any share price appreciation).

DIRECTORS' REMUNERATION REPORT









The Committee believes an appropriate proportion of the Executive Directors' remuneration links reward to corporate and individual performance and is aligned to the Group's strategic priorities.

Charles J Brady will step down as Chief Executive on 1 October 2014. At the request of the Board Charlie has agreed to stay on in a part time capacity as an Executive Director on the plc Board. Pedro Ros joined the Board on 14 July 2014 and will assume the role of Chief Executive on 1 October 2014. Amounts shown for Pedro Ros have been time pro-rated from 14 July 2014.

In illustrating the potential reward the following assumptions have been made:

	BASIC PERFORMANCE	IN LINE WITH EXPECTATIONS	MAXIMUM PERFORMANCE
Fixed pay		Based on fixed pay effective as at 1 July 2014	
Annual bonus	No bonus	50% of salary	100% of salary
PSP	No PSP vesting	33% of the PSP award vests (i.e. 50% of salary)	150% of salary

Non-executive Directors

	Purpose and link to strategy	Operation	Opportunity	Performance metrics
Non-executive Director Fees	Sole element of Non-executive Director remuneration set at a level that reflects market conditions and is sufficient to attract individuals with appropriate knowledge and experience.	Fees are reviewed periodically and amended to reflect any change in responsibilities and time commitments. Where appropriate external advice is taken on setting market competitive fees. The Non-executive Directors do not participate in any of the Group's share incentive plans nor do they receive any benefits or pension contributions. Non-executive Directors may be eligible to receive benefits such as the use of secretarial support, travel costs or other benefits that may be appropriate.	Fees are based on the time commitment and responsibilities of the role. Fees are subject to an overall cap as set out in the Company's Articles of Association.	Not applicable

Differences in policy from the wider employee population

The Company values its wider workforce and aims to provide a remuneration package that is market competitive, complies with any statutory requirements and is applied fairly and equitably across the wider employee population. Where remuneration is not determined by statutory regulation, the Company operates the same core principles as it does for Executive Directors namely:

- We remunerate people in a manner that allows for stability of the business and the opportunity for sustainable long term growth; and
- We seek to remunerate fairly and consistently for each role with due regard to the market place, internal consistency and the Company's ability to pay.

Recruitment remuneration policy

The objective of this policy is to allow the Committee to offer remuneration packages which facilitate the recruitment of individuals of sufficient calibre to lead the business and effectively execute the strategy for shareholders. When appointing a new Executive Director, the Committee seeks to ensure that arrangements are in the best interests of the Company and not to pay more than is appropriate.

The Committee will take into consideration all relevant factors including the calibre of the individual, the candidate's existing remuneration package, and the specific circumstances of the individual including the jurisdiction from which the candidate was recruited.

When hiring a new Executive Director, the Committee will typically align the remuneration package with the above Policy. The Committee may include other elements of pay which it considers are appropriate, however, this discretion is capped and is subject to the principles and the limits referred to below.

- Base salary will be set at a level appropriate to the role and the experience of the Director being appointed. This may include agreement on future increases up to a market rate, in line with increased experience and/or responsibilities, subject to good performance, where it is considered appropriate.
- Pension and benefits will only be provided in line with the above Policy; and
- The Committee will not offer non-performance related incentive payments (for example a 'guaranteed sign-on bonus').
- Other elements may be included in the following circumstances:
  - an interim appointment being made to fill an Executive Director role on a short-term basis;
  - if exceptional circumstances require that the Chairman or a Non-executive Director takes on an executive function on a short-term basis;
  - if an Executive Director is recruited at a time in the year when it would be inappropriate to provide a bonus or long-term incentive award for that year as there would not be sufficient time to assess performance. Subject to the limit on variable remuneration set out below, the quantum in respect of the months employed during the year may be transferred to the subsequent year so that reward is provided on a fair and appropriate basis; and
  - if the Director will be required to relocate in order to take up the position, it is the Company's policy to allow reasonable relocation, travel and subsistence payments. Any such payments will be at the discretion of the Committee.
- The Committee may also alter the performance measures, performance period and vesting period of the annual bonus or PSP, subject to the rules of the PSP, if the Committee determines that the circumstances of the recruitment merit such alteration. The rationale will be clearly explained in the following Directors' Remuneration Report.
- The maximum level of variable remuneration which may be granted (excluding 'buyout' awards as referred to below) is 250% of salary.

DIRECTORS' REMUNERATION REPORT

The Committee may make payments or awards in respect of hiring an employee to 'buy out' remuneration arrangements forfeited on leaving a previous employer. In doing so the Committee will take account of relevant factors including any performance conditions attached to the forfeited arrangements and the time over which they would have vested. The Committee will generally seek to structure buy out awards or payments on a comparable basis to the remuneration arrangements forfeited. Any such payments or awards are excluded from the maximum level of variable remuneration referred to above. Where considered appropriate, such special recruitment awards will be liable to forfeiture or 'claw back' on early departure.

Any share awards referred to in this section will be granted as far as possible under the Company's existing share plans. If necessary and subject to the limits referred to above, recruitment awards may be granted outside of these plans as permitted under the Listing Rules which allow for the grant of awards to facilitate, in unusual circumstances, the recruitment of an Executive Director. Where a position is filled internally, any ongoing remuneration obligations or outstanding variable pay elements shall be allowed to continue in accordance with their terms.

Fees payable to a newly appointed Chairman or Non-Executive Director will be in line with the policy in place at the time of appointment.

Payments for loss of office

The Company has adopted the following policy on Executives' service contracts:

Notice period	12 months' notice period or less shall apply.
Termination payments and mitigation	Termination payments are limited to payment of 12 months' salary, contractual pension amounts and benefits. The policy is that, as is considered appropriate at the time, the departing Director may work, or be placed on garden leave, for all or part of his notice period, or receive a payment in lieu of notice in accordance with the service agreement. The Committee will consider mitigation to reduce the termination payment to a leaving Director when appropriate to do so, having regard to the circumstances.
Annual bonus	The decision whether or not to award a bonus in full or in part will be dependent upon a number of factors including the circumstances of their departure and their contribution to the business during the bonus period in question. Any bonus payment would typically be pro-rated for time in service to termination and paid at the usual time (although the Committee retains discretion to pay the bonus earlier in appropriate circumstances).
PSP	Unvested awards held by the Director under the Company's PSP will lapse or vest in accordance with the rules of the plan, which have been approved by shareholders. In summary, the plan rules provide that awards can vest if employment ends by reason of redundancy, retirement, ill health or disability, death, sale of the Director's employer out of the Group or any other reason determined by the Committee. The Committee shall determine whether the award will vest at cessation or the normal vesting date. In either case, the extent of vesting will be determined by the Committee taking into account the satisfaction of the relevant performance conditions and, unless the Committee determines otherwise, applying a pro-rate reduction based on the period from the date of grant to the date of cessation relative to a three year period.
Change of control	Awards under the PSP will generally vest early on a takeover or other relevant corporate event. The Committee will determine the level of vesting taking into account the satisfaction of the relevant performance conditions and, unless the Committee determines otherwise, a pro-rate reduction based on the period from the date of grant to the date of the relevant event relative to a three year period.
Other payments	In appropriate circumstances, payments may also be made in respect of accrued holiday, outplacement and legal fees. Where a 'buyout' or other award is made outside the Company's PSP in connection with the recruitment of an Executive Director, as permitted under the Listing Rules, the leaver provisions would be determined at the time of the award.

The Committee reserves the right to make additional exit payments where such payments are made in good faith in discharge of an existing legal obligation (or by way of damages for breach of such an obligation) or by way of settlement or compromise of any claim arising in connection with the termination of a Director's office or employment.

Non-executive Directors

Non-executive Directors have letters of appointment with the notice periods referred to below, with compensation limited to fees for the duration of the notice period.

Directors' service agreements and letters of appointment

The existing Executive Directors' contracts are on a rolling basis and may be terminated on 12 months' notice by the Company or the Executive. All Non-executive Directors have initial fixed term agreements with the Company of no more than three years.

Details of the Directors' service contracts and notice periods are set out below:

Executive Directors	Contract commencement date	Notice period
Charles J Brady	Feb 2002	12 months
Charles J Brady*	Jan 2015	n/a†
Pedro Ros	July 2014	12 months
Anthony M Foye	Sept 2012	12 months
Neil E Smith	Dec 2011	12 months
Non-executive Directors	**Date of initial appointment**	**Notice period**
Mark Asplin	Apr 2005	6 months
Terence B Garthwaite	June 2005	3 months
Derek Carter	Dec 2011	3 months
Nathalie Schwarz	Dec 2011	3 months

* Charles Brady is expected to remain on the Board in a part time capacity as an Executive Director. Under a new contract, which replaces the Feb 2002 contract, his remuneration consists of base salary and taxable benefits set at a level which reflects his part time status. Charles Brady will not participate in the annual bonus scheme or be eligible for future grants of awards under the PSP.

† Contract period is 1 January 2015 to 31 December 2015.

Statement of consideration of employment conditions elsewhere in the Company

The Committee generally considers pay and employment conditions elsewhere in the Company when considering the Executive Directors' remuneration. When considering base salary increases, the Committee reviews overall levels of base pay increases offered to other employees. Employees are not actively consulted on Directors' remuneration.

Non-executive appointments at other companies

The Committee's policy is that Executive Directors may, by agreement with the Board, serve as Non-executives of other companies and retain any fees payable for their services.

Statement of consideration of shareholder views

The Company is committed to open and transparent dialogue with shareholders and welcomes feedback on Executive and Non-executive Directors' remuneration.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors are responsible for preparing the Annual Report, the Report on Directors' Remuneration 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 prepared the Group and parent 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 the Company and of the profit or loss of the Group for that period. In preparing these financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether applicable IFRSs as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 the Group and enable them to ensure that the financial statements and the Report on Directors' Remuneration comply with the Companies Act 2006 and, as regards the Group financial statements, Article 4 of the IAS Regulation. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Directors consider that the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess a company's performance, business model and strategy.

Each of the Directors, whose names and functions are listed on pages 36 and 37 confirm that, to the best of their knowledge:

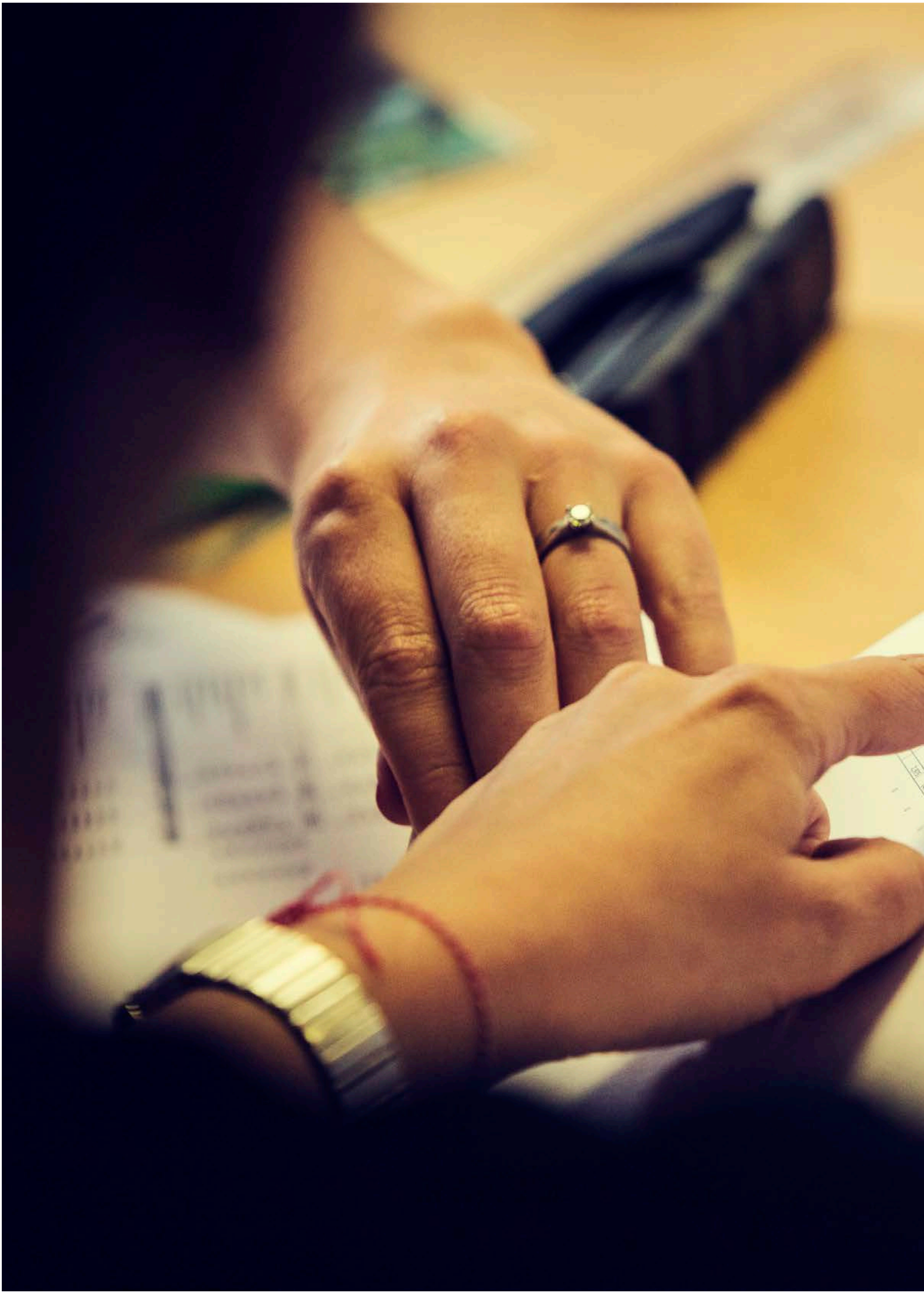
- The Group financial statements, which have been prepared in accordance with IFRSs as adopted by the EU, give a true and fair view of the assets, liabilities, financial position and profit of the Group; and
- The Strategic Report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal risks and uncertainties that it faces.

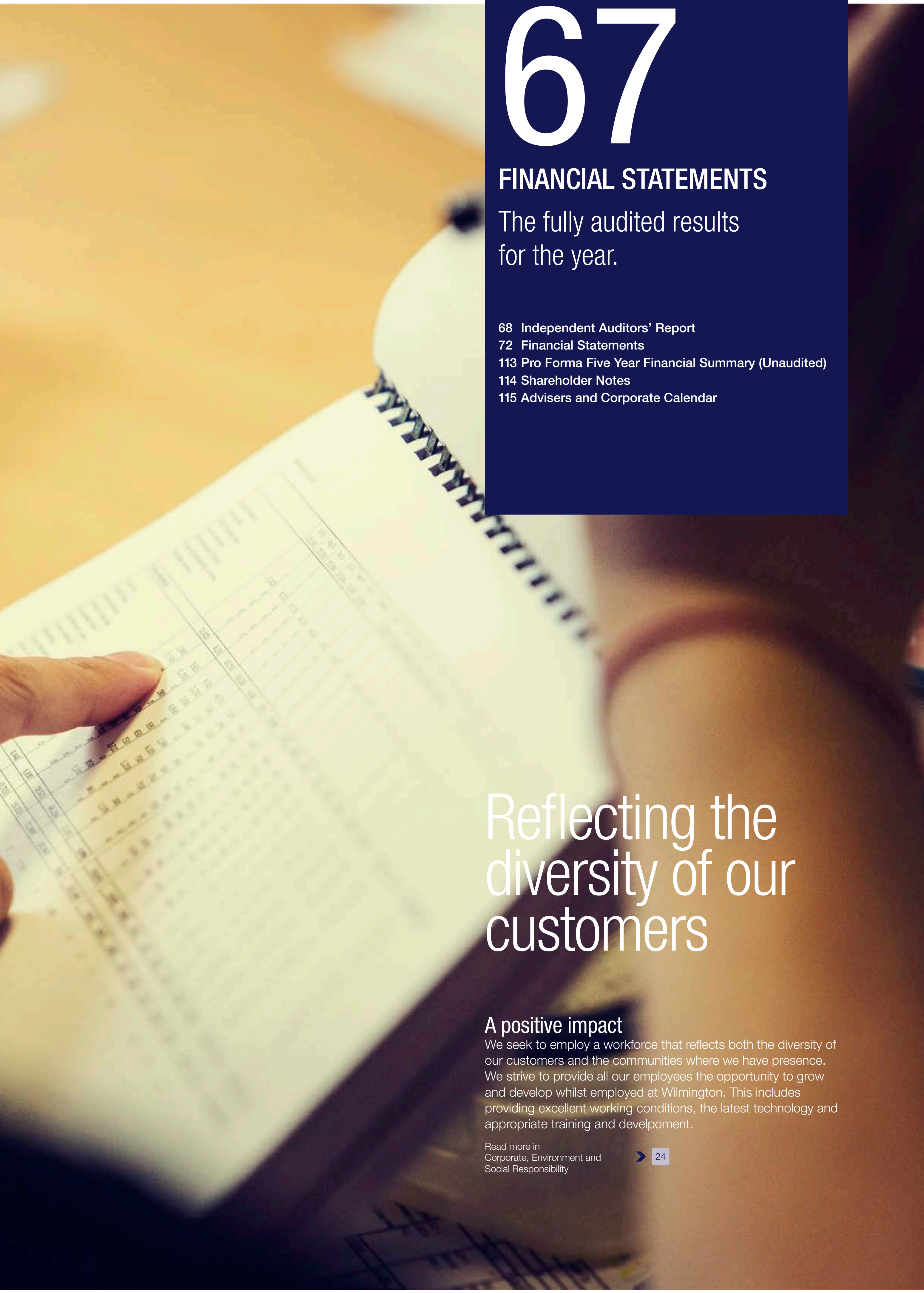
Each of the Directors also confirms that, to the best of their knowledge:

- So far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- He or she has taken all the steps that he ought to have taken as a Director in order to make himself or herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Approved on behalf of the Board by:

Richard Cockton
Company Secretary
17 September 2014





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FINANCIAL STATEMENTS

The fully audited results for the year.

Reflecting the diversity of our customers

A positive impact

We seek to employ a workforce that reflects both the diversity of our customers and the communities where we have presence. We strive to provide all our employees the opportunity to grow and develop whilst employed at Wilmington. This includes providing excellent working conditions, the latest technology and appropriate training and development.

Read more in Corporate, Environment and Social Responsibility 24

INDEPENDENT AUDITORS' REPORT

to the members of Wilmington Group plc

REPORT ON THE FINANCIAL STATEMENTS

Our opinion

In our opinion:

- the financial statements, defined below, give a true and fair view of the state of the Group's and of the Company's affairs as at 30 June 2014 and of the Group's profit and the Group's and the Company's cash flows for the year then ended;
- the Group financial statements have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union;
- the Company financial statements have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union 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 and, as regards the Group financial statements, Article 4 of the IAS Regulation.

This opinion is to be read in the context of what we say in the remainder of this report.

What we have audited

The Group financial statements and Company financial statements (the "financial statements"), which are prepared by Wilmington Group plc, comprise:

- the Group and Company balance sheets as at 30 June 2014;
- the consolidated income statement and consolidated statement of comprehensive income for the year then ended;
- the Group and Company cash flow statements for the year then ended;
- the Group and Company statements of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in their preparation is applicable law and IFRSs as adopted by the European Union and, as regards the Company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

Certain disclosures required by the financial reporting framework have been presented elsewhere in the Annual Report and accounts (the "Annual Report"), rather than in the notes to the financial statements. These are cross-referenced from the financial statements and are identified as audited.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ('ISAs (UK & Ireland)'). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the Group's and the Company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the Directors; and
- the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Overview of our audit approach

Materiality

We set certain thresholds for materiality. These helped us to determine the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the Group financial statements as a whole to be £800,000. This is approximately 5% of Group Adjusted Profit before Tax, as we believe that this represents the most appropriate measure of the trading performance of the Group.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £35,000 as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Overview of the scope of the audit

The Group is structured into six business segments being Accountancy, Banking and Compliance, Business Intelligence, Healthcare, Legal and Pensions. The Group financial statements are a consolidation of reporting units that make up the six business segments, spread across four geographic regions, being the United Kingdom, Europe (excluding the UK), North America, and the Rest of the World, and the centralised functions.

In establishing the overall approach to the Group audit, we determined the type of work that needed to be performed at the reporting units by us, as the Group engagement team, or component auditors within PwC UK and from other PwC network firms operating under our instruction. Where the work was performed by component auditors, we determined the level of involvement we needed to have in the audit work at those reporting units to be able to conclude whether sufficient appropriate audit evidence had been obtained as a basis for our opinion on the Group financial statements as a whole.

Each business segment comprises a number of legal entities or components. PwC UK performed audits of complete information for each of the Group's significant components, with specified and analytical procedures being performed over remaining material and immaterial financial statement line items, respectively.

Areas of particular audit focus

In preparing the financial statements, the Directors made a number of subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. We primarily focused our work in these areas by assessing the Directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

In our audit, we tested and examined information, using sampling and other auditing techniques, to the extent we considered necessary to provide a reasonable basis for us to draw conclusions. We obtained audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

We considered the following areas to be those that required particular focus in the current year. This is not a complete list of all risks or areas of focus identified by our audit. We discussed these areas of focus with the Audit Committee. Their report on those matters that they considered to be significant issues in relation to the financial statements is set out on pages 46 and 47.

Area of focus	How the scope of our audit addressed the area of focus
GOODWILL AND INTANGIBLE ASSETS IMPAIRMENT ASSESSMENT The determination of whether or not an impairment charge for goodwill or intangible assets was necessary involved significant judgements about the future results of the business, including future revenues and growth as well as the discount factor used. Whilst no impairment charge was booked in the year ended 30 June 2014, we focused on this area in light of the impairment charge recorded against Goodwill in the Business Intelligence segment in 2013 and the difficult trading conditions experienced by the Legal and Healthcare segments during 2014. Refer to note 12 to the financial statements.	We evaluated the Directors' future cash flow forecasts for the Business Intelligence, Healthcare and Legal segments, and the process by which they were drawn up, including comparing them to the latest Board approved budgets, and testing the underlying calculations. We challenged: • the Directors' key assumptions for long-term growth rates in the forecasts by comparing them to historical results, and economic and industry forecasts; and • the discount rate by assessing the cost of capital for the Group and comparable organisations. We also performed sensitivity analysis around the key drivers of the cash flow forecasts, including historic profit margins achieved and growth rates. Having ascertained the extent of change in those assumptions that either individually or collectively would be required for the goodwill of intangible assets to be impaired, we considered the likelihood of such a movement in those key assumptions arising.
ACCOUNTING FOR THE COMPLIANCE WEEK ACQUISITION We focused on this area because business combinations are inherently complex transactions which require the Directors to exercise a significant level of judgement, particularly around the valuation of the assets and liabilities acquired and the timing of their recognition. Refer to note 11 to the financial statements.	We evaluated the Directors' assessment of this transaction as a business combination and challenged the rationale for the accounting principles applied around the timing of recognition of certain assets and liabilities in line with IFRS. We obtained the Directors' valuations of the acquired assets and liabilities and evaluated these by comparing cash flow forecasts to Board approved plans, post-acquisition trading results and external US economic outlooks. In addition, we challenged the assumptions supporting the acquisition synergies and tax benefits by comparing these to supporting third party market data, as well as comparing forecasts to historic performance. We performed sensitivity analysis over key drivers within the cash flow forecasts, including revenue, operating profit and estimated synergies, as well as the key assumptions around discount and growth rates. We then considered the likelihood of such movement in these key assumptions arising in assessing the appropriateness of the overall valuations.

INDEPENDENT AUDITORS' REPORT

to the members of Wilmington Group plc

RISK OF FRAUD IN REVENUE RECOGNITION ISAs (UK & Ireland) presume there is a risk of fraud in revenue recognition. We focused on the risk that revenue may have been recognised for all revenue streams for transactions which had not occurred or been recorded in the incorrect reporting period.	Our testing of revenue transactions, to assess whether a service had been provided or a sale had occurred, focused on understanding whether cash had been received and reading extracts of the related contracts. We tested a sample of revenue transactions back to cash receipts and the related contracts. Where revenue was recorded through journal entries, we performed testing to appropriate supporting documentation to establish whether a service had been provided or a sale had occurred in the financial year.
RISK OF MANAGEMENT OVERRIDE OF INTERNAL CONTROLS ISAs (UK & Ireland) require that we consider this.	We assessed the overall control environment of the Group, including the arrangements for staff to 'whistle blow' inappropriate actions, and interviewed senior management and the Group's internal audit function. We examined the significant accounting estimates and judgements relevant to the financial statements for evidence of bias by the Directors that may represent a risk of material misstatement due to fraud. The key areas in which we challenged management are reflected in the other areas of focus above, as well as estimates of provisions for receivables and assumptions used in the accounting for share-based payments. We also tested journal entries.

Going concern

Under the Listing Rules we are required to review the Directors' statement, set out on page 39, in relation to going concern. We have nothing to report having performed our review.

As noted in the Directors' statement, the Directors have concluded that it is appropriate to prepare the financial statements using the going concern basis of accounting. The going concern basis presumes that the Group and Company have adequate resources to remain in operation, and that the Directors intend them to do so, for at least one year from the date the financial statements were signed. As part of our audit we have concluded that the Directors' use of the going concern basis is appropriate.

However, because not all future events or conditions can be predicted, these statements are not a guarantee as to the Group's and parent Company's ability to continue as a going concern.

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion:

- 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 part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

OTHER MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Company financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of Directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Corporate governance statement

Under the Listing Rules we are required to review the part of the Corporate Governance Statement relating to the Company's compliance with nine provisions of the UK Corporate Governance Code ('the Code'). We have nothing to report having performed our review.

On page 44 of the Annual Report, as required by the Code Provision C.1.1, the Directors state that they consider the Annual Report taken as a whole to be fair, balanced and understandable and provides the information necessary for members to assess the Group's and Company's performance, business model and strategy. On pages 46 and 47, as required by C.3.8 of the Code, the Audit Committee has set out the significant issues that it considered in relation to the financial statements, and how they were addressed. Under ISAs (UK & Ireland) we are required to report to you if, in our opinion:

- the statement given by the Directors is materially inconsistent with our knowledge of the Group and Company acquired in the course of performing our audit; or
- the section of the Annual Report describing the work of the Audit Committee does not appropriately address matters communicated by us to the Audit Committee.

We have no exceptions to report arising from this responsibility.

Other information in the Annual Report

Under ISAs (UK & Ireland) we are required to report to you if, in our opinion, information in the Annual Report is:

- materially inconsistent with the information in the audited financial statements; or
- apparently materially incorrect based on, or materially inconsistent with, our knowledge of the Group and Company acquired in the course of performing our audit; or
- is otherwise misleading.

We have no exceptions to report arising from this responsibility.

RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS AND THE AUDIT

Our responsibilities and those of the Directors

As explained more fully in the Directors' responsibility statement set out on page 64, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

David Snell
Senior Statutory Auditor
for and on behalf of
PricewaterhouseCoopers LLP
Chartered Accountants and
Statutory Auditors
London
17 September 2014

CONSOLIDATED INCOME STATEMENT

for the year ended 30 June 2014

	Notes	Adjusted results June 2014 £'000	Adjusting items (note 5) June 2014 £'000	Statutory results June 2014 £'000	Adjusted results June 2013 £'000	Adjusting items (note 5) June 2013 £'000	Statutory results June 2013 £'000
Continuing operations							
Revenue	3	90,024	–	90,024	85,048	–	85,048
Net operating expenses	4	(71,320)	(764)	(72,084)	(68,183)	(1,325)	(69,508)
Gain on disposal of property	5	–	–	–	–	3,325	3,325
Amortisation	5	–	(6,286)	(6,286)	–	(6,105)	(6,105)
Impairment	5	–	–	–	–	(4,500)	(4,500)
Share-based payments	5	–	(924)	(924)	–	(888)	(888)
Operating profit		18,704	(7,974)	10,730	16,865	(9,493)	7,372
Net finance costs	6	(2,099)	(39)	(2,138)	(2,163)	(93)	(2,256)
Profit before tax		16,605	(8,013)	8,592	14,702	(9,586)	5,116
Taxation	7			(2,034)			(1,484)
Profit for the year				6,558			3,632
Attributable to:							
Owners of the parent				6,485			3,537
Non-controlling interests	24			73			95
				6,558			3,632
Earnings per share attributable to the owners of the parent:							
Basic (p)	9			7.59p			4.17p
Diluted (p)	9			7.39p			4.07p
Adjusted earnings per share attributable to the owners of the parent:							
Basic (p)	9	14.79p			13.06p		
Diluted (p)	9	14.40p			12.74p		

The notes on pages 78 to 112 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 June 2014

	Year ended 30 June 2014 £'000	Year ended 30 June 2013 £'000
Profit for the year	**6,558**	3,632
Other comprehensive income:		
Items that may be reclassified subsequently to the income statement		
Net fair value movements on interest rate swaps	**381**	206
Currency translation differences	**(1,001)**	51
Net investment hedges	**497**	21
Other comprehensive (expense)/income for the year, net of tax	**(123)**	278
Total comprehensive income for the year	**6,435**	3,910
Attributable to:		
– Owners of the parent	**6,362**	3,815
– Non-controlling interests	**73**	95
	6,435	3,910

Items in the statement above are disclosed net of tax. The notes on pages 78 to 112 are an integral part of these financial statements.

BALANCE SHEETS

as at 30 June 2014

	Notes	Group 2014 £'000	Group 2013 £'000	Company 2014 £'000	Company 2013 £'000
Non-current assets					
Goodwill	12	**76,855**	73,282	**—**	—
Intangible assets	13	**28,746**	31,493	**—**	62
Property, plant and equipment	14	**5,727**	5,909	**951**	1,092
Investments in subsidiaries	15	**—**	—	**49,193**	48,591
Deferred tax assets	21	**562**	887	**106**	507
Trade and other receivables	16	**—**	—	**61,658**	70,169
		111,890	111,571	**111,908**	120,421
Current assets					
Trade and other receivables	16	**22,389**	21,379	**87**	88
Cash and cash equivalents		**5,020**	7,803	**19**	47
Derivative financial instruments	17	**37**	—	**37**	—
		27,446	29,182	**143**	135
Non-current assets held for sale		**—**	657	**—**	—
Total assets		**139,336**	141,410	**112,051**	120,556
Current liabilities					
Trade and other payables	18	**(40,635)**	(39,254)	**(3,882)**	(3,199)
Current tax liabilities		**(1,333)**	(1,533)	**—**	—
Deferred consideration – cash settled		**(343)**	(224)	**(56)**	(81)
Derivative financial liabilities	17	**(78)**	(63)	**(78)**	(63)
Borrowings	19	**(642)**	(890)	**(6,835)**	(8,530)
		(43,031)	(41,964)	**(10,851)**	(11,873)
Non-current liabilities					
Borrowings	19	**(37,673)**	(39,751)	**(14,632)**	(19,751)
Deferred consideration – equity settled		**(728)**	(619)	**(728)**	(619)
Deferred consideration – cash settled		**—**	(261)	**—**	—
Derivative financial instruments	17	**(490)**	(1,096)	**(490)**	(1,096)
Deferred tax liabilities	21	**(4,670)**	(5,822)	**—**	—
Provisions for future purchase of non-controlling interests		**(100)**	(183)	**—**	—
		(43,661)	(47,732)	**(15,850)**	(21,466)
Total liabilities		**(86,692)**	(89,696)	**(26,701)**	(33,339)
Net assets		**52,644**	51,714	**85,350**	87,217
Equity					
Share capital	22	**4,305**	4,305	**4,305**	4,305
Share premium	22	**45,231**	45,231	**45,231**	45,231
Treasury shares	22	**(878)**	(2,356)	**(878)**	(2,356)
Translation reserve		**(942)**	59	**—**	—
Share-based payments reserve		**911**	1,560	**911**	1,560
Retained earnings		**3,782**	2,770	**35,781**	38,477
Equity attributable to owners of the parent		**52,409**	51,569	**85,350**	87,217
Non-controlling interests	24	**235**	145	**—**	—
Total equity		**52,644**	51,714	**85,350**	87,217

The notes on pages 78 to 112 are an integral part of these consolidated financial statements. The financial statements on pages 72 to 112 were approved and authorised for issue by the Board and signed on their behalf on 17 September 2014.

Anthony M Foye
Chief Finance Officer
Registered number: 3015847

Charles J Brady
Chief Executive

STATEMENTS OF CHANGES IN EQUITY

for the year ended 30 June 2014

	Share capital, share premium and treasury shares (note 22) £'000	Share-based payments reserve £'000	Translation reserve £'000	Retained earnings £'000	Total £'000	Non-controlling interests (note 24) £'000	Total equity £'000
Group							
At 1 July 2012	45,528	815	93	5,160	51,596	—	51,596
Profit for the year	—	—	—	3,537	3,537	95	3,632
Other comprehensive income for the year	—	—	51	227	278	—	278
	45,528	815	144	8,924	55,411	95	55,506
Dividends	—	—	—	(5,947)	(5,947)	(27)	(5,974)
Share-based payments	—	745	—	322	1,067	—	1,067
Translation reserve realised on overseas subsidiary	—	—	(85)	85	—	—	—
Reissue of treasury shares	1,652	—	—	(614)	1,038	—	1,038
Movement in non-controlling interests	—	—	—	—	—	80	80
Movements in offset of provisions for the future purchase of non-controlling interests	—	—	—	—	—	(3)	(3)
At 30 June 2013	47,180	1,560	59	2,770	51,569	145	51,714
Profit for the year	—	—	—	6,485	6,485	73	6,558
Other comprehensive income for the year	—	—	(1,001)	878	(123)	—	(123)
	47,180	1,560	(942)	10,133	57,931	218	58,149
Dividends	—	—	—	(6,058)	(6,058)	(26)	(6,084)
Share-based payments	—	440	—	41	481	—	481
Reissue of treasury shares	1,478	(1,089)	—	(334)	55	—	55
Movements in non-controlling interests	—	—	—	—	—	52	52
Movements in offset of provisions for the future purchase of non-controlling interests	—	—	—	—	—	(9)	(9)
At 30 June 2014	**48,658**	**911**	**(942)**	**3,782**	**52,409**	**235**	**52,644**

The notes on pages 78 to 112 are an integral part of these consolidated financial statements.

STATEMENTS OF CHANGES IN EQUITY

for the year ended 30 June 2014

	Share capital, share premium and treasury shares (note 22) £'000	Share-based payments reserve £'000	Retained earnings £'000	Total £'000
Company				
At 1 July 2012	45,528	815	19,506	65,849
Profit for the year	—	—	25,227	25,227
Net fair value movements on interest rate swaps	—	—	211	211
	45,528	815	44,944	91,287
Dividends to shareholders	—	—	(5,947)	(5,947)
Share-based payments	—	745	94	839
Reissue of treasury shares	1,652	-	(614)	1,038
At 1 July 2013	47,180	1,560	38,477	87,217
Profit for the year	—	—	3,007	3,007
Net fair value movements on interest rate swaps	—	—	381	381
	47,180	1,560	41,865	90,605
Dividends to shareholders	—	—	(6,058)	(6,058)
Share-based payments	—	440	308	748
Reissue of treasury shares	1,478	(1,089)	(334)	55
At 30 June 2014	**48,658**	**911**	**35,781**	**85,350**

The notes on pages 78 to 112 are an integral part of these consolidated financial statements.

CASH FLOW STATEMENTS

for the year ended 30 June 2014

	Notes	Group Year ended 30 June 2014 £'000	Group Year ended 30 June 2013 £'000	Company Year ended 30 June 2014 £'000	Company Year ended 30 June 2013 £'000
Cash flows from operating activities					
Cash generated from operations before adjusting items	28	**20,204**	19,385	**16,741**	33,453
Cash flows for adjusting items – operating activities		**(372)**	(239)	**(108)**	(392)
Cash flows for adjusting items – share based payments		**(358)**	—	**(106)**	—
Cash generated from operations		**19,474**	19,146	**16,527**	33,061
Net finance costs paid		**(1,863)**	(2,011)	**(1,246)**	(1,913)
Tax paid		**(3,285)**	(2,926)	**(2,268)**	(2,078)
Net cash generated from operating activities		**14,326**	14,209	**13,013**	29,070
Cash flows from investing activities					
Purchase of businesses		**(7,342)**	(1,151)	**(60)**	—
Deferred consideration paid		**(168)**	(171)	**—**	—
Purchase of subsidiaries, net of cash acquired		—	(4,976)	**—**	(5,523)
Purchase of non-controlling interests	24	**(58)**	(1,707)	**—**	—
Cash received from non-controlling interest		—	80	**—**	—
Cash flows for adjusting items – investing activities		**(267)**	(1,025)	**(36)**	(153)
Purchase of property, plant and equipment	14	**(883)**	(1,217)	**—**	—
Proceeds from disposal of property, plant and equipment		**710**	4,450	**39**	—
Purchase of intangible assets	13	**(955)**	(764)	**—**	(28)
Net cash used in investing activities		**(8,963)**	(6,481)	**(57)**	(5,704)
Cash flows from financing activities					
Dividends paid to owners of the parent	8	**(6,058)**	(5,947)	**(6,058)**	(5,947)
Dividends paid to non-controlling interests		**(26)**	(27)	**—**	—
Reissue of treasury shares		**55**	1,038	**55**	1,038
(Decrease)/increase in long-term loans		**(1,748)**	2,286	**(5,286)**	(17,714)
Net cash used in financing activities		**(7,777)**	(2,650)	**(11,289)**	(22,623)
Net (decrease)/increase in cash and cash equivalents, net of bank overdrafts		**(2,414)**	5,078	**1,667**	743
Cash and cash equivalents, net of bank overdrafts at beginning of the year		**6,913**	1,795	**(8,483)**	(9,226)
Exchange (losses)/gains on cash and cash equivalents		**(121)**	40	—	—
Cash and cash equivalents, net of bank overdrafts at end of the year		**4,378**	6,913	**(6,816)**	(8,483)

Reconciliation of net debt

	Notes	Group 2014 £'000	Group 2013 £'000	Company 2014 £'000	Company 2013 £'000
Cash and cash equivalents at beginning of the year		**7,803**	3,954	**47**	1
Bank overdrafts at beginning of the year	19	**(890)**	(2,159)	**(8,530)**	(9,227)
Bank loans at beginning of the year	19	**(40,286)**	(38,000)	**(20,286)**	(38,000)
Net debt at beginning of the year		**(33,373)**	(36,205)	**(28,769)**	(47,226)
Net (decrease)/increase in cash and cash equivalents (net of bank overdrafts)		**(2,535)**	5,118	**1,667**	743
Net repayment/(drawdown) in bank loans		**1,505**	(2,286)	**5,286**	17,714
Exchange gain on bank loans		**740**	—	**—**	—
Cash and cash equivalents at end of the year		**5,020**	7,803	**19**	47
Bank overdrafts at end of the year	19	**(642)**	(890)	**(6,835)**	(8,530)
Bank loans at end of the year	19	**(38,041)**	(40,286)	**(15,000)**	(20,286)
Net debt at end of the year		**(33,663)**	(33,373)	**(21,816)**	(28,769)

The notes on pages 78 to 112 are an integral part of these consolidated financial statements.

NOTES TO THE FINANCIAL STATEMENTS

General Information

The Company is a public limited company incorporated and domiciled in the UK. The address of its registered office is 6–14 Underwood Street, London, N1 7JQ.

The Company is listed on the main market on the London Stock Exchange. The Company is the provider of information, compliance and education to the professional services market across the globe.

1. Statement of accounting policies

The significant accounting policies applied in preparing the Financial Statements are as follows. These policies have been consistently applied for all the years presented, unless otherwise stated.

a) Basis of preparation

The Consolidated and Company Financial Statements have been prepared in accordance with International Financial Reporting Standards ('IFRS'), including International Accounting Standards ('IAS') and interpretations ('IFRICs') issued by the International Accounting Standards Board ('IASB') and its Committees, and as adopted in the EU, and in accordance with the Companies Act 2006 as applicable to Companies using IFRS.

The Consolidated Financial Statements have been prepared under the historic cost convention, except for certain financial instruments that have been measured at fair value. The Consolidated Financial Statements are presented in Sterling, the functional currency of Wilmington Group plc, the Parent Company. All values are rounded to the nearest thousand pounds (£'000s) except where otherwise indicated.

The Group meets its day-to-day working capital requirements through its bank facilities. The current economic conditions continue to create uncertainty, particularly over (a) the level of demand for the Group's products, and (b) the availability of bank finance for the foreseeable future. The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group should be able to operate within the level of its current facilities. After making enquiries, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The Group therefore continues to adopt the going concern basis in preparing its Consolidated Financial Statements. Further information on the Group's borrowings is given in note 20.

b) Critical accounting judgements, estimates and assumptions

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for income and expenses during the year and that affect the amounts reported for assets and liabilities at the reporting date.

Business combinations

Management make judgements, estimates and assumptions in assessing the fair value of the net assets acquired on a business combination, in identifying and measuring intangible assets arising on a business combination, and in determining the fair value of the consideration. If the consideration includes an element of contingent consideration, the final amount of which is dependent on the future performance of the business, management assess the fair value of that contingent consideration based on their reasonable expectations of future performance. The sensitivity of the carrying amounts to the judgements, estimates and assumptions will vary depending on the nature and size of the acquisition.

Goodwill

Management make judgements, estimates and assumptions in measuring the carrying amount of goodwill. In considering whether goodwill has been impaired, the recoverable amount of cash generating units has been determined based on value in use calculations. These calculations require management to estimate future cash flows, a long-term growth rate and an appropriate discount rate. The sensitivity of the carrying amount of goodwill to these variables is considered in note 12.

Share-based payments

Management make judgements, estimates and assumptions in calculating share-based payment costs. Vesting conditions, other than market conditions, are not taken into account when estimating the grant date fair value, so are instead taken into account each period in revising the estimate of the number of shares expected to vest and thus in determining the charge to the Income Statement for the period. The share-based payment charge can also be significantly impacted by share awards that do not vest. The sensitivity of the charge to the judgements, estimates and assumptions made is best ascertained by understanding the nature of the share-based payment arrangements concerned, which is set out in note 23.

1. Statement of Accounting Policies continued

c) Basis of consolidation

The Consolidated Financial Statements consolidate the financial statements of the Company and its subsidiaries. A subsidiary is an entity that is controlled by another entity, the parent; control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities, and is generally accompanied by a shareholding of more than one half of the voting rights. Any interest in a subsidiary not attributable to the parent, termed a non-controlling interest, is presented in equity, separately from the equity of the owners of the parent.

The results of subsidiaries acquired or disposed of during the year are consolidated from and up to the date of change of control. Where necessary, accounting policies of subsidiaries have been aligned with the policies adopted by the Group. All intra-Group transactions, including any gains, losses, balances, income or expenses are eliminated in full on consolidation.

When the Group ceases to have control of a subsidiary, the profit or loss on disposal is calculated as the difference between: (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest, and (ii) the previous carrying amount of the assets (including goodwill) and liabilities of the subsidiary and of any non-controlling interests. Amounts previously recognised in other comprehensive income in respect of that subsidiary are reclassified to profit or loss. The results of subsidiaries sold or businesses discontinued during the year are shown as discontinued operations in the Income Statement in accordance with IFRS 5 'Non-current Assets Held for Sale and Discontinued Operations'.

d) Business combinations

The acquisition method of accounting is applied in accounting for the acquisition of subsidiaries. The acquiree's identifiable assets and liabilities are recognised at their fair value at the acquisition date. Goodwill arising on acquisition is recognised as an asset and measured at cost, representing the excess of the aggregate of the consideration, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the fair values of the identifiable assets and liabilities at the date of acquisition. The consideration is measured at fair value, which is the aggregate of the fair values of the assets transferred, liabilities incurred or assumed and the equity instruments issued in exchange for control of the acquiree. Acquisition-related costs are expensed as incurred adjusted items.

e) Impairment of non-financial assets

Intangible assets with finite useful lives and property, plant and equipment are tested for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable. When an impairment test is performed, the recoverable amount of the asset is assessed and its carrying amount is reduced to that amount if lower, and any impairment losses are recognised in the Income Statement. The recoverable amount is the higher of the value in use and of the fair value less costs to sell, where the value in use is the present value of the future cash flows expected to be derived from the asset.

If, in a subsequent period, the amount of the impairment loss decreases due to a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. The reversal of an impairment loss is recognised in the Income Statement.

Goodwill is not amortised, but it is reviewed for impairment at least annually. Goodwill is allocated to cash generating units ('CGUs') for the purpose of impairment testing, so that the value in use is determined by reference to the discounted cash flows of the CGU. The cash flows considered are the expected pre-tax cash flows of the CGU, for projections over a three year period extrapolated using estimated long-term growth rates. The recoverable amount the CGU, as for any asset, is the higher of the value in use and the fair value less costs to sell. If a CGU is impaired, the impairment losses are allocated firstly against goodwill, and then on a pro-rata basis against intangible and other assets. An impairment of goodwill cannot be reversed.

f) Foreign currencies

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Consolidated Financial Statements are presented in Sterling, which is the Company's functional and the Group's presentation currency.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of transactions and the translation of monetary assets and liabilities denominated in foreign currencies at period end exchange rates are recognised in the Income Statement.

On consolidation, assets and liabilities of foreign undertakings are translated into Sterling at year end exchange rates. The results of foreign undertakings are translated into Sterling at average rates of exchange for the year (unless this average is not a reasonable approximation of the cumulative effects of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions). Foreign exchange differences arising on retranslation are recognised directly in a separate component of equity, the translation reserve.

In the event of the disposal of an undertaking with assets and liabilities denominated in a foreign currency, the cumulative translation difference in the translation reserve that is associated with the undertaking is charged or credited to the gain or loss on disposal recognised in the Income Statement.

NOTES TO THE FINANCIAL STATEMENTS

1. Statement of Accounting Policies continued

f) Foreign currencies continued

Further information is provided in the financial instruments accounting policy in relation to loans and borrowings in foreign currencies that are designated as a hedge of a net investment in a foreign operation.

g) Revenue

Revenue represents the fair value of the consideration received or receivable for the sale of goods or services, net of discounts and sales taxes. Revenue is recognised when it is probable that the economic benefits associated with a transaction will flow to the Group and the amount of revenue and associated costs can be measured reliably. Subscription revenue is allocated to the relevant accounting periods covered by the subscription on a straight line basis or weighted in accordance with the timing of the service provided. Event revenue is recognised in the month that the event takes place, hard copy advertising revenue is recognised on publication, and online Directory advertising revenue is recognised over the period that the advertisement remains online. Subscriptions and fees in advance are carried forward in trade and other payables as 'subscriptions and deferred revenue' and are recognised over the period the service is provided.

Sales of goods are recognised when the Group has despatched the goods to the customer, the customer has accepted the goods, and collectability of the related receivables is reasonably assured.

h) Segmental reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Company's Board of Directors ('The Board') which is considered as the Group's chief operating decision maker and is responsible for allocating resources and assessing performance of the operating segments. The Board considers the business from both a geographic and product perspective. Geographically, management considers the performance of the Group between the UK, Europe (excluding the UK), North America and the Rest of the World.

i) Adjusting items

The Group's Income Statement separately identifies adjusting items. Such items are those that in the Directors' judgement are one-off in nature and need to be disclosed separately by virtue of their size and incidence. In determining whether an item or transaction should be classified as an adjusting item, the Directors consider quantitative as well as qualitative factors such as the frequency, predictability of occurrence and significance. This is consistent with the way that financial performance is measured by management and reported to the Board. Adjusting items may not be comparable to similarly titled measures used by other companies. Disclosing adjusted items separately provides additional understanding of the performance of the Group.

j) Current and deferred income tax

Current and deferred income tax is recognised as income or an expense and included in profit or loss for the period, except to the extent that it relates to items recognised directly in other comprehensive income or equity, in which case it is recognised in other comprehensive income or equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company's subsidiaries operate and generate taxable income. Management periodically evaluate positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Consolidated Financial Statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss. Deferred income tax is determined using tax rates (and law) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

k) Dividends

Dividend distributions are recognised in the Consolidated Financial Statements when the shareholders right to receive payment is established. Final dividend distributions are recognised in the period in which they are approved by the shareholders, whilst interim dividend distributions are recognised in the period in which they are declared and paid.

1. Statement of Accounting Policies continued

l) Intangible assets

Intangible assets are stated at historical cost less accumulated amortisation.

Publishing rights, titles and benefits are classified as intangible assets. They are initially recorded at cost and are amortised through the Income Statement on a straight line basis over their estimated useful lives not exceeding twenty years.

Computer software that is integral to a related item of hardware is classified as property, plant and equipment. All other computer software and also the cost of internally developed software and databases are classified as intangible assets. Computer software licences purchased from third parties are initially recorded at cost. Costs associated with the production of internally developed software are capitalised once it is probable that they will generate future economic benefits and satisfy the other criteria set out in IAS 38. Computer software intangible assets (including the cost of internally developed software and databases) are amortised through the Income Statement on a straight line basis over their estimated useful lives not exceeding three years.

m) Property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation. Cost includes the original purchase price of the asset plus any costs of bringing the asset to its working condition for its intended use. Depreciation is not provided on freehold land. On other assets it is provided at the following annual rates, on a straight-line basis, in order to write down each asset to its residual value over its estimated useful life.

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Freehold property (excluding land)	2% per annum
Long and short leasehold property	Over the term of the lease to a maximum of 50 years
Leasehold improvements	10% per annum or over the term of the lease if less than 10 years
Fixtures and fittings	10–20% per annum
Computer equipment	25–33% per annum
Motor vehicles	25% per annum

Leasehold improvements are included in long or short leasehold property as appropriate.

Non-current assets (or disposal groups) are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised, as adjusted items if significant, within the Income Statement.

n) Investments in subsidiaries

Fixed asset investments, which all relate to investments in subsidiaries, are stated at cost less provision for any impairment in value.

o) Financial instruments

Financial assets

The Group classifies its non-derivative financial assets as ‘loans and receivables’ for the purposes of IAS 39 ‘Financial Instruments: Recognition and Measurement’. Management determines the classification at initial recognition and re-evaluates this designation at each reporting date.

Loans and receivables:

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are initially recognised at fair value plus transaction costs. They are subsequently carried at amortised cost using the effective interest method, with changes in carrying value recognised in the Income Statement.

NOTES TO THE FINANCIAL STATEMENTS

1. Statement of Accounting Policies continued

o) Financial instruments continued

Loans and receivables are classified as current assets if they mature within 12 months of the balance sheet date, but are otherwise classified as non-current assets.

The Group's 'loans and receivables' comprise 'trade and other receivables' and 'cash and cash equivalents', for which further information is provided below.

Trade and other receivables:
Financial assets within trade and other receivables are initially recognised at fair value, which is usually the invoiced amount. They are subsequently carried at amortised cost using the effective interest method (if the time value of money is significant), less provisions made for doubtful receivables. Provisions are made specifically, where there is evidence of a risk of non-payment taking into account ageing, previous losses experienced and general economic conditions.

If collection is expected in 12 months or less (or in the normal operating cycle of the particular business if longer), the trade or other receivable is classified as a current asset. It is otherwise classified as a non-current asset.

Cash and cash equivalents:
Cash and cash equivalents comprise cash in hand, current balances with banks and similar institutions, and other short-term highly liquid investments which are subject to insignificant risk of changes in value and have original maturities of three months or less. Cash and cash equivalents are offset against bank overdrafts and the net amount is reported in the Balance Sheet when there is a legally enforceable right to offset the recognised amounts. Bank overdrafts are otherwise shown as borrowings within current liabilities on the Balance Sheet.

Impairment of financial assets:
The Group assesses at each balance sheet date whether a financial asset or group of financial assets is impaired. Where there is objective evidence that an impairment loss has arisen on an asset carried at amortised cost, the carrying amount is reduced and the impairment loss is recognised in the Income Statement. The impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the financial asset does not exceed what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The reversal of an impairment loss is recognised in the Income Statement.

Financial liabilities

Trade and other payables:
Financial liabilities within trade and other payables are initially recognised at fair value, which is usually the invoiced amount. They are subsequently carried at amortised cost using the effective interest method (if the time value of money is significant).

If due within 12 months or less, the trade or other payable is classified as a current liability. It is otherwise classified as a non-current liability.

Loans and other borrowings:
Loans and other borrowings are initially recognised at the fair value of the amounts received net of transaction costs. They are subsequently carried at amortised cost using the effective interest method, with changes in carrying value recognised in the Income Statement.

Further information is provided below in relation to loans and borrowings in foreign currencies that are designated as a hedge of a net investment in a foreign operation.

Loans and other borrowings are classified as current liabilities if they mature within 12 months of the balance sheet date, but are otherwise classified as non-current liabilities.

Financial instruments and hedge accounting

The Group uses derivative financial instruments to reduce its exposure to interest rate risk and foreign currency risk, and it also has loans and borrowings in foreign currencies that correspond to investments in foreign operations.

Financial instruments that do not qualify for hedge accounting:
The Group does not hold or issue derivative financial instruments for financial trading purposes. However, derivative financial instruments that do not qualify for hedge accounting (e.g. certain forward currency contracts held by the Group) are classified as 'held for trading' for the purposes of IAS 39 'Financial Instruments: Recognition and Measurement', so are initially recognised and subsequently measured at fair value. The gain or loss on re-measurement to fair value is recognised in the Income Statement.

1. Statement of Accounting Policies continued

Financial instruments that do qualify for hedge accounting:
To qualify for hedge accounting, a financial instrument must be designated as a hedging instrument at inception, hedge documentation must be prepared and the hedge must be expected to be highly effective. The effectiveness of the hedge is then tested at each reporting date, both prospectively and retrospectively, and hedge accounting may be continued only if the hedge remains highly effective. Hedge accounting is discontinued when the hedging instrument expires, or is sold, terminated or no longer qualifies for hedge accounting, or if the Group chooses to end the hedge relationship.

A financial instrument designated for hedge accounting is initially recognised at fair value. For cash flow hedges (e.g. interest rate swaps), the gains or losses on re-measurement to fair value that correspond to the effective part of the hedge are recognised directly in equity; those that correspond to the ineffective part, if any, are recognised in the Income Statement. For net investment hedges (loans and borrowings in foreign currencies that are designated as a hedge of a net investment in a foreign operation), the translation differences that correspond to the effective part of the hedge are recognised directly in equity; those that correspond to the ineffective part, if any, are recognised in the Income Statement.

p) Provisions for future purchase of non-controlling interests
On the acquisition of less than 100% of certain subsidiary undertakings, the Group may enter into put and call options with the holders of the shares not owned by the Group, to purchase their interests at a later date.

These written put options are gross-settled (i.e. the entity pays cash in return for the counterparty delivering shares), and hence are recognised as a financial liability at the discounted value of the amount payable. The liability recognised may be subject to a cap based on the individual agreements with the counterparties.

As the price under the option is calculated using a formula based on the average audited profits for the previous two years at the time of exercise, the financial liability is re-measured at the year end based on the latest forecasts of profitability (consistent with those used in the impairment test on goodwill and discounted at a rate of 10% (2013: 10%) to reflect the time value of money) and assuming the put options are exercised at the first available opportunity. The unwinding of the discount on these provisions is reflected as a finance charge in the Income Statement over the discounting period. Any remaining change in value for legacy transactions is reflected in goodwill.

Where the put option is ultimately exercised, the amount recognised as the financial liability at that date will be extinguished by the payment of the exercise price. Where the put option expires unexercised, the liability is reversed.

q) Retirement benefits
The Group does not operate a defined benefit pension scheme.

The Group contributes to defined contribution pension schemes for a number of employees. Contributions to these arrangements are charged in the Income Statement in the period in which they are incurred. The Group has no further payment obligation once the contributions have been paid.

r) Share-based payments
The Group operates a number of equity-settled, share-based compensation plans, under which the entity receives services from employees as consideration for equity instruments (share awards) of the Group. The fair value of the employee services received in exchange for the grant of share awards is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the share awards granted, excluding the impact of any non-market service and performance vesting conditions (for example, profitability and remaining as an employee of the entity over a specified time period). Non-market vesting conditions are included in assumptions about the number of share awards that are expected to vest. The total amount expensed is recognised over the vesting period, which is the period over which all of the specified existing conditions are to be satisfied. At each balance sheet date, the entity revises its estimates of the number of share awards that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in the Income Statement, with a corresponding adjustment to the share-based payments reserve within equity.

The grant by the Company of share awards over its equity instruments to the employees of subsidiaries in the Group is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary undertakings with a corresponding credit to equity in the parent entity Financial Statements.

The social security contributions and payment in lieu of dividend payable in connection with the grant of the share awards is considered an integral part of the grant itself, and the charge will be treated as a cash-settled transaction. The cumulative share-based payment charge held in reserves is recycled into retained earnings when the share awards lapse or are exercised.

NOTES TO THE FINANCIAL STATEMENTS

1. Statement of Accounting Policies continued

s) Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases.

Rentals incurred in respect of operating leases (net of any incentives received from the lessor) are charged to the Income Statement on a straight-line basis over the period of the lease.

t) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Where any Group company purchases the Company's equity share capital ('Treasury Shares'), the consideration paid, including any directly attributable incremental costs (net of income taxes), is deducted from equity attributable to the Company's equity holders until the shares are cancelled or reissued.

u) New standards and interpretations applied

The following new amendments to standards and interpretations, which do not have a material impact, are mandatory for the first time for the financial year beginning 1 July 2013 and are relevant to the preparation of the Group's financial statements:

- Amendment to IFRS 7, 'Financial instruments: Disclosures', on asset and liability offsetting. This amendment includes new disclosures to facilitate comparison between those entities that prepare IFRS financial statements to those that prepare financial statements in accordance with other accounting frameworks.
- Annual improvements 2011. These annual improvements address six issues in the 2009–2011 reporting cycle. They include changes to the following standards which are relevant to the Group:

o IAS 1, 'Financial statement presentation' — Clarification of the requirements for comparative information

o IAS 16, 'Property plant and equipment' — Classification of servicing equipment

o IAS 32, 'Financial instruments; Presentation' — Tax effect of distribution to holders of equity instruments

- IFRS 13, 'Fair value measurement'. IFRS 13 aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The adoption of IFRS 13 within the Group's accounts has not materially impacted the financial statements.

v) New standards and interpretations not applied

The following new standards, amendments to standards and interpretations have been issued, but are not effective (or not effective in the EU) for the financial year beginning 1 July 2013 and have not been early adopted:

- IFRS 10, 'Consolidated financial statements' is effective for accounting periods beginning on or after 1 January 2013, but has been endorsed by the EU only for periods beginning on or after 1 January 2014. It has therefore not been applied within these financial statements.
- IFRS 11, 'Joint arrangements' is effective for accounting periods beginning on or after 1 January 2013, but has been endorsed by the EU only for periods beginning on or after 1 January 2014. It has therefore not been applied within these financial statements.
- IFRS 12, 'Disclosures of interests in other entities' is effective for accounting periods beginning on or after 1 January 2013, but has been endorsed by the EU only for periods beginning on or after 1 January 2014. It has therefore not been applied within these financial statements.
- Amendment to IFRSs 10, 11 and 12 on transitional guidance. Given these standards have not been endorsed by the EU in respect of this reporting period, the Group has not applied these amendments either.
- IFRS 9, 'Financial instruments — classification and measurement of financial assets', which is effective for accounting periods beginning on or after 1 January 2018, and has not yet been endorsed for adoption in the EU.

Management will assess the impact on the Group of these standards prior to the effective date of implementation. There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Group.

2. Measures of profit

To provide shareholders with a better understanding of the trading performance of the Group, Adjusted Profit before Tax has been calculated as profit before tax after adding back:

- amortisation of intangible assets – publishing rights, titles and benefits;
- impairment of goodwill;
- unwinding of the discount on the provisions for the future purchase of non-controlling interests and deferred consideration;
- share-based payments; and,
- other adjusting items (including net gains on the disposal of property).

Adjusted Profit before Tax, Adjusted EBITA and Adjusted EBITDA reconcile to profit on continuing activities before tax as follows:

	Year ended 30 June 2014 £'000	Year ended 30 June 2013 £'000
Profit before tax	**8,592**	5,116
Amortisation of intangible assets – publishing rights, titles and benefits (see note 13)	**6,286**	6,105
Impairment of goodwill	**—**	4,500
Unwinding of the discounts	**39**	93
Share-based payments	**924**	888
Gain on disposal of property	**—**	(3,325)
Other adjusting items (see note 5)	**764**	1,325
Adjusted profit before tax ('Adjusted Profit before Tax')	**16,605**	14,702
Net finance costs (excluding the unwinding of the discounts above)	**2,099**	2,163
Adjusted operating profit ('Adjusted EBITA')	**18,704**	16,865
Depreciation of property, plant and equipment (see note 14)	**1,025**	1,043
Amortisation of intangible assets – computer software (see note 13)	**816**	755
Adjusted EBITA before depreciation ('Adjusted EBITDA')	**20,545**	18,663

3. Segmental information

The Group's operating segments are reported in a manner consistent with the internal financial information provided to the Board, which represents the chief operating decision maker.

The Group's organisational structure reflects the different professional markets to which it provides information, compliance and education. The six professional divisions (Pensions & Insurance, Banking & Compliance, Healthcare, Legal, Business Intelligence and Accountancy) are the Group's reportable segments and generate substantially all of the Group's revenue.

There are no changes to any of the Group's accounting policies.

The Board considers the business from both a geographic and product perspective. Geographically, management considers the performance of the Group split between the UK, Europe (excluding the UK), North America and the Rest of the World.

NOTES TO THE FINANCIAL STATEMENTS

3. Segmental information continued

a) Business segments

	Revenue Year ended 30 June 2014 £'000	Operating profit Year ended 30 June 2014 £'000	Revenue Year ended 30 June 2013 £'000	Operating profit Year ended 30 June 2013 £'000
Pensions & Insurance	17,006	6,765	14,629	6,093
Banking & Compliance	21,938	5,543	16,566	3,513
Healthcare	13,684	2,818	13,058	2,836
Legal	17,371	2,268	19,266	2,884
Business Intelligence	9,581	2,500	10,948	2,523
Accountancy	10,444	2,076	10,581	2,135
Unallocated central overheads	—	(3,266)	—	(3,119)
	90,024	18,704	85,048	16,865
Amortisation of intangible assets – publishing rights, titles and benefits (see note 13)		(6,286)		(6,105)
Impairment of goodwill		—		(4,500)
Share-based payments		(924)		(888)
Gain on disposal of property		—		3,325
Other adjusting items (see note 5)		(764)		(1,325)
Net finance costs (see note 6)		(2,138)		(2,256)
Profit before tax		8,592		5,116
Taxation (see note 7)		(2,034)		(1,484)
Profit for the financial year		6,558		3,632

Unallocated central overheads represent head office costs that are not specifically allocated to segments.

Total assets and liabilities for each reportable segment are not presented, as such information is not provided to the Board.

b) Segmental information by geography

The UK is the Group's country of domicile and the Group generates the majority of its revenue from external customers in the UK. The geographical analysis of revenue is on the basis of the country of origin in which the customer is invoiced:

	Year ended 30 June 2014 £'000	Year ended 30 June 2013 £'000
UK	57,135	58,159
Europe (excluding the UK)	15,060	13,070
North America	10,467	6,256
Rest of the World	7,362	7,563
Total revenue	90,024	85,048

4. Net operating expenses

	Year ended 30 June 2014 £'000	Year ended 30 June 2013 £'000
Cost of sales	26,918	26,064
Distribution and selling costs	16,650	15,814
Administrative expenses (excluding amortisation of intangible assets – computer software)	26,936	25,550
Amortisation of intangible assets – computer software	816	755
Net operating expenses before adjusting items	71,320	68,183
Other adjusting items (see note 5)	764	1,325
Net operating expenses	72,084	69,508

Other adjusting items are all classified as administration expenses.

5. Profit from continuing operations

Profit for the year from continuing operations is stated after charging/(crediting):

	Year ended 30 June 2014 £'000	Year ended 30 June 2013 £'000
Depreciation of property, plant and equipment (see note 14)	1,025	1,043
Impairment of property, plant and equipment (see note 14)	—	325
Amortisation of intangible assets – publishing rights, titles and benefits (see note 13)	6,286	6,105
Amortisation of intangible assets – computer software (see note 13)	816	755
Impairment of goodwill	—	4,500
Loss on disposal of property, plant and equipment	34	94
Rentals under operating leases	972	917
Gain on disposal of property	—	(3,325)
Other adjusting items (see below)	764	1,325
Share-based payments	924	888
Foreign exchange profit (including forward currency contracts)	(31)	(121)
Fees payable to the Auditors for the audit of the Company and Consolidated Financial Statements	65	65
Fees payable to the Auditors and its associates for other services:		
– The audit of the Company's subsidiaries pursuant to legislation	200	167
– Audit-related assurance services	17	17
– Tax compliance services	57	71
– Tax advisory services	15	31

Adjusting items:

The following items have been charged/(credited) to profit or loss during the year but are of an unusual nature, size or incidence and so are shown separately:

	Year ended 30 June 2014 £'000	Year ended 30 June 2013 £'000
Costs written off relating to both successful and aborted acquisitions	380	270
Restructuring and rationalisation costs	275	593
Impairment of freehold property and associated property, plant and equipment	—	325
Costs relating to rationalisation of publishing operations	—	339
Increase/(decrease) in liability for deferred consideration	109	(440)
Termination costs of joint venture contract	—	238
Other adjusting items (included in operating expenses)	764	1,325
Gain on the sale of property	—	(3,325)
Amortisation of intangible assets – publishing rights, titles and benefits	6,286	6,105
Impairment of goodwill	—	4,500
Share-based payments	924	888
Total adjusting items (classified in operating profit)	7,974	9,493
Unwinding of discount on the provisions for the future purchase of non-controlling interests and deferred consideration	39	93
Total adjusting items (classified in profit before tax)	8,013	9,586

Restructuring and rationalisation costs comprise primarily redundancy and termination costs together with associated reorganisation costs (including associated gains and losses on disposal of related fixed assets).

NOTES TO THE FINANCIAL STATEMENTS

6. Net finance costs

	Year ended 30 June 2014 £'000	Year ended 30 June 2013 £'000
Finance income comprises:		
Bank interest receivable	**–**	4
Finance costs comprise:		
Interest payable on bank loans and overdrafts	**(1,718)**	(1,653)
Facility fees	**(213)**	(267)
Amortisation of capitalised loan arrangement fees	**(168)**	(247)
Unwinding of the discount on the provisions for the future purchase of non-controlling interests	**(13)**	(16)
Unwinding of the discount on deferred consideration	**(26)**	(77)
	(2,138)	(2,260)

7. Taxation

	Year ended 30 June 2014 £'000	Year ended 30 June 2013 £'000
Current tax:		
UK corporation tax at current rates on profits for the year	**2,036**	2,382
Adjustments in respect of previous years	**(64)**	30
	1,972	2,412
Foreign tax	**1,045**	854
Adjustment in respect of previous years	**(47)**	(4)
Total current tax	**2,970**	3,262
Deferred tax credit	**(458)**	(1,469)
Adjustments to deferred tax in respect of previous years	**11**	(41)
Effect on deferred tax of change in corporation tax rate	**(489)**	(268)
Total deferred tax	**(936)**	(1,778)
Taxation	**2,034**	1,484

7. Taxation continued

Factors affecting the tax charge for the year:

The tax assessed is higher (2013: higher) than the average rate of corporation tax in the UK of 22.50% (2013: 23.75%). The differences are explained below:

	Year ended 30 June 2014 £'000	Year ended 30 June 2013 £'000
Profit before tax	**8,592**	5,116
Profit multiplied by the average rate of corporation tax in the year of 22.50% (2013: 23.75%)	**1,933**	1,215
Tax effects of:		
Depreciation and amortisation in excess of capital allowances	**523**	124
Impairment not allowable for tax	**—**	1,069
Foreign tax rate differences	**358**	179
Adjustment in respect of previous years	**(111)**	26
Profit on sale of property on which no tax is payable	**—**	(790)
Other items not subject to tax	**(180)**	(71)
Effect on deferred tax of change of corporation tax rate from 23% to 21% (2013: 24% to 23%)	**(489)**	(268)
Taxation	**2,034**	1,484

On 2 July 2013, the UK corporation tax rate was reduced from 23% to 21% from 1 April 2014 and 20% from 1 April 2015. This change has been substantively enacted at the balance sheet date and, therefore, is included in these financial statements. As deferred tax assets and liabilities are measured at the rates that are expected to apply in the periods of the reversal, deferred tax balances at 30 June 2014 have been calculated using a rate of 21% or 20%, as appropriate, giving rise to a reduction in the net deferred tax liability of £489,000 (2013: £268,000). The Company's profits for this accounting year are taxed at an effective rate of 22.50%.

8. Dividends

Amounts recognised as distributions to owners of the parent in the year:

	Year ended 30 June 2014 pence per share	Year ended 30 June 2013 pence per share	**Year ended 30 June 2014 £'000**	Year ended 30 June 2013 £'000
Final dividends recognised as distributions in the year	**3.5**	3.5	**2,974**	2,973
Interim dividends recognised as distributions in the year	**3.6**	3.5	**3,084**	2,974
Total dividends paid			**6,058**	5,947
Final dividend proposed	**3.7**	3.5	**3,170**	2,974

NOTES TO THE FINANCIAL STATEMENTS

9. Earnings per share

Adjusted earnings per share has been calculated using adjusted earnings calculated as profit after taxation and non-controlling interests but before:

- Amortisation of intangible assets – publishing rights, titles and benefits;
- Impairment of goodwill;
- Gain on the disposal of property;
- Unwinding of the discount on the provisions for the future purchase of non-controlling interests and deferred consideration;
- Share-based payments; and
- Other adjusting items.

The calculation of the basic and diluted earnings per share is based on the following data:

	Year ended 30 June 2014 £'000	Year ended 30 June 2013 £'000
Earnings from continuing operations for the purpose of basic earnings per share	**6,485**	3,537
Add/(remove):		
Amortisation of intangible assets – publishing rights, titles and benefits	**6,286**	6,105
Impairment of goodwill	**–**	4,500
Gain on disposal of property	**–**	(3,325)
Other adjusting items	**764**	1,325
Share-based payments	**924**	888
Unwinding of the discount on the provisions for the future purchase of non-controlling interests deferred consideration	**39**	93
Tax effect	**(1,868)**	(2,057)
Adjusted earnings for the purposes of adjusted earnings per share	**12,630**	11,066

	Number	Number
Weighted average number of ordinary shares for the purposes of basic and adjusted earnings per share	**85,408,893**	84,727,804
Effect of dilutive potential ordinary shares:		
Future exercise of share awards and share options	**1,950,638**	1,992,729
Deferred consideration to be settled by equity	**372,855**	156,550
Weighted average number of ordinary shares for the purposes of diluted and adjusted diluted earnings per share	**87,732,386**	86,877,083
Basic earnings per share	**7.59p**	4.17p
Diluted earnings per share	**7.39p**	4.07p
Adjusted basic earnings per share ('Adjusted Earnings Per Share')	**14.79p**	13.06p
Adjusted diluted earnings per share	**14.40p**	12.74p

10. Results of Wilmington Group plc

Of the results for the year, a profit of £3,007,000 (2013: £25,227,000) relates to Wilmington Group plc, the parent company. Pursuant to Section 408 of the Companies Act 2006 the Company's own income statement and statement of other comprehensive income are not presented separately in the Company financial statements, but they have been approved by the Board.

11. Acquisitions and disposals

Business combinations

The Group acquired the trading assets and certain liabilities of Compliance Week, the leading provider of governance, risk and compliance ('GRC') information and events for public companies and large enterprises, primarily in the US, on 15 August 2013 from Haymarket Media, Inc. Compliance Week was acquired for consideration of $11.22m (£7.3m) in cash. Subsequently, $0.2m (£0.1m) was repaid to the Group in respect of the final working capital adjustment. Further contingent consideration of up to $3.0m (£1.8m) is potentially payable in cash, subject to Compliance Week achieving challenging growth targets in the financial year ending 30 June 2015.

Acquisition related costs of £0.3m have been recognised as part of the costs written off relating to both successful and abortive acquisitions of £0.4m shown as other adjusted items in the income statement (see note 5).

The acquisition of Compliance Week is consistent with Wilmington's strategy of acquiring businesses with high repeat revenues and strong, cash generative income streams in the Group's key markets. This business forms part of the Banking & Compliance Division and works closely with other Group companies, providing them with closer access to their North American customers and markets, as well as opportunities for developing new revenue streams.

Details of the purchase consideration, the net assets acquired and goodwill for the acquisition are as follows:

	£'000
Purchase consideration:	
Initial cash paid	7,411
Cash received in respect of final working capital adjustment	(129)
Net purchase consideration	7,282

The provisional fair values of assets and liabilities recognised as a result of this acquisition are as follows:

	Provisional fair value £'000
Customer relationships	1,446
Data	698
Brand	1,322
Other intangible assets	499
Total intangible assets (see note 13)	3,965
Trade and other receivables (net of allowances)	558
Subscriptions and deferred revenue	(1,206)
Net identifiable assets acquired	3,317
Goodwill (see note 12)	3,965
Net assets acquired	7,282

The goodwill is attributable to Compliance Week's strong position and profitability in trading in the international compliance and regulatory information market, the new product development potential and synergies to arise after the Group's acquisition of the new business.

The acquired business contributed revenues of £3,203,000 and contribution of £878,000 (£792,000 after adjusting items) to the Group for the period from the date of acquisition to 30 June 2014. If the acquisition had occurred on 1 July 2013, consolidated revenue and consolidated operating profit before adjusting items for the twelve months ended 30 June 2014 would have been £90,244,000 and £18,688,000 respectively.

Non-controlling interests

During the year, the Group acquired an additional 20.0% of the issued share capital of Mercia NI Limited and Mercia Ireland Limited for £58,000 thus increasing the ownership in these businesses to 80.0%.

NOTES TO THE FINANCIAL STATEMENTS

12. Goodwill

Cost	£'000
At 1 July 2012	77,343
Acquisitions	3,291
Change in provisions for the future purchase of non-controlling interests	(99)
Movement in offset of provisions for the future purchase of non-controlling interests	(3)
At 1 July 2013	80,532
Additions	60
Acquisitions (see note 11)	3,965
Exchange translation differences	(443)
Movement in offset of provisions for the future purchase of non-controlling interests	(9)
At 30 June 2014	**84,105**

Accumulated impairment	
At 1 July 2012	2,750
Impairment charge	4,500
At 1 July 2013 and 30 June 2014	**7,250**

Net book amount	
At 30 June 2014	**76,855**
At 30 June 2013	73,282
At 1 July 2012	74,593

The Group tests goodwill annually for impairment. The recoverable amount of the goodwill is determined from value in use calculations for each cash generating unit ('CGU'). These calculations use pre-tax cash flow projections based on financial budgets and forecasts approved by the Board covering a three year period. Cash flows beyond the three year period are extrapolated using estimated long-term growth rates.

Key assumptions for the value in use calculations are those regarding discount rates, cash flow forecasts and long-term growth rates. Management has used a pre-tax discount rate of 12.3% (2013: 12.3%) across all CGUs except for the Healthcare, Legal and Business Intelligence CGU which had a pre-tax discount rate of 13.3% (2013: 13.3%) to reflect the greater market challenges and risks. These pre-tax discount rates reflect current market assessments for the time value of money and the risks associated with the CGUs as the Group manages its treasury function on a Group-wide basis. The same discount rate has been used for all CGUs except Healthcare, Legal and Business Intelligence, as the Directors believe that the risks are the same for each CGU. The long-term growth rates used are based on management's expectations of future changes in the markets for each CGU and are 2.0% (2013: 2.0%).

Management's impairment calculations based upon the above assumptions show significant headroom. There are no CGUs which management consider a reasonable possible change in a key assumption that would give rise to any impairment.

13. Intangible assets

	Group			Company
	Publishing rights, titles and benefits £'000	Computer software £'000	Total £'000	Computer software £'000
Cost				
At 1 July 2012	59,395	4,165	63,560	559
Additions	262	764	1,026	28
Acquisitions	5,784	—	5,784	—
Exchange translation differences	21	—	21	—
At 1 July 2013	65,462	4,929	70,391	587
Additions	22	933	955	—
Acquisitions	3,965	—	3,965	—
Disposals	(3,002)	—	(3,002)	(587)
Exchange translation differences	(565)	—	(565)	—
At 30 June 2014	**65,882**	**5,862**	**71,744**	**—**
Accumulated amortisation				
At 1 July 2012	29,153	2,885	32,038	470
Charge for year	6,105	755	6,860	55
At 1 July 2013	35,258	3,640	38,898	525
Charge for year	6,286	816	7,102	23
Disposals	(3,002)	—	(3,002)	(548)
At 30 June 2014	**38,542**	**4,456**	**42,998**	**—**
Net book amount				
At 30 June 2014	**27,340**	**1,406**	**28,746**	**—**
At 30 June 2013	30,204	1,289	31,493	62
At 1 July 2012	30,242	1,280	31,522	89

The prior year includes an accelerated amortisation charge of £748,000 to reflect a reduction in the useful life of the Group's legacy print businesses.

NOTES TO THE FINANCIAL STATEMENTS

14. Property, plant and equipment

Group	Freehold property £'000	Long leasehold property £'000	Short leasehold property £'000	Fixtures and fittings £'000	Computer equipment £'000	Motor vehicles £'000	Total £'000
Cost							
At 1 July 2012	3,051	3,999	148	3,140	5,320	469	16,127
Additions	—	—	22	550	528	117	1,217
Acquisitions	—	—	—	23	12	—	35
Sale of subsidiary undertakings	—	—	—	(70)	—	—	(70)
Disposals	—	—	(31)	(843)	(2,000)	(112)	(2,986)
Transfer to assets held for sale	(1,049)	(44)	—	(45)	(34)	—	(1,172)
Exchange translation differences	—	—	10	10	27	—	47
At 1 July 2013	2,002	3,955	149	2,765	3,853	474	13,198
Additions	—	—	74	172	588	49	883
Disposals	—	—	(61)	(107)	(635)	(41)	(844)
Exchange translation differences	—	—	(8)	(13)	(35)	—	(56)
At 30 June 2014	**2,002**	**3,955**	**154**	**2,817**	**3,771**	**482**	**13,181**
Accumulated depreciation							
At 1 July 2012	338	1,900	101	2,264	4,591	161	9,355
Charge for the year	65	161	2	341	369	105	1,043
Impairment	258	37	—	24	6	—	325
Sale of subsidiary undertakings	—	—	—	(68)	—	—	(68)
Disposals	—	—	(29)	(789)	(2,000)	(76)	(2,894)
Transfer to assets held for sale	(391)	(44)	—	(45)	(34)	—	(514)
Exchange translation differences	—	—	9	4	29	—	42
At 1 July 2013	270	2,054	83	1,731	2,961	190	7,289
Charge for the year	31	150	21	306	415	102	1,025
Disposals	—	—	(54)	(82)	(635)	(39)	(810)
Exchange translation differences	—	—	(5)	(11)	(34)	—	(50)
At 30 June 2014	**301**	**2,204**	**45**	**1,944**	**2,707**	**253**	**7,454**
Net book amount							
At 30 June 2014	**1,701**	**1,751**	**109**	**873**	**1,064**	**229**	**5,727**
At 30 June 2013	1,732	1,901	66	1,034	892	284	5,909
At 1 July 2012	2,713	2,099	47	876	729	308	6,772

Included in freehold property is £970,000 (2013: £970,000) of non-depreciated land.

Depreciation of property, plant and equipment is charged to net operating expenses within the income statement.

14. Property, plant and equipment continued

Company	Long leasehold property £'000	Short leasehold property £'000	Fixtures and fittings £'000	Computer equipment £'000	Total £'000
Cost					
At 1 July 2012	2,789	31	42	149	3,011
Disposals	—	(31)	(8)	—	(39)
At 1 July 2013	2,789	—	34	149	2,972
Disposals	—	—	(34)	(149)	(183)
At 30 June 2014	**2,789**	**—**	**—**	**—**	**2,789**
Accumulated depreciation					
At 1 July 2012	1,560	31	38	140	1,769
Charge for the year	142	—	1	4	147
Disposals	—	(31)	(5)	—	(36)
At 1 July 2013	1,702	—	34	144	1,880
Charge for the year	136	—	—	2	138
Disposals	—	—	(34)	(146)	(180)
At 30 June 2014	**1,838**	**—**	**—**	**—**	**1,838**
Net book amount					
At 30 June 2014	**951**	**—**	**—**	**—**	**951**
At 30 June 2013	1,087	—	—	5	1,092
At 1 July 2012	1,229	—	4	9	1,242

NOTES TO THE FINANCIAL STATEMENTS

15. Investments in subsidiaries

Company	Shares in subsidiary undertakings £'000
Cost less provision at 1 July 2012	41,909
Transfer of investment in subsidiaries to one of its subsidiaries	6,199
Share-based payments made on behalf of subsidiaries	483
Cost less provision at 1 July 2013	48,591
Additions	60
Share-based payments made on behalf of subsidiaries	542
Cost less provision at 30 June 2014	**49,193**

The table below gives brief details of the Group's principal operating subsidiaries at 30 June 2014. All have ordinary share capital and a year end of 30 June. Except where indicated, all of the principal subsidiaries were incorporated in and principally operated in Great Britain. Subsidiaries marked (*) are indirectly owned.

The Group comprises a large number of entities and it is not practical to include all of them in this list. The list therefore includes only those entities that have a significant impact on the revenue, profit or assets of the Group. A full list of subsidiaries will be annexed to the Company's next annual return filed with the Registrar of Companies.

Name of company	Business	Percentage owned
Adkins, Matchett & Toy (Hong Kong) Limited* (incorporated and operates in Hong Kong)	Provision of professional training	100
Adkins & Matchett (UK) Limited*	Provision of professional training	100
Adkins, Matchett & Toy Limited* (incorporated and operates in the USA)	Provision of professional training	100
APM International SAS* (incorporated and operates in France)	News information services to the healthcare industry	100
APM Media SARL* (incorporated and operates in France)	News information services to the healthcare industry	100
Ark Conferences Limited*	Provision of information and events for professional practice management	100
Ark Group Inc* (incorporated and operates in the USA)	Provision of information and events for professional practice management	100
Ark Group Limited*	Holding company	100
Ark Singapore Pty Limited* (incorporated and operates in Singapore)	Provision of information and events for professional practice management	100
Axco Insurance Information Services Limited*	Provision of international compliance and regulatory information for the global insurance industry	100
Bond Solon Training Limited*	Witness training and conferences	100
CLT International Limited*	Certified professional training	100
Central Law Training Limited*	Professional education, post qualification training and legal conferences	100
Central Law Training (Scotland) Limited*	Professional education, post qualification training and legal conferences	80
International Company Profile FZ LLC* (Middle East) (incorporated and operates in Dubai)	Provision of financial information	100
International Compliance Training Limited*	Training courses in international compliance and money laundering	100
International Compliance Training (Singapore) Limited* (incorporated and operates in Singapore)	Training courses in international compliance and money laundering	100
International Compliance Training (Middle East) LLC* (incorporated and operates in UAE)	Training courses in international compliance and money laundering	100
La Touche Bond Solon Training Limited* (incorporated and operates in Ireland)	Witness and post qualification legal training	100

15. Investments in subsidiaries continued

Name of company	Business	Percentage owned
Mercia Group Limited*	Training and support services to the accountancy profession	100
Mercia Ireland Limited* (incorporated and operates in Ireland)	Training and support services to the accountancy profession	80
Mercia NI Limited* (incorporated and operates in Northern Ireland)	Training and support services to the accountancy profession	80
NHiS Limited	Provision of business intelligence, data analysis, workflow tools and other services to the healthcare industry	100
Practice Track Limited*	Marketing support services for the accountancy profession	100
Smee and Ford Limited*	Provision of legacy information	100
The Matchett Group Limited*	Holding company	100
Wilmington Business Information Limited*	Holding company	100
Wilmington Compliance Week Inc.* (incorporated and operates in the USA)	Provision of international compliance and regulatory information in the USA	100
Wilmington Healthcare Limited*	Provision of reference information to the healthcare industry	100
Wilmington Holdings US Inc.* (incorporated and operates in the USA)*	Holding company	100
Wilmington Holdings No 1 Limited	Holding company	100
Wilmington Inese SL (incorporated and operates in Spain)*	Provision of Spanish language subscription based publications	100
Wilmington Millennium Limited*	Provision of legacy information	82.5
Wilmington Publishing & Information Limited*	Provision of information and events for professional markets	100
Wilmington Shared Services Limited*	Provision of shared services	100
Wilmington Training & Events Limited*	Holding company	100

Wilmington Training & Events Limited owns 80% of Central Law Training (Scotland) Limited. Mercia Group Limited owns 80% of Mercia NI Limited and Mercia Ireland Limited. Wilmington Publishing & Information Limited owns 82.5% of Wilmington Millennium Limited.

NOTES TO THE FINANCIAL STATEMENTS

16. Trade and other receivables

	Group		Company	
	30 June 2014 £'000	30 June 2013 £'000	**30 June 2014 £'000**	30 June 2013 £'000
Current				
Trade receivables	**17,917**	17, 211	**—**	—
Other receivables	**2,230**	2,022	**—**	4
Prepayments and accrued income	**2,242**	2,146	**87**	84
	22,389	21,379	**87**	88
Non-current				
Amounts due from subsidiaries	**—**	—	**61,658**	70,169
	22,389	21,379	**61,745**	70,257

Amounts due from all other subsidiaries are interest free, unsecured and are not due for repayment within twelve months of the balance sheet date.

17. Derivative financial assets and liabilities

	Group and Company	
Current assets	**30 June 2014 £'000**	30 June 2013 £'000
Forward currency contracts	**37**	—
Current liabilities		
Interest rate swaps – maturing in November 2014	**(78)**	(63)
Non-current liabilities		
Interest rate swaps – maturing in November 2016	**(490)**	(1,096)

Details of these derivative financial assets and liabilities are set out in note 20.

18. Trade and other payables

	Group		Company	
	30 June 2014 £'000	30 June 2013 £'000	**30 June 2014 £'000**	30 June 2013 £'000
Trade payables	**3,429**	3,995	**—**	—
Other payables	**2,233**	2,623	**59**	218
Social security and other taxes	**3,746**	3,591	**—**	—
Subscriptions and deferred revenue	**19,591**	18,563	**—**	—
Accruals	**11,636**	10,482	**1,823**	1,380
Amounts due to subsidiaries	**—**	—	**2,000**	1,601
	40,635	39,254	**3,882**	3,199

Amounts due to subsidiaries are interest free, unsecured and repayable on demand.

19. Borrowings

	Group		Company	
Current liability	**30 June 2014 £'000**	30 June 2013 £'000	**30 June 2014 £'000**	30 June 2013 £'000
Bank overdrafts	**642**	890	**6,835**	8,530
Non-current liability				
Bank loans	**38,041**	40,286	**15,000**	20,286
Capitalised loan arrangement fees	**(368)**	(535)	**(368)**	(535)
Bank loans net of loan arrangement fees	**37,673**	39,751	**14,632**	19,751

Details of the Group's bank facilities are set out in note 20.

NOTES TO THE FINANCIAL STATEMENTS

20. Financial instruments and risk management

The Group's financial instruments arise from its operations (for example, trade receivables and trade payables) from the financing of its operations (for example, loans and borrowings and equity) and from its risk management activities (for example, interest rate swaps and forward currency contracts). The risks to which the Group is exposed include interest rate risk, foreign currency risk, liquidity and capital risk, and credit risk.

Interest rate risk

Risk

The Group financing arrangements include external debt that is subject to a variable interest rate. The Group is consequently exposed to cash flow volatility arising from fluctuations in market interest rates applicable to that external finance. In particular, interest is charged on the £38m (2013: £40m) amount drawn down on the revolving credit facility (see below) at a rate of between 2.00 and 2.75 per cent above LIBOR depending upon leverage. Cash flow volatility therefore arises from movements in the LIBOR interest rates and leverage.

Group policy

The Group policy is to enter into interest rate swap contracts to maintain the ratio of fixed to variable rate debt at a level that achieves a reasonable cost of debt whilst reducing the exposure to cash flow volatility arising from fluctuations in market interest rates.

Risk management arrangements

The Group's interest rate swap contracts offset part of its variable interest payments and replace them with fixed payments. In particular, the Group has hedged its exposure to the LIBOR part of the interest rate for a £25m (2013: £25m) portion of the loan facility via two interest rate swaps, as follows:

- A 5 year £15m interest rate swap commencing on 21 November 2011, whereby the Group receives interest on £15m based on the LIBOR rate and pays interest on £15m at a fixed rate of 2.68%; and
- A 3 year £10m interest rate swap commencing on 21 November 2011, whereby the Group receives interest on £10m based on the LIBOR rate and pays interest on £10m at a fixed rate of 2.12%.

These derivatives have been designated as a cash flow hedge for accounting purposes. The net settlement of interest on the interest rate swap, which comprises a variable rate interest receipt and a fixed rate interest payment, is recorded in net finance costs in the income statement and so is matched against the corresponding variable rate interest payment on the revolving credit facility. The derivatives are re-measured at fair value at each reporting date. This gives rise to a gain or loss, the entire amount of which is recognised in other comprehensive income following the Directors' assessment of the hedge's effectiveness.

Sensitivity analysis

The Group has performed a sensitivity analysis that measures the estimated charge to the Income Statement and Other Comprehensive Income ('OCI') arising from a 1.0% increase in market interest rates applicable at 30 June 2014, with all other variables remaining constant. The sensitivity analysis makes the following assumptions:

a. Changes in market interest rates only affect interest income or expense of variable financial instruments;

b. Changes in market interest rates only affect interest income or expense in relation to financial instruments with fixed interest rates if they are recognised at fair value; and

c. Changes in market interest rates do not affect the fair value of derivative financial instruments designated as hedging instruments and all interest rate hedges are expected to be highly effective.

20. Financial instruments and risk management continued

	Income Statement 100 bps Increase £'000	OCI 100 bps Increase £'000
Variable rate debt	(165)	—
Interest rate swap	—	219
	(165)	219

Foreign currency risk

Risk

The currency of the primary economic environment in which the Group operates is Sterling, and this is also the currency in which the Group presents its financial statements. However, the Group has significant Euro and US dollar cash flows arising from international trading and overseas operations. The Group is consequently exposed to cash flow volatility arising from fluctuations in the applicable exchange rates for converting Euros and US dollars to Sterling.

Group policy

The Group policy is to fix the exchange rate in relation to a periodically reassessed set percentage of expected Euro and US dollar net cash inflows arising from international trading, by entering into foreign currency contracts to sell a specified amount of Euros or US dollars on a specified future date at a specified exchange rate. This set percentage is approved by the Board as part of the budgeting process and upon the acquisition of foreign operations.

The Group policy is to finance investment in overseas operations from borrowings in the local currency of the relevant operation, so as to achieve a natural hedge of the foreign currency translation risk. This natural hedge is designated as a net investment hedge for accounting purposes.

Risk management arrangements

The following forward contracts were entered into in order to provide certainty in Sterling terms of 80% of the Group's expected net US dollar and Euro income:

- On 22 April 2013, the Group sold $1.0m to 10 December 2013 at a rate of 1.5248
- On 20 June 2013, the Group sold $2.0m to 31 October 2013 at a rate of 1.545
- On 20 June 2013, the Group sold $1.0m to 28 February 2014 at a rate of 1.5419
- On 20 June 2013, the Group sold $2.5m to 31 March 2014 at a rate of 1.5417
- On 12 June 2014, the Group sold $3.0m to 31 March 2015 at a rate of 1.6785
- On 12 June 2014, the Group sold $3.0m to 28 November 2014 at a rate of 1.6824
- On 16 June 2014, the Group sold $3.5m to 29 May 2015 at a rate of 1.6911
- On 28 June 2013, the Group sold €0.5m to 30 September 2013 at a rate of 1.1673
- On 28 June 2013, the Group sold €1.5m to 30 September 2013 at a rate of 1.1673
- On 28 June 2013, the Group sold €1.0m to 29 November 2013 at a rate of 1.1664
- On 28 June 2013 the Group sold €0.5m to 28 February 2014 at a rate of 1.1655
- On 28 March 2014, the Group sold €1.0m to 02 April 2014 at a rate of 1.2083

The above derivatives are re-measured at fair value at each reporting date. This gives rise to a gain or loss, the entire amount of which is recognised in the Income Statement.

The Group purchased, on 15 August 2013, the business and assets of Compliance Week, an operation in North America. The Group financed this acquisition via a $12.0m drawdown on the Group's multi-currency revolving loan facility (see below). This debt has been designated as a currency hedge of a net investment in a foreign operation for accounting purposes. It is translated into Sterling at each reporting date, which gives rise to a gain or loss, the entire amount of which is recognised in Other Comprehensive Income following the Directors' assessment of the hedge's effectiveness. At 30 June 2014 the drawdown is $5.2m following repayments of $6.8m being made during the year.

NOTES TO THE FINANCIAL STATEMENTS

20. Financial instruments and risk management continued

Foreign currency risk continued

The Group has performed a sensitivity analysis that measures the estimated credit/(charge) to the Income Statement and Other Comprehensive Income ('OCI') arising from a 10% difference in the US Dollar to Sterling and Euro to Sterling exchange rates applicable at 30 June 2014, with all other variables remaining constant. The sensitivity analysis makes the assumption that changes in foreign currency rates only affect income, expense, assets and liabilities that are denominated in the relevant currencies.

	Income statement		OCI	
	+10%* £'000	-10%* £'000	+10%* £'000	-10%* £'000
Cash and cash equivalents	(95)	116	—	—
Trade receivables (including the effect of forward currency contracts)	(33)	40	—	—
Currency translation differences	—	—	(889)	1,067
Net investment hedges	—	—	276	(338)
Profit before tax arising overseas	(388)	474	—	—
	(516)	630	(613)	729

* +10% represents Sterling value appreciating compared with other currencies. -10% represents Sterling value depreciating compared with other currencies.

Liquidity and capital risk

Risk

The Group has historically expanded its operations both organically and via acquisition, financed partly by retained profits but also via external finance. As well as financing cash outflows, the Group's activities give rise to working capital obligations and other operational cash outflows. The Group is consequently exposed to the risk that it cannot meet its obligations as they fall due, or can only meet them at an uneconomic price.

Group policy

The Group policy is to preserve a strong capital base in order to maintain investor, creditor and market confidence and to safeguard the future development of the business, but also to balance these objectives with the efficient use of capital. The Group has, in previous years, made purchases of its own shares (see note 22) whilst taking into account the availability of credit.

Risk management arrangements

The Group ensures its liquidity is maintained by entering into short, medium and long-term financial instruments to support operational and other funding requirements. The Group determines its liquidity requirements by the use of short and long-term cash forecasts.

The Group has an unsecured committed bank facility of £65.0m (2013: £65.0m) to February 2016. The facility currently comprises a revolving credit facility of £60.0m (2013: £60.0m) and an overdraft facility across the Group of £5.0m (2013: £5.0m). At 30 June 2014, £38.0m of the revolving credit facility was drawn down (2013: £40.3m). Interest is charged on the amount drawn down at between 2.00 and 2.75 per cent above LIBOR depending upon leverage, and drawdowns are made for periods of up to six months in duration. Interest is charged on the drawn element of the overdraft facility at 2.25% above the Barclays bank base rate. The Group also pays a fee of 0.9% on the undrawn element of the credit facility and 0.09% on the undrawn overdraft. The Group has complied at all times with the covenant requirements of the bank facility arrangement.

The Group had available an undrawn revolving credit facility as follows:

	30 June 2014 £'000	30 June 2013 £'000
Expiring after more than one year	**21,959**	19,714

20. Financial instruments and risk management continued

Liquidity and capital risk continued

The following tables provide a maturity analysis of the remaining contractually agreed cash flows for the Group's non-derivative financial liabilities on an undiscounted basis, which therefore differ from the carrying value and fair value:

Group

At 30 June 2014	Within 1 Year £'000	1–2 Years £'000	2–5 Years £'000	More than 5 Years £'000	Total £'000
Bank overdrafts	642	—	—	—	642
Bank loans including interest	1,321	39,162	—	—	40,483
Trade payables and accruals	17,298	—	—	—	17,298
Deferred consideration — cash settled	343	—	—	—	343
Provisions for future purchase of non-controlling interests	—	100	—	—	100
	19,604	39,262	—	—	58,866

At 30 June 2013	Within 1 Year £'000	1–2 Years £'000	2–5 Years £'000	More than 5 Years £'000	Total £'000
Bank overdrafts	890	—	—	—	890
Bank loans including interest	1,108	1,108	41,025	—	43,241
Trade payables and accruals	17,100	—	—	—	17,100
Deferred consideration — cash settled	224	261	—	—	485
Provisions for future purchase of non-controlling interests	—	183	—	—	183
	19,322	1,552	41,025	—	61,899

Company

At 30 June 2014	Within 1 Year £'000	1–2 Years £'000	2–5 Years £'000	More than 5 Years £'000	Total £'000
Bank overdrafts	6,835	—	—	—	6,835
Bank loans including interest	746	15,587	—	—	16,333
Trade payables, accruals and amounts due to subsidiary undertakings	3,882	—	—	—	3,882
Deferred consideration — cash settled	56	—	—	—	56
	11,519	15,587	—	—	27,106

At 30 June 2013	Within 1 Year £'000	1–2 Years £'000	2–5 Years £'000	More than 5 Years £'000	Total £'000
Bank overdrafts	8,530	—	—	—	8,530
Bank loans including interest	558	558	20,658	—	21,774
Trade payables, accruals and amounts due to subsidiary undertakings	3,199	—	—	—	3,199
Deferred consideration — cash settled	81	—	—	—	81
	12,368	558	20,658	—	33,584

The Company has entered into an unlimited cross guarantee with the Group's credit facility providers.

NOTES TO THE FINANCIAL STATEMENTS

20. Financial instruments and risk management continued

Credit Risk

Risk

The Group's principal financial assets are receivables and bank balances. The Group is consequently exposed to the risk that its customers or the credit facility providers cannot meet their obligations as they fall due.

Group policy

The Group policy is that the lines of business assess the creditworthiness and financial strength of customers at inception and on an ongoing basis. The Group also reviews the credit rating of the bank.

Risk management arrangements

The Group's credit risk is primarily attributable to its trade receivables. However, the Group has no significant exposure to credit risk because its trading is spread over a large number of customers. The payment terms offered to customers take into account the assessment of their creditworthiness and financial strength, and they are set in accordance with industry standards. The creditworthiness of customers is considered before trading commences. Most of the Group's customers are large and well established institutions that pay on time and in accordance with the Group's standard terms of business.

The amounts presented in the Balance Sheet are net of allowances for bad and doubtful receivables estimated by management based on prior experience and their assessment of the current economic value.

Set out below is an analysis of the Group's trade receivables by due date prior to any impairment.

	Not due £'000	0–30 days £'000	30–60 days £'000	Over 60 days £'000	Total £'000	Allowances £'000	Net £'000
At 30 June 2014	**10,674**	**3,105**	**1,396**	**3,371**	**18,546**	**(629)**	**17,917**
At 30 June 2013	9,644	3,655	1,883	2,972	18,154	(943)	17,211

Receivables within the 0–30 days category or above are past due, but the Group considers them to be collectable and not impaired except where specifically provided for.

Set out below is the movement for the year in the allowance for bad and doubtful debts relating to trade receivables.

	30 June 2014 £'000	30 June 2013 £'000
Allowances at 1 July 2013	**943**	1,283
Additions charged to Income Statement	**62**	182
Allowances made in respect of acquisitions	**–**	(198)
Allowances used	**(74)**	(107)
Allowances reversed	**(302)**	(217)
Allowances at 30 June 2014	**629**	943

20. Financial instruments and risk management continued

Fair value of financial assets and financial liabilities

The table below sets out the accounting classification and the carrying and fair values of all of the Group's financial assets and financial liabilities. The carrying value and fair value are equal in all cases. None of the financial instruments have been reclassified during the year. All items are classified as fair value through profit and loss and are held for trading.

Group

At 30 June 2014	Fair value through profit and loss £'000	Loans and receivables £'000	Financial instruments designated for hedging £'000	Amortised cost £'000	Other £'000	Total £'000
Financial assets						
Cash and cash equivalents	—	5,020	—	—	—	5,020
Trade and other receivables	—	20,084	—	—	—	20,084
Forward currency contracts	37	—	—	—	—	37
	37	25,104	—	—	—	25,141
Financial liabilities						
Trade and other payables	—	—	—	(17,298)	—	(17,298)
Bank overdrafts	—	—	—	(642)	—	(642)
Borrowings due after more than one year	—	—	(1,321)	(39,162)	—	(40,483)
Interest rate swaps	—	—	(568)	—	—	(568)
Put options for non-controlling interests	—	—	—	—	(100)	(100)
	—	—	(1,889)	(57,102)	(100)	(59,091)

At 30 June 2013	Fair value through profit and loss £'000	Loans and receivables £'000	Financial instruments designated for hedging £'000	Amortised cost £'000	Other £'000	Total £'000
Financial assets						
Cash and cash equivalents	—	7,803	—	—	—	7,803
Trade and other receivables	—	19,179	—	—	—	19,179
	—	26,982	—	—	—	26,982
Financial liabilities						
Trade and other payables	—	—	—	(17,100)	—	(17,100)
Bank overdrafts	—	—	—	(890)	—	(890)
Borrowings due after more than one year	—	—	(1,167)	(38,584)	—	(39,751)
Interest rate swaps	—	—	(1,096)	—	—	(1,096)
Forward currency contracts	(63)	—	—	—	—	(63)
Put options for non-controlling interests	—	—	—	—	(183)	(183)
	(63)	—	(2,263)	(56,574)	(183)	(59,083)

NOTES TO THE FINANCIAL STATEMENTS

20. Financial instruments and risk management continued

Company

At 30 June 2014	Fair value through profit and loss £'000	Loans and receivables £'000	Financial instruments designated for hedging £'000	Amortised cost £'000	Total £'000
Financial assets					
Cash and cash equivalents	–	19	–	–	19
Trade and other receivables	–	61,658	–	–	61,658
Forward currency contracts	37	–	–	–	37
	37	61,677	–	–	61,714
Financial liabilities					
Trade and other payables	–	–	–	(3,882)	(3,882)
Bank overdrafts	–	–	–	(6,835)	(6,835)
Borrowings due after more than one year	–	–	–	(14,632)	(14,632)
Interest rate swaps	–	–	(568)	–	(568)
	–	–	(568)	(25,349)	(25,917)

At 30 June 2013	Fair value through profit and loss £'000	Loans and receivables £'000	Financial instruments designated for hedging £'000	Amortised cost £'000	Total £'000
Financial assets					
Cash and cash equivalents	–	47	–	–	47
Trade and other receivables	–	70,169	–	–	70,169
	–	70,216	–	–	70,216
Financial liabilities					
Trade and other payables	–	–	–	(3,199)	(3,199)
Bank overdrafts	–	–	–	(8,530)	(8,530)
Borrowings due after more than one year	–	–	–	(19,751)	(19,751)
Interest rate swaps	–	–	(1,096)	–	(1,096)
Forward currency contracts	(63)	–	–	–	(63)
	(63)	–	(1,096)	(31,480)	(32,639)

The 'Put options for non-controlling interests' refer to options between the non-controlling interest holders of subsidiaries and the Group. The options require the Group to purchase a non-controlling shareholding in accordance with its contractual obligation.

The liability represents the costs to the Group of buying out these non-controlling interests should the put options be exercised by the non-controlling shareholders. The valuation upon exercise is dependent on the performance of the subsidiary undertakings at the date the options are exercised.

20. Financial instruments and risk management continued

Fair value measurement

The methods and assumptions used to estimate the fair values of financial assets and liabilities are as follows:

- The carrying amount of trade receivables and payables approximates to fair value due to the short maturity of the amounts receivable and payable;
- The fair value of the Group's borrowings are estimated on the basis of the discounted value of future cash flows using approximate discount rates in effect at the balance sheet date; and
- The fair value of the Group's outstanding interest rate swaps, foreign exchange contracts and put options for non-controlling interest are estimated using discounted cash flow models and market rates of interest and foreign exchange at the balance sheet date.

The table below analyses financial instruments measured at fair value via a valuation method. The different levels have been defined as:

Level 1

Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2

Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices); and

Level 3

Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

Group and Company

At 30 June 2014	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Liabilities				
Financial liabilities at fair value through income or expense				
– Trading derivatives at fair value through the Income Statement	–	(37)	–	(37)
Financial liabilities at fair value through equity				
– Derivative financial instruments designated for hedging	–	568	–	568
Total liabilities	–	531	–	531

At 30 June 2013	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Liabilities				
Financial liabilities at fair value through income or expense				
– Trading derivatives at fair value through the Income Statement	–	63	–	63
Financial liabilities at fair value through equity				
– Derivative financial instruments designated for hedging	–	1,096	–	1,096
Total liabilities	–	1,159	–	1,159

NOTES TO THE FINANCIAL STATEMENTS

21. Deferred tax

Movements on deferred tax assets are as follows:

	Group £'000	Company £'000
Non-current assets		
Asset at 1 July 2012	639	382
Deferred tax credit in the Income Statement for the year	56	122
Prior year deferred tax adjustment	(24)	(16)
Deferred tax credit included directly in equity for the year	216	19
Asset at 1 July 2013	887	507
Deferred tax charge in the Income Statement for the year	(150)	(201)
Effect on deferred tax of change in corporation tax rate	(28)	(53)
Deferred tax charge included directly in equity for the year	(147)	(147)
Asset at 30 June 2014	**562**	**106**

The Group deferred tax asset arises as a result of tax on share based payments of £443,000 (2013: £620,000) and fair value interest rate swap losses of £119,000 (2013: £267,000).

The Company deferred tax asset arises as a result of tax on share-based payment charges and fair value interest rate swap losses incurred directly in the Company's income statement. It is anticipated that the Company will make sufficient taxable profit to allow the benefit of the deferred tax asset to be utilised.

Movements on deferred tax liabilities are as follows:

	Group £'000	Company £'000
Non-current liabilities		
Liability at 1 July 2012	6,518	–
Deferred tax credit in the Income Statement for the year	(1,413)	–
Deferred tax liabilities arising on acquisition of businesses	1,047	–
Prior year deferred tax adjustment	(41)	–
Effect on deferred tax of change in corporation tax rate	(292)	–
Exchange translation differences	3	–
Liability at 1 July 2013	5,822	–
Deferred tax credit in the Income Statement for the year	(608)	–
Deferred tax liabilities arising on acquisition of businesses	–	–
Prior year deferred tax adjustment	(11)	–
Effect on deferred tax of change in corporation tax rate	(517)	–
Exchange translation differences	(16)	–
Liability at 30 June 2014	**4,670**	**–**

The deferred tax liability arises as a result of accelerated tax depreciation and amortisation.

22. Share capital

	Number of ordinary shares of 5p each	Ordinary shares £'000	Share premium account £'000	Treasury shares £'000	Total £'000
Authorised					
At 1 July 2013	110,000,000	5,500			
At 30 June 2014	**110,000,000**	**5,500**			
Issued and fully paid ordinary shares					
At 1 July 2012	86,103,137	4,305	45,231	(4,008)	45,528
Treasury shares reissued during the year	—	—	—	1,652	1,652
At 1 July 2013	86,103,137	4,305	45,231	(2,356)	47,180
Treasury shares reissued during the year	—	—	—	1,478	1,478
At 30 June 2014	**86,103,137**	**4,305**	**45,231**	**(878)**	**48,658**

During the year, no ordinary shares were issued in respect of share options and awards exercised by employees (including Directors) (2013: nil).

The Company reissued 668,910 treasury shares during the year (2013: nil) in respect of the 2011 PSP scheme that fully vested in October 2013. In addition, the Company also reissued 47,500 treasury shares (2013: nil) in respect of share options exercised by employees. No other treasury shares were reissued by the Company during the year (2013: 800,000). At 30 June 2014, 425,590 shares were held in Treasury (2013: 1,142,000), which represents 0.5% (2013: 1.3%) of the called up share capital of the Company.

23. Share-based payments

Details of Directors' share options and awards are set out in the Directors' Remuneration Report. Employees of the Group (including Directors) hold options to subscribe for ordinary shares as follows:

a) Under the Wilmington Group plc 1999 Approved Share Option Scheme

Year of grant	Subscription price per share	Period within which options exercisable	Number of shares for which options outstanding at 1 July 2013	Options exercised during year	Options lapsed during year	**Number of shares outstanding at 30 June 2014**
2004	118.5p	Mar 2007–Mar 2014	47,500	(47,500)	—	**—**

All of the shares for which options were outstanding on 1 July 2013 were exercised during the year.

b) Under the Wilmington Group plc 2007 Performance Share Plan

Year of grant	Awards price per Share	Date of vesting	Number of shares for which awards outstanding 1 July 2013	Awards granted during year	Awards vested during year	Awards lapsed during year	**Number of shares for which awards outstanding at 30 June 2014**
2010	Nil	Sept 2013	1,326,159	—	(668,910)	(657,249)	**—**
2011	Nil	Oct 2014	911,959	—	—	—	**911,959**
2012	Nil	Oct 2015	444,198	—	—	—	**444,198**
2013	Nil	Sept 2016	—	262,142	—	—	**262,142**

Details of the Performance Share Plan are set out in the Directors' Remuneration Report on pages 49 to 63.

These awards were valued using the Monte Carlo method with the following assumptions:

Expected volatility (%)	26 to 36
Expected life (years)	3
Expected dividends (%)	Nil

Expected volatility was determined by reference to the historical volatility of the Group's share price. The expected life used in the model is the mid-point of the exercise period.

NOTES TO THE FINANCIAL STATEMENTS

24. Non-controlling interests

	Non-controlling interests – share of assets and funds £'000	Non-controlling interests – provisions for future acquisition £'000	Net Non-controlling interests £'000
At 1 July 2012	1,107	(1,107)	—
Profit for the year	95	—	95
Dividends paid	(27)	—	(27)
New contribution from non-controlling interest	80	—	80
Acquisition of non-controlling interests during the year	(982)	982	—
Movement in offset of provisions for the future purchase of non-controlling interests	—	(3)	(3)
At 1 July 2013	273	(128)	145
Profit for the year	73	—	73
Dividends paid	(26)	—	(26)
Acquisition of non-controlling interests during the year	(58)	58	—
Movement in offset of provisions for the future purchase of non-controlling interests	52	(9)	43
At 30 June 2014	**314**	**(79)**	**235**

25. Contingencies and commitments

Contingencies

The Company has entered into an unlimited cross guarantee with the Group's bankers in respect of the net £5 million overdraft facilities extended to certain of the Company's subsidiaries. At 30 June 2014, the Company's gross contingent liability in respect of this facility was £769,000 (2013: £1,981,000).

Commitments

a) The Group had, in relation to property, plant and equipment, capital commitments contracted but not provided for at 30 June 2014 of £nil (2013: £nil).

b) Total future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	Group		**Company**	
	Property		Property	
	30 June 2014 £'000	30 June 2013 £'000	**30 June 2014 £'000**	30 June 2013 £'000
One year	**885**	910	**111**	111
Between two and five years	**1,341**	1,698	**445**	445
After five years	**3,919**	3,949	**3,838**	3,949
	6,145	6,557	**4,394**	4,505

26. Related party transactions

The Company and its wholly owned subsidiary undertakings offer certain Group-wide purchasing facilities to the Company's other subsidiary undertakings whereby the actual costs are recharged.

The Company has made recharges totalling £1,427,000 (2013: £1,024,000) to its fellow Group undertakings in respect of management services. In addition, it has recharged at cost certain administrative expenses totalling £159,525 (2013: £422,750) to its fellow Group undertakings.

Amounts due from and to subsidiary undertakings by the Company are set out in notes 16 and 18 respectively.

During the year, the Company received dividends of £6,600,000 from subsidiaries (2013: £30,100,000).

On 7 February 2013, and prior to acquisition, the freehold land and buildings of a subsidiary, NHiS Limited, were sold to AMCO 2013 LLP, a partnership in which Jon Thorne who was a Director of NHIS Limited is a partner, and Nick Merryfield LLP, a partnership in which Nick Merryfield who is a Director of NHIS Limited is a partner. Following the sale of the freehold land and buildings, the subsidiary paid rent of £32,619 (2013: £14,166) during the period to AMCO 2013 LLP & Nick Merryfield LLP trading as Regent Property. This rental agreement was contracted at arm's length.

27. Staff and their pay and benefits

a) Employee costs (including Directors) were as follows:

	Year ended 30 June 2014 £'000	Year ended 30 June 2013 £'000
Wages and salaries	**33,655**	30,877
Social security costs	**4,206**	3,876
Other pension costs	**777**	613
Share-based payments (including social security costs)	**924**	888
	39,562	36,254

b) Remuneration of key management personnel that held office for part or all of the year (2014: 10 people; 2013: 10 people), which includes the Directors and other key management personnel, is shown in the table below:

	Year ended 30 June 2014 £'000	Year ended 30 June 2013 £'000
Short-term employee benefits	**2,374**	2,181
Post employment benefits	**8**	75
Share-based payments	**476**	427
	2,858	2,683

More detailed information concerning Directors' remuneration, shareholdings, pension entitlement, share options and other long-term incentive plans is shown in the audited part of the Directors' Remuneration Report on pages 49 to 63, which forms part of the Consolidated Financial Statements.

c) The average monthly number of employees (including Directors) employed by the Group was as follows:

	Year ended 30 June 2014 Number	Year ended 30 June 2013 Number
Selling and distribution	**263**	249
Production	**204**	191
Administration	**383**	364
	850	804

Total full time equivalents at 30 June 2014 were 784 (2013: 742).

d) Retirement benefits
The Group contributes to defined contribution pension schemes. Total contributions to the schemes during the year were £777,000 (2013: £613,000).

NOTES TO THE FINANCIAL STATEMENTS

28. Cash generated from operations

	Group		Company	
	Year ended 30 June 2014 £'000	Year ended 30 June 2013 £'000	**Year ended 30 June 2014 £'000**	Year ended 30 June 2013 £'000
Profit from continuing operations before income tax	**8,592**	5,116	**2,781**	24,576
Gain on disposal of property	**—**	(3,325)	**—**	—
Cash flows from other adjusting items (see note 5)	**764**	1,325	**269**	728
Depreciation of property, plant and equipment (see note 14)	**1,025**	1,043	**138**	147
Impairment of goodwill	**—**	4,500	**—**	—
Amortisation of intangible assets (see note 13)	**7,102**	6,860	**23**	55
Loss on disposal of property, plant and equipment	**34**	94	**—**	—
Share based payments (including social security costs)	**924**	888	**382**	280
Net finance costs (see note 6)	**2,138**	2,256	**1,383**	2,064
Operating cash flows before movements in working capital	**20,579**	18,757	**4,976**	27,850
(Increase)/decrease in trade and other receivables	**(452)**	64	**11,132**	4,606
Increase in trade and other payables	**77**	564	**633**	997
Cash generated from operations before adjusting items	**20,204**	19,385	**16,741**	33,453

Cash conversion is calculated as a percentage of cash generated by operations to Adjusted EBITA as follows:

	Year ended 30 June 2014 £'000	Year ended 30 June 2013 £'000
Funds from operations before adjusting items:		
Adjusted EBITA (see note 2)	**18,704**	16,865
Amortisation of intangible assets – computer software	**816**	755
Depreciation of property, plant and equipment (see note 14)	**1,025**	1,043
Loss on disposal of property, plant and equipment	**34**	94
Operating cash before movement in working capital	**20,579**	18,757
Net working capital movement	**(375)**	628
Funds from operations before adjusting items	**20,204**	19,385
Cash conversion	**108%**	115%
Free cash flows:		
Operating cash before movement in working capital	**20,579**	18,757
Loss on disposal of property, plant and equipment	**(34)**	(94)
Net working capital movement	**(375)**	628
Net finance costs paid	**(1,863)**	(2,011)
Tax paid	**(3,285)**	(2,926)
Purchase of property, plant and equipment	**(883)**	(1,217)
Purchase of intangible assets	**(955)**	(764)
Free cash flows	**13,184**	12,373

PRO FORMA FIVE YEAR FINANCIAL SUMMARY (UNAUDITED)

	2010 £m	2011 £m	2012 £m	2013 £m	**2014 £m**
Consolidated Income Statements					
Revenue	78.4	83.8	85.3	85.0	**90.0**
Net operating expenses (before adjusting items)	(64.0)	(68.9)	(69.6)	(68.1)	**(71.3)**
Adjusted EBITA	14.4	14.9	15.7	16.9	**18.7**
Other adjusting items	(0.1)	(0.7)	(0.9)	(1.3)	**(0.8)**
Gain on disposal of property	—	—	—	3.3	**—**
Amortisation	(4.9)	(5.7)	(5.3)	(6.1)	**(6.3)**
Impairment	—	—	—	(4.5)	**—**
Share-based payments	(0.2)	(0.6)	(0.5)	(0.9)	**(0.9)**
Operating profit	9.2	7.9	9.0	7.4	**10.7**
Net finance costs	(1.9)	(1.8)	(2.7)	(2.3)	**(2.1)**
Profit on ordinary activities before tax	7.3	6.1	6.3	5.1	**8.6**
Taxation	(2.5)	(1.5)	(1.2)	(1.5)	**(2.0)**
Profit on ordinary activities after tax	4.8	4.6	5.1	3.6	**6.6**
Adjusted profit before tax	12.6	12.9	13.2	14.7	**16.6**
Cash generated from operations before adjusting items	15.5	15.8	17.4	19.4	**20.2**
Basic earnings per ordinary share from continuing operations (pence)	5.38	5.20	5.81	4.17	**7.59**
Diluted earnings per ordinary share from continuing operations (pence)	5.30	5.07	5.63	4.07	**7.39**
Adjusted earnings per ordinary share from continuing operations (pence)	10.16	11.38	11.71	13.06	**14.79**
Interim and proposed final dividend per share (pence)	7.00	7.00	7.00	7.00	**7.30**
Return on equity[1] (%)	23.95	24.75	26.84	28.50	**31.94**
Return on sales[2] (%)	17.79	17.27	18.38	19.83	**20.78**

1 Return on equity – Adjusted Profit Before Tax divided by the average equity attributable to owners of the parent.
2 Return on sales – Adjusted EBITA divided by Revenue.

SHAREHOLDER NOTES

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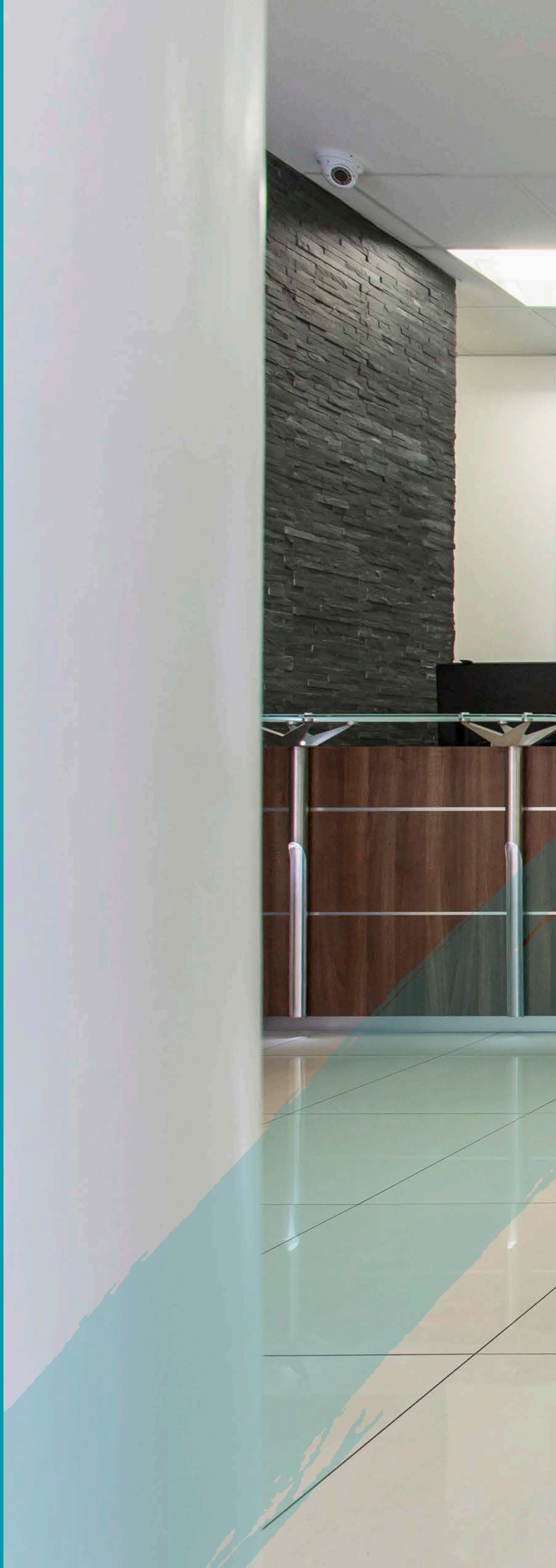
Corporate calendar
Annual General Meeting
6 November 2014

Announcement of Interim Results
February 2015

Announcement of Final Results
September 2015



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