Wilmington

Annual Report and Accounts 2008

The information and training group,
fulfilling the needs of professional businesses.

Our strategy

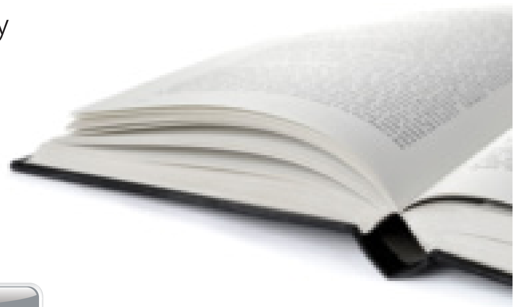
To deliver sustainable and growing profits from servicing the information requirements of selected professional business markets

Welcome to

Wilmington Group

LEGAL AND REGULATORY

Wilmington's largest division comprises of CLT Group, one of the major professional training providers in the UK, and Waterlow, a brand synonymous with the provision of high quality information and directories.



BUSINESS INFORMATION

The Business Information division concentrates on the Health and Media sectors. Its brands enjoy leading positions in their respective markets, providing information solutions to its customers through a combination of electronic and printed products and events.

Financial Highlights

It has been a momentous year in the development and re-positioning of Wilmington Group plc with significant progress in achieving our strategic, financial and structural goals.

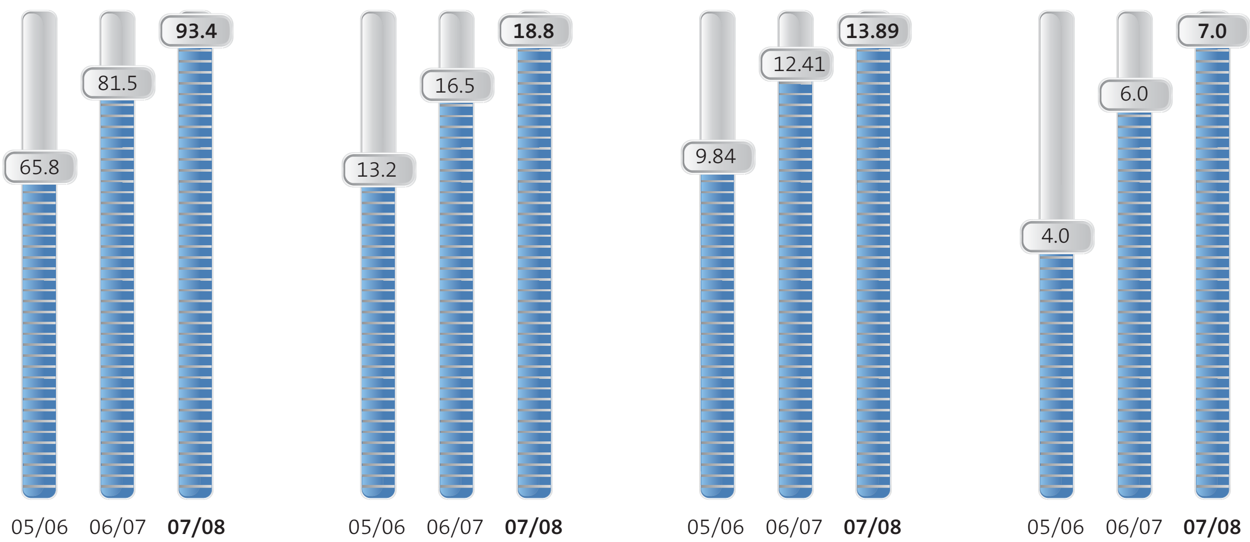
	Year ended 30 June 2008 £'000	Year ended 30 June 2007 £'000	Increase %
Revenue	93,403	81,453	14.7
Operating profit before non-recurring items, amortisation, interest and taxation	18,607	16,485	12.9
Profit before taxation, amortisation, share based payments and non-recurring items ("Adjusted profit")	17,634	15,246	15.7
Adjusted earnings per share from continuing operations (pence)	13.89p	12.41p	11.9
Dividend per share (pence)	7.00p	6.00p	16.7

Revenue £ millions

Adjusted Profit before interest £ millions

Adjusted Earnings per share pence

Dividend per share pence

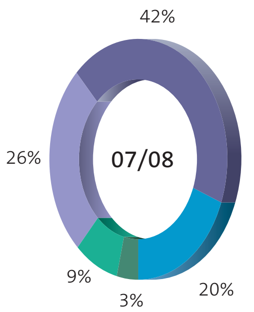


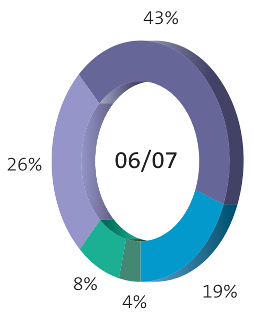
Contents

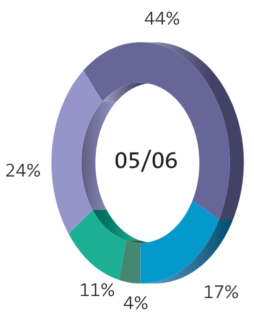
Click to choose chapter required

Chairman's Statement

Group revenue by source







- Professional Education and Events
- Information Sales
- Magazine Advertising
- Directory Advertising
- Subscriptions and Copy Sales

It has been an excellent year in the continued development of Wilmington as a leading provider of information and training for professional markets. We have made significant progress in achieving our strategic, financial, and structural goals. We have delivered strong revenue growth, with record profits from continuing operations, underpinned by robust operating cash flow. The Group has also invested in a range of exciting initiatives for organic growth, made further value-creating acquisitions and seen strong progression in the returns from acquisitions made in prior years.

The Group's strategy is to concentrate on the provision of information and training to selected professional business markets. We believe we can derive the best returns for our shareholders by concentrating on resilient professional markets and by focusing investment in key niche sectors with the capacity for strong and sustainable growth.

On 14 August 2007 we completed the disposal of Wilmington Media and Dewberry Redpoint for a cash consideration of £12m. As a consequence of this disposal we have significantly reduced our dependency on magazine display advertising and non-professional markets - a timely decision given current economic conditions - having retained strong information-centric businesses with significant subscription revenues that historically have low cyclicality.

On 26 November 2007 we completed the acquisition of 80% of The Matchett Group Limited ("Matchett"), a professional training business specialising in the provision of graduate induction courses for major investment banks both in the UK and the US, for an initial cash consideration of £5.7m and the repayment of existing debt of £3.9m. The integration of Matchett into the CLT Group is progressing smoothly; it has performed to expectations since acquisition and provides an important additional dimension to our international expansion.

On 15 February 2008 we completed the acquisition of 100% of AP Information Services ("APIS"), an information and database publisher for the professional pensions, finance, and HR markets, for a total cash consideration of £5.5m. On 3 April 2008, through APIS, we completed the acquisition of 100% of Aspire Publications, a joint-venture business that was operated by APIS, for a total cash plus deferred consideration of £1.8m. These acquisitions have been integrated into the Waterlow Legal & Regulatory division, strengthening Waterlow's focus on high quality information businesses with high levels of subscription revenues and have traded in line with our expectations.

On 28 July 2008 Wilmington announced that it had received an approach that might, or might not, lead to an offer for the Group, and entered into an offer period as defined by the Takeover Panel. On 15 September we announced that the Company is no longer in discussions with any party regarding a potential offer for the Company. Accordingly, the Company is no longer in an Offer Period for the purposes of the City Code on Takeovers and Mergers.

Financial Performance

The financial results for the year ended 30 June 2008 show significant progress as highlighted by our key financial and operational targets of:

- adjusted profit before tax
- adjusted earnings per share
- cash flow
- consistent and sustainable revenue streams
- underlying operating margin.

Revenue from continuing operations in the year grew by 14.7% to £93.4m (2007: £81.5m). Profit from continuing operations before tax, amortisation, non-recurring items and interest increased by 12.9% to £18.6m (2007: £16.5m). The adjusted profit, (before tax, amortisation, share based payments and non-recurring items) increased by 15.7% to £17.6m (2007: £15.2m).

This is the fifth successive year of significant growth in adjusted profit, which underlines the quality of the Wilmington Group portfolio and reinforces our confidence that we can continue to create value for shareholders.

Adjusted earnings per share from continuing operations grew by 11.9% to 13.9p per share (2007: 12.4p), maintaining our trend of strong earnings per share growth. Basic earnings per share, which includes non-recurring items, declined largely due to the prior year benefiting from the recovery of an inducement fee of £1.2m in respect of professional costs incurred in 2006.

During the year the Company purchased 1,917,000 of its own shares into treasury at a cost of £4m.

The quality of the operating profits continues to be underpinned by strong cash flow. Operating cash flow was £18.6m (2007: £19.0m), representing 100% of operating profit (before non-recurring costs, amortisation, interest and taxation). At 30 June 2008 the Group had net debt of £17.9m, representing less than 30% utilisation of our £60m committed facilities.

Dividend

The Board remains committed to a progressive dividend policy and proposes a final dividend of 4.7p per share payable on the 7 November 2008 to shareholders on the register on 10 October 2008. Taken together with the interim dividend of 2.3p per share, this makes a total dividend for the year of 7.0p per share (2007: 6.0p), an increase of 16.7% over the prior year, reflecting both the Group's continuing strong cash generation and the Board's confidence in the future. The dividend is covered 2.0 times by adjusted earnings per share from continuing operations (2007: 2.1 times).

Highlights of the Year

We have once again achieved our ambition of delivering strong growth in adjusted profit before tax and adjusted earnings per share.

Legal and Regulatory

Revenue has grown 15.4% to £75.4m (2007: £65.3m), boosted by the acquisitions of Matchett (November 2007) and APIS (February 2008). Segmental profits before central overheads and amortisation have grown by 14.0% to a record £17.9m (2007: £15.7m). We have seen excellent performances in many areas of this division.

Waterlow Legal and Regulatory has performed well with Pendragon, Ark and Smee & Ford all growing strongly. We were pleased to acquire APIS and Aspire in February and April 2008, they are high quality information businesses with particular strength in the pensions market, which earn a large majority of their revenues from subscriptions. We are confident that these assets will continue to develop within our environment and deliver an excellent return on capital.

The CLT Group had another year of continued growth, whilst at the same time maintaining its policy of substantial expensed investment in the development of new product areas and new markets. This strategy is best illustrated by the investment of circa £500k this year in Singapore, following the request by the Singapore Government in July 2007 to develop a major programme of compliance training. We are already beginning to see positive outcomes from this investment, with all the new programmes now having gained accreditation by the Singapore Government and Education Authorities.

The CLT Group, over the year, has continued its policy of integrating newly acquired companies within the Group and also making further acquisitions to extend the range of professional training markets it serves. Mercia Group has just completed its first full year as part of the CLT Group and has produced a very strong performance, exceeding expectations in relation to both turnover and contribution. The newly acquired Matchett, which became part of CLT Group in November 2007, has given us a strong foothold in the banking and finance markets and has achieved turnover and contribution fully in line with the pre-acquisition expectations. There is a continuing process of integrating the Matchett Group within the CLT Group as a whole. Matchett's trading for the first two months of the current financial year, traditionally its two biggest months of the year, are ahead of the prior year and in line with our expectations.

Business Information

Revenue from continuing operations has grown 11.8% to £18.0m (2007: £16.1m). The Business Information division accounts for 19.3% of Group revenue producing 14.2% of Group trading profit. Segmental profits before central overheads and amortisation have remained stable at £3.0m (2007: £3.0m). Segmental profits have been impacted by a new structure for divisional overheads which was required following the disposal of Wilmington Media and Dewberry Redpoint in August 2007.

The successful disposal of our publishing interests in non-core markets has allowed us to reorganise our Healthcare and, in particular, the Media & Entertainment assets within the Wilmington Business Information ("WBI") subsidiary of the Group. Our recent focus has included consolidating these divisions into fewer locations, investing in their infrastructure and reorganising the management structures.

This division includes Binley's, our UK health information business, Agence de Presse Medicale, the French language health newswire service, and HPCi, our health, pharmaceutical and cosmetic publications. Media & Entertainment provides a range of titles and data assets in the press, PR, sponsorship and entertainment markets.

Prior Period Adjustment

The Financial Reporting Review Panel ("the Panel") has reviewed the report and accounts of the Company for the year ended 30 June 2007 and concluded that the Company's treatment of minority put options as contingent liabilities was not in accordance with paragraph 23 of IAS 32 "Financial instruments: presentation" which requires a liability to be recorded for all contracts that contain an obligation to purchase own equity instruments for cash.

The directors have accepted the Panel's conclusions and have corrected the treatment of the minority put options by way of a prior period adjustment. The effect of the adjustment at 30 June 2007 is to increase liabilities from £59.3m to £65.6m and to reduce shareholders' funds (within minority interests) from £69.1m to £67.7m, with a corresponding adjustment to goodwill. There is no effect on the income statement or the cash flows of the Group.

Outlook

Following the disposals successfully achieved at the start of the year, Wilmington can face the future with a renewed confidence. Focused on "must have" information and training, operating across an increasingly international platform, we expect the Group to continue to prosper and to create value for shareholders.

While we remain alert to the current trading conditions across our markets and the general economic outlook, we believe the Group has resilient assets and the resources, ambition and proven management to continue delivering sustainable growth both organically and through acquisition.

Trading for the first two months of the current financial year is in line with our expectations. Excluding last year's acquisitions, on a like for like basis revenue and profits are ahead of the prior year.

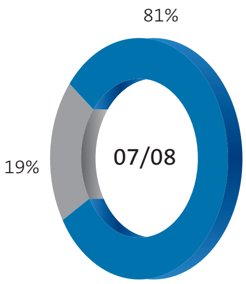
Finally, and as always, I would like to thank my fellow Directors, Senior Managers and all of the Group's employees who have contributed to this year's successful results for their innovation, hard work and commitment.

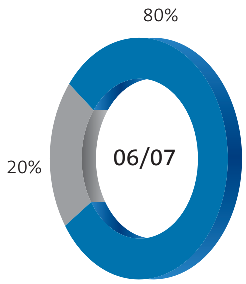
David Summers
Chairman

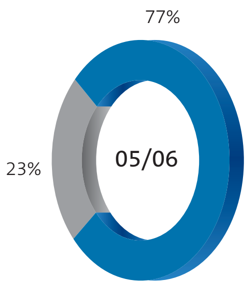
1 October 2008

Business Review

Revenue by market







- Legal and Regulatory
- Business Information

Overview of the Group's Financial Performance

In the year ended 30 June 2008 Wilmington generated record profits and margins. Revenue from continuing operations grew by 14.7% to £93.4m (2007: £81.5m). Adjusted profit before tax grew by 15.7% to £17.6m (2007: £15.2m). The EBITA from continuing businesses grew by 12.9% to £18.6m (2007: £16.5m).

On 14 August 2007 the Group received £12m from the disposal of Wilmington Media Limited and Dewberry Redpoint Limited, which together owned the Group's business serving the Design and Construction, Catering, Automotive and other specialist markets. The after tax results of the businesses disposed of have been shown as discontinued in the income statement.

On 26 November 2007 the Group acquired 80% of Matchett for an initial cash consideration of £5.7m and the repayment of existing debt of £3.9m.

On 15 February 2008 the Group acquired 100% of the share capital of APIS, for a total cash consideration of £5.5m. On 3 April 2008, through APIS, the Group completed the acquisition of 100% of Aspire Publications, a joint-venture business that was operated by APIS, for a total cash plus deferred consideration of £1.8m.

At the balance sheet date the Group had net debt of £17.9m (2007: £11.9m) reflecting the acquisitions of Matchett and APIS and £4.0m spent on the share buy back programme, partly offset by the cash received from the disposal of Wilmington Media and Dewberry Redpoint and the strong underlying operating cash flows generated by the Group.

Earnings per Share

Adjusted earnings per share from continuing operations increased by 11.9% to 13.9p (2007: 12.4p). This increase follows four consecutive years of strong growth in adjusted earnings per share.

Total earnings per share (from continuing and discontinued operations) decreased by 18.9% to 8.9p (2007: 11.0p). Total adjusted earnings per share (for continuing and discontinued operations) decreased by 2.7% to 13.5p (2007: 13.9p). Both of these reductions are largely due to the prior year benefiting from the recovery of an inducement fee of £1.2m in respect of professional costs incurred in 2006.

Earnings and adjusted earnings per share are calculated on the weighted average number of shares in issue of 83,356,950 for the year ended 30 June 2008 (2007: 83,989,179).

Taxation

The Group tax charge of £3.6m represents 29.4% of the profits before tax (2007: 26.7%). This rate is in line with the Group's effective Corporation tax rate of 29.5% following the reduction in UK Corporation tax from 30% to 28% on 1 April 2008.

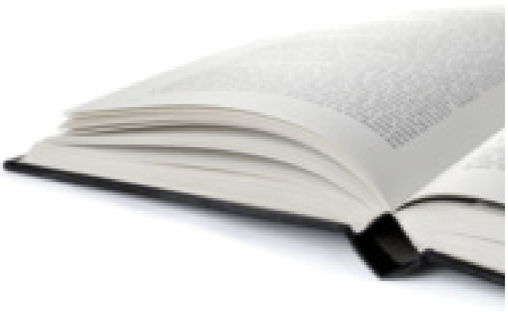
Treasury Policy

Treasury policies are approved by the Board. The executive directors have delegated authority to approve finance transactions within agreed terms of reference. The Group's financial instruments comprise principally bank borrowings and associated hedges, cash and various other items that arise directly from its trading operations such as trade debtors, trade creditors and subscriptions and fees in advance. The main purpose of these financial instruments is to ensure that finance is available for the Group's operations.

The main risks arising from the Group's financial instruments are interest rate risk, liquidity risk and foreign currency risk. The Group's credit risk is discussed in Note 22 to the accounts. The Board reviews and agrees policies for managing each of these risks and they are summarised below. These policies are unchanged from the previous year.

a) **Interest rate risk**

The Group finances its operations through a mixture of retained profits and bank borrowings. The Group has expanded rapidly its operations both organically and by acquisition. This



expansion has led on occasions to the need for external finance. The Board has chosen a credit facility with a floating rate of interest linked to LIBOR and has hedged its interest exposure on a proportion of this facility throughout the year. In November 2006 the Group entered into a 5 year £15 million interest rate swap whereby it receives interest on £15 million based on 3 month LIBOR and pays interest on £15 million at a fixed rate of 5.23%. This derivative has been designated as a cash-flow hedge in order to manage interest rate risk associated with the first £15m of the credit facility. Payments received under the swap have been matched against interest paid quarterly during the year and the entire gain on the hedge has been recognised in equity, following the directors' assessment of the hedge's effectiveness.

The Group had net borrowings at 30 June 2008 of £17.9m (2007: £11.9m) and had a committed bank facility of £60 million (2007: £60 million) of which £18 million was drawn down at 30 June 2008 (2007: £13 million).

b) **Liquidity risk**

The Group and Company's policy throughout the period has been to ensure continuity of funding by the use of a £10 million overdraft facility and a committed revolving credit facility of £60 million.

c) **Foreign currency risk**

The Group has a substantial customer base overseas. The Group maintains bank accounts in foreign currency and converts this currency to sterling at the appropriate times minimising the exposure to exchange fluctuations. On 19 May 2008 the Group sold forward 1 year €1m at a rate of 1.2497. This approximates to the after tax profits of APM, the Group's principal operation in the eurozone. Any gain or loss on this hedge is recognised in the Income Statement.

Business Objectives and Strategy

Wilmington's strategy is to increase shareholder value by delivering sustainable and growing profits from servicing the information and training requirements of professional business markets.

We aim to develop strong businesses delivering sustainable profit growth in our key markets by:

- focusing investment, both acquisitive and organic, on those markets;
- providing well researched and accurate information in a variety of formats and by developing innovative new products and solutions to extend and enhance our product range;
- investing in on-line and digital technology to create new products, access new markets and to manage our business efficiently; and
- maintaining strong sales and marketing capabilities.

Wilmington's repositioning over recent years has, amongst other benefits, served to increase its resilience to changes in market conditions, a strategy that is proving sound in the current economic climate. Our strong subscriptions-based businesses reflect our investment strategy to acquire businesses with not only high repeatable revenues but also strong, cash generative income streams.

Long term, an increase in demand for professional information and training services both in the UK and abroad should benefit Wilmington. Our percentage of revenues outside of the UK as a percentage of total revenue has been growing strongly year on year and is now at 15.2% (2007: 14.6%). We expect this proportion to increase again next year as our investment in the South East Asian region begins to reap rewards.

Achieving and Exceeding Key Financial and Operational Targets

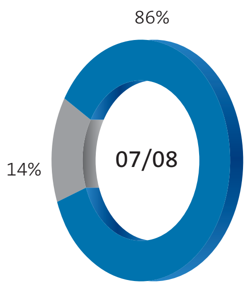
At a Group level we have five key financial and operational targets. In addition, each of the operating divisions monitor a number of key performance indicators. This year has marked another excellent period of progress against all our financial and operational targets.

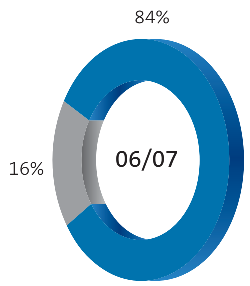
1. **Adjusted Profit Before Tax**

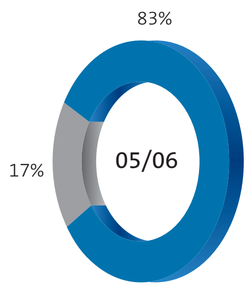
   This measure indicates the trading profits of the Group, after bank and interest charges, but before amortisation and impairment of intangible assets, non-recurring items, and share based payments.

Business Review continued

Profit by market







- Legal and Regulatory
- Business Information

Amortisation is a non-cash technical adjustment which does not necessarily reflect the inherent value of assets. This is particularly the case where the value of assets has been enhanced as a consequence of management action.

In the year to 30 June 2008 adjusted profit before tax increased by 15.7% to £17.6m (2007: £15.2m). This is the fifth year in succession we have seen strong growth in our key measure of adjusted profit before tax.

2. Adjusted Earnings per Share

This key measure indicates the underlying profit attributable to shareholders. It measures not only trading performance, but also the impact of treasury management, bank and interest charges, as well as the efficient structuring of the Group to minimise taxes. Our business and financial strategy is directed at delivering consistent adjusted earnings per share growth. Our incentive programmes are designed to support this strategy.

In the year to 30 June 2008, adjusted earnings per share from continuing operations increased by 11.9% to 13.9p per share (2007: 12.4p). This is the fifth year of strong adjusted earnings per share growth.

3. Cash flow

The quality of the operating profits is underpinned by the strong cash flow. The Group's business is strongly cash generative; operating cashflow for the year ended 30 June 2008 of £18.6m was 100% of operating profit before interest, amortisation and impairment of intangible assets and non-recurring items (2007: £19.0m, 107%). Free cashflow, which is calculated after deduction from operating cashflow of capital expenditure, payment of corporation tax and payment of interest, was £10.4m (2007: £12.0m) reflecting higher tax payments than the prior year and an investment in working capital.

4. Consistent and Sustainable Revenue Streams

The disposal of the Group's non-core assets in August 2007 led Wilmington to consolidate its portfolio of assets with the core focus of its revenue streams based in key professional markets. Historically the Group derived the majority of its revenue from magazine display advertising. By contrast, in this financial year, magazine display advertising accounted for less than 3% of total revenues. This push towards more robust and sustainable revenue streams has resulted in a strong portfolio of offerings, which includes:

- professional directories;
- information sales;
- professional training;
- events and conferences;
- professional magazines; and
- professional accreditation and assessment

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

The Group analyses its revenue streams on the following basis:

- Subscription and copy sales 26% of revenue (2007: 26%);
- Professional education and events 42% of revenue (2007: 43%);
- Information sales and professional services 20% of revenue (2007: 19%);
- Directory advertising 9% of revenue (2007: 8%);
- Magazine advertising 3% of revenue (2007: 4%);

This represents a broad revenue base and reflects the Group's ongoing strategy to ensure that there are no significant dependencies on specific sources of revenue.

5. Operating Margin

The operating margin reflects the quality of the Group's revenue steams. Improving the operating margin is a key goal for the Group. Our adjusted operating margin increased to 20.1% following the disposal of our non-core assets, compared to 17.1% during the period in which the non-core assets were included in the Group's operations.

This performance indicator needs to be carefully analysed. It can be distorted by investments where expenditure on new products and services is written off when incurred. In addition, Wilmington seeks to acquire businesses where there is the potential for significant profit improvement and has a good track record of acquiring businesses where we have been able to substantially enhance profit margin and overall profit returns.

We seek to achieve further improvement in the Group's operating margin during the current year as we realise the benefit of the investments made in new initiatives and acquisitions.

A further measure to which we pay particular attention is the investment in digital and electronic systems. We have not presented any specific figures for the Group as a whole as they may be misleading without detailed analysis. However, we continue to invest heavily in digital content management, customer management and production systems, new web sites, on-line information delivery and on-line and electronic support systems. This investment has helped achieve our goals of improved profit margins and greater efficiency, we believe that there are many opportunities to continue this development in the future.

Principal Risks and Uncertainties

The key challenges facing Wilmington arise from the highly competitive and rapidly changing nature of our markets, the increasing technological nature of our products and services and the legal and regulatory uncertainties. Certain parts of our businesses are also affected by the impact of changes in professional regulations (often positive) and by the impact of the economic cycle on advertising and promotional spending.

Historically, Wilmington has been exposed to high levels of cyclical risk due to a reliance on magazine advertising as a major revenue source. With the disposal of our non-core assets, we have substantially reduced our exposure to variances in spending on magazine advertising, putting us in a better position to achieve sustainable profit growth.

Wilmington has an established risk management procedure that is embedded in the operations of its trading divisions and is reviewed by the Board. All parts of the business identify risks and seek to ensure that procedures and strategies are in place so that risks can be managed wherever possible.

Some of the main challenges which affect the Group as a whole include the following:

1. Wilmington is a people based business where failure to attract or retain key employees could seriously impede future growth. To ensure staff retention the Group operates competitive remuneration packages with attractive bonus arrangements for key individuals. Just as importantly, it operates a culture where each individual can maximise his or her potential.

   During the year under review the Group has extended the range of benefits offered to staff, with more flexibility to suit individual needs. Many members of staff have been given access to training programmes and in many cases entrusted with additional responsibilities.

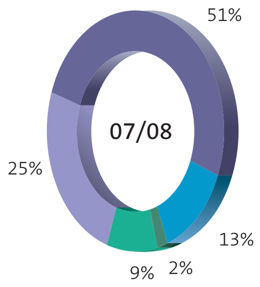
2. Wilmington's business is increasingly dependent on electronic platforms and distribution systems, primarily the Internet, for delivery of its products and services. Whilst our businesses could be adversely affected if these electronic delivery platforms and networks experienced a significant failure, interruption, or security breach, the Group is sufficiently diversified to ensure such disruption is minimised. During the year under review the Group has continued to invest in new systems and electronic platforms with greater protection against failure.

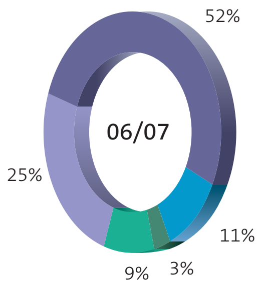
3. Our products and services largely consist of intellectual property content delivered through a variety of media. Wilmington relies on trademarks, copyrights, patents and other intellectual property laws to establish and protect its proprietary rights in these products and services. The Group makes every effort to protect this asset base and actively pursues any infringements.

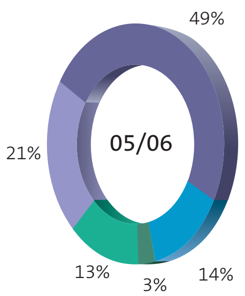
4. The businesses can be sensitive to disruptions such as Government legislation, adverse regulatory change, terrorism, natural disasters and other significant adverse events. During the year under review there were no major incidents to report, nevertheless we maintain and have extended our disaster recovery plans to mitigate the consequences of potential adverse events. Our insurance cover includes terrorist activities.

Business Review continued

Legal & Regulatory by source







- Professional Education and Events
- Information Sales
- Magazine Advertising
- Directory Advertising
- Subscriptions and Copy Sales

The Board recognises that Wilmington's business has an impact on the environment, principally through the use of energy, waste generation, paper use and print and production technologies. We are committed to reducing the impact wherever possible and to employing sustainable materials and technology. We seek to ensure that Wilmington's divisions are compliant with relevant environmental legislation and require our suppliers and contractors to meet the same objectives. Furthermore, our progress towards a more 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.

Wilmington's People

In a competitive environment, Wilmington's growth and success depends on a key asset - the abilities, skills and commitment of the people it employs. We are fortunate to benefit from their experience, professionalism and enthusiasm that provide the basis for a successful growing business.

As Wilmington moves towards a greater emphasis on digital and interactive services we need to develop new capabilities, as well as new technical and management skills to make these services work. We are responding by developing our people through training and injecting new talent where it is needed. Each of our businesses is working hard to identify and bring on the necessary talent, both from within the organisation and from outside.

We are a talent dependent business, requiring excellent people with a passion for their brands and subject matter. We are committed to developing and rewarding our people and creating a culture in which they can thrive. The shape of this activity varies from business to business with each operation attracting and developing its people in ways appropriate to its own markets.

Whilst recognising the benefits of Wilmington's devolved business culture we are encouraging links between our businesses where there are opportunities to collaborate, share ideas, technical expertise and best practice.

We offer every opportunity for Wilmington people to advance their careers and fulfil their potential. There is plenty of evidence that this is happening. Vacancies are advertised internally as well as externally in order to make it as easy as possible for employees to look for opportunities within the Group.

We continue to invest in technology and systems across the Group. This year will see us upgrade our group accounting system, streamlining the process so that information can be analysed more thoroughly, leading to better decision making. Major upgrade changes to technology have required considerable perseverance and dedication from Wilmington's people who have planned and implemented the changes. We strive for continuous improvement within the Group, which often results in major investments being made in our systems to manage content, customers and processes.

Wilmington's Directors and executive management continue to believe that the best way for the Group to achieve the high levels of growth it desires is to retain and attract the very best people. The Board is determined to ensure that Wilmington remains a great place to work, where people have the opportunity to challenge themselves, grow professionally and benefit from high levels of remuneration and incentives. Only by continuing to develop the skills of our current teams and by recruiting the very best new talent can Wilmington continue to grow at a sustainable rate.

Legal and Regulatory

This is our largest division, accounting for 81% of Group revenue from continuing operations and contributing 86% of Group trading profit from continuing operations. Revenue grew by 15.4%, to £75.4m (2007: £65.3m) while trading profit increased by 14.0% to £17.9m (2007: £15.7m) giving operating margins of 23.8% (2007: 24.1%). Whilst the increase in revenue and profits was partly due to the acquisition of the Matchett Group, APIS and Aspire we are pleased by the organic profit growth at a time when we are investing heavily in systems, new marketing and product development. Our Legal and Regulatory division is a resilient and growing business, combining high quality "must have" information with a range of focused, market leading products and events.

Waterlow Legal and Regulatory

Waterlow provides information, magazines, events and services to the legal, charity, accountancy, surveying, pensions, knowledge management and finance markets. Waterlow's products, some of which date back over 160 years, are clear market leaders with high quality proprietary content and strong customer renewal rates. They provide resilient profit streams in solid professional markets.

In the year to 30 June 2008, Waterlow Legal and Regulatory's revenue grew by 6.2%. Trading profit grew by an encouraging 14.2%, due in part to the successful reorganisation of Ark, and margin consequently grew strongly by 2.1% to 31.4%.

In addition to products for professional markets, published under the Waterlow brand, subsidiary brands include:

Pendragon, which provides the leading electronic information service for UK pensions professionals.

AP Information, which was acquired in February 2008 and is the leading provider of information on UK and International Pension Funds and also publishes a range of business databases.

ICP, is a leading provider of financial information on companies worldwide, specialising in emerging markets.

Charity Choice, the market-leading product through which UK charities promote themselves to the legal profession and individual donors.

Smee & Ford, which has been a provider of legacy information to charities in the UK for over 100 years and the owner of the leading mortality data files for mailing suppression and the prevention of identity fraud.

Caritas, the leading provider of financial analysis of charitable organisations in the UK.

Solicitors Journal, a leading weekly magazine and portfolio of products for the legal profession.

Ark, a leading publishing and events business focusing on knowledge management and professional practice management.

All Waterlow's markets have common characteristics including large professional client bases with strong information needs, increasing regulatory requirements and sustainable demand. These characteristics have provided a strong base upon which Waterlow has been able to develop a cash generative and growing business with excellent margins.

The business has seen constant growth in sales and profits in recent years as a result of both strong organic growth and the successful integration and development of acquisitions.

Acquisitions are chosen, acquired and developed with the clear objective of maximising return on capital. In recent years we have been able to generate returns of over 20%, significantly in excess of our cost of capital.

We were encouraged to see subscription and copy sale revenues increase to 31% of total sales this year (2007: 26%). This illustrates the increasing quality of earnings in the business. In addition to pure subscription sales, the revenues derived from these subscription customers amounted to 37% of total sales.

An important characteristic of Waterlow's publishing business is the resilience and subscription-like characteristics of its directory advertising, which achieved renewal rates approaching 75% in the last year.

The importance of the digital capture, manipulation and delivery of information for our business continues to grow and is a key driver of our increasing margins. In the year to June 2008 the proportion of revenues derived from products and services delivered electronically increased to 51% (2007: 49%).

The development of our recent acquisitions has also continued in an encouraging manner. Ark and Smee & Ford, two recent acquisitions, saw their combined contribution increase by 32%. Our margins on these businesses increased by 9% to 28%, demonstrating the success we have achieved in improving profit margins of acquired businesses. APIS and Aspire, which we acquired in February and April 2008, contributed encouragingly in the year to June 2008. We are confident that they will show a healthy return on capital in the year to June 2009 and we have already been able to achieve some material synergies and technology exchange with other divisions within Waterlow.

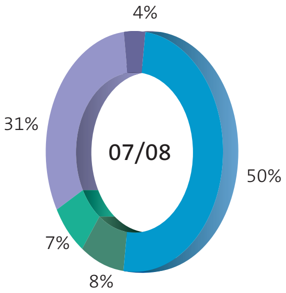
We continue to seek other acquisitions where we can generate further value for our shareholders and believe the current environment offers some excellent opportunities to acquire assets at attractive prices.

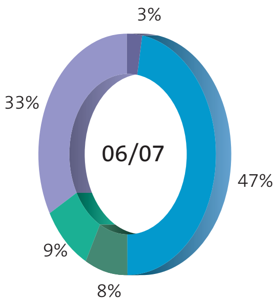
CLT Group

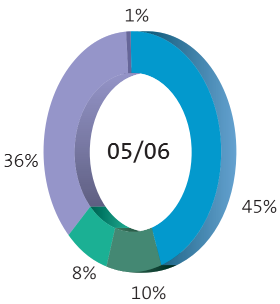
In November 2007 the CLT Group made the second largest acquisition in the history of the Wilmington Group plc with the purchase of The Matchett Group Limited. Matchett is the leading provider of graduate entrant training to investment banks in London, New York and the Far East. In addition to providing skills and management training to large corporate companies and public sector bodies, Matchett also possesses a learning technology division which has provided great synergy for the development of online provision of services throughout the CLT Group.

Business Review continued

Business Information by source







- Professional Education and Events
- Information Sales
- Magazine Advertising
- Directory Advertising
- Subscriptions and Copy Sales

In the seven months to the end of June 2008, in which Matchett has been part of the CLT Group, its performance both in relation to revenue and contribution has been fully in line with pre-acquisition expectations.

The CLT Group comprises a number of individual companies:-

Central Law Training serves the legal and financial markets and is the market leader for the provision of mandatory post-qualification training courses and accredited programmes for UK lawyers.
It delivers more than 4,000 training courses per year.

On a like for like basis, revenue and profits were ahead of the previous year. The Public Continuing Legal Education events are underpinned by its subscription membership base which comprises most major law firms, government departments, local authorities and many in-house legal departments.

The investment made in course administration programmes, product development and marketing capability has maintained Central Law Training as the market leader in Continuing Legal Education.

CLT Scotland followed its business success in the year to 30 June 2007 with another record year, enjoying a 24% growth in contribution.

The company has continued to present its programmes in association with the University of Strathclyde and, working with the University, has provided for the first time a training programme aimed at enabling lawyers outside Scotland to qualify as Scottish lawyers.

The company continues to build upon its successful association with the University of West of England which has resulted in a successful paralegal training programme being provided throughout England and Wales.

CLT Ireland continues to invest in the development of both professional witness training and legal training in Ireland. This investment has manifested itself not only in the development of new training programmes but also in the appointment of new personnel based at its city centre Dublin offices. The company has performed well ahead of expectations during the year with a 20% growth in turnover and a 48% growth in contribution.

Mercia was acquired by the CLT Group in October 2006 and has just completed its first full year as part of the CLT Group. Mercia is the leading provider of technical, marketing and training support to the Accountancy profession. It also has subsidiary companies being Mercia Northern Ireland and Mercia Republic of Ireland. The Mercia Group also comprises Practice Track, a company which it purchased in April 2007.

The first full year trading of the Mercia Group has resulted in a very strong performance, exceeding expectations, both in relation to turnover and contribution.

Quorum was acquired by the Group in May 2005 and develops and presents high quality financial training programmes, primarily to finance professionals within large organisations in the public and private sectors. These programmes complement those presented by Mercia to the Accountancy private practice sector.

CLT International's products comprise a range of programmes which include a programme for the Society of Trusts and Estate Practitioners which operate in the UK and Internationally. Overall revenues in this area have increased by 16% over the year with continuing growth in UK enrolments and overseas jurisdictions.

CLT International also comprises **ICT**, its compliance training arm, which operates both internationally and in the UK. One of the major outcomes of the continuing investment of the company has been in the compliance area with the commencement of a major training programme with the Singapore Government for the development and presentation of Compliance Training in Singapore. The Company has established a major office in Singapore and has appointed a high level team of administrative and professional staff. The enrolments on the training programmes in the first year of trading in Singapore have been in line with expectations.

ICT has recently expanded its jurisdictional base with the establishment of offices in Dubai from where it presents compliance training and consultancy.

Bond Solon is the market leader in the United Kingdom for the provision of expert and professional witness training programmes. The extension of its current programmes and the increasing provision of legal training for non-lawyers has again resulted in another year of growth for the company.

Business Information

This division provides information, magazines, events and services to the healthcare and media & entertainment markets. The Health businesses made excellent progress in the face of restructuring within the pharmaceutical industries. The Media & Entertainment assets were consolidated into our central London location and our organic investment in these products has provided a solid platform for growth and margin development.

APM is our specialist Press Agency based in Paris with an office in London. A 16% improvement in revenues reflects good progress despite difficult European and global markets in the Pharmaceutical sector. APM is the leading provider of online healthcare news to its home market. It continues to build its European brand through its new English language product APM Health Europe and we expect good organic growth in both the home market products and the European product in the current financial period.

Binley's provides specialist contact information and sales management solutions to the healthcare and pharmaceutical industries. It continues to invest strongly in organic growth and has made excellent progress particularly with its data and CRM services where quality has allowed it to take further market share in difficult conditions. Revenue overall has grown by an excellent 24%. Revenues from delivering its information products have been supplemented by increasingly adding value for its clients through analytical tools, data-centric consultancy projects and other extensions such as learning events delivered through its increasingly valuable brand.

HPCi provides information through periodicals, annuals, websites and events to the manufacturing side of the Health, Pharmaceutical and Cosmetics markets. The division was relocated from Kent to central London and delivered 6% revenue growth in the period. Its leading titles such as *Manufacturing Chemist* and *Soap, Perfumery & Cosmetics* (SPC) have an ongoing investment programme in electronic delivery and continue to meet market needs with web products which delivered revenue increases of 39% during the year, allowing HPCi to maintain advertising revenues and yields.

Media & Entertainment provides information and services to the press, public relations, entertainment and sponsorship sectors. It operates through a number of leading brands including Hollis, Press Gazette, The Knowledge and PCR providing its information as electronic products, newsletters, directories and events. This sector is increasingly delivering its information through the Internet.

During the period we closed our West London office (Teddington) and relocated the PR and sponsorship teams to an existing central London office. In a challenging year for this division we have invested in infrastructure, product development and market presence. Revenues grew by 6% in the period and we expect the base created in 2007/8 to allow us to develop the profitability and margins in 2008/9.

Muze Europe is a 50:50 JV with our American partners Muze Inc, who are based In New York. It supplies information on music, video and games to retailers, e-retailers and increasingly companies involved in digital distribution of music and entertainment products. Last year we anticipated change in the structure of how music, video and games are distributed to consumers and that during the transition there would be a period of churn in this market. We consequently saw revenues decline by 6% as some key clients who had not reacted to the changing market either scaled back or ceased to trade. However, Muze Europe remains well placed to take advantage of the growth that should resume as the market for digital products expands and matures, replacing the declining market for physical products.

Acquisitions and Disposals

We have carefully formulated acquisition and disposal criteria together with rigorous post-acquisition analysis. As a result of this approach we are able to report the success of our recent acquisitions both in terms of return on capital and in terms of the improvement that we have been able to achieve in profitability and profit margins. We seek not only to secure a good rate of return on capital but also we purchase assets only if we believe we can drive profit growth and improved margins from those acquisitions.

In July 2007 Mercia Group acquired 51% of Clientzone. The company provides a web based platform allowing online access to software applications and data to Mercia's clients.

In August 2007 the Group sold its interests in Wilmington Media and Dewberry Redpoint.

With effect from 15 August 2007 CLT Group acquired the remaining 20% share capital of La Touche Bond Solon Training.

Business Review continued

In November 2007 we acquired 80% of the shares of The Matchett Group, a professional training business with particular emphasis on the annual graduate induction courses for major investment banks in the UK and the US.

In February 2008 and April 2008 we acquired AP Information Services and Aspire Publications respectively, leading providers of specialist information on pension funds and their advisers.

Social and Community

Wilmington seeks to be a socially responsible company which has a positive impact on the communities it operates in.

We seek to employ a workforce which reflects the diversity of our customers and the communities we are located in. We do not discriminate on grounds of age, sex, race, colour, ethnicity, religion, sexual orientation or disability. We intend to give all our employees the opportunity to grow and develop their capabilities whilst employed at Wilmington. This includes providing excellent working conditions, the latest technology and appropriate training to help employees fulfil their potential.

During this financial year, Wilmington has continued to act as the sponsor to the International Compliance Association, a non profit making members' organisation, which provides standards, professional guidance and qualifications to people working in the compliance sector, both in the UK and internationally.

As part of its work in the Middle East, International Compliance Training is developing and promoting Sharia Law and practice and encouraging and facilitating ethical compliance practices in the Sharia environment.

Wilmington's close collaboration with the Co-Operative Bank providing a free online donation service for the benefit of UK based charities has seen the number of donations double compared to the previous year. The number of charities registering with this service has also increased by over 30%. We also continue to operate the 'Goodwill Gallery' as a free service for charities where donors can offer their goods or services for free to UK charities.

Environmental Policies

Wilmington continues to be mindful of the environmental effects caused by its activities. The principal environmental impacts stem from its paper usage, packaging and printing processes via its suppliers.

Paper

Paper is sourced from a chain of custody certified suppliers to ensure only sustainable raw materials are used within the production of paper. The vast majority are also produced at mills with ISO14001 accreditation and EMAS (Environmental Management Systems). Over the last five years Wilmington's use of paper has diminished significantly. This is due to the trend towards digitally transferred data, magazines and web site activity. This trend is likely to continue into the future. The disposal of our magazine businesses has resulted in a considerable reduction of paper usage.

Printers

All our major print suppliers are now ISO14001 certified and new and potential suppliers are encouraged to work to a minimum of this standard. Many now also utilise a 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

We have reduced our polythene use by some 30% by reducing the micron thickness of polythene used for wrapping magazines. We have also converted to an oxo-biodegradable form of polythene. The disposal of Wilmington Media and Dewberry Redpoint has resulted in a considerable decrease in the amount of packaging used by the Group.

Offices

The Group's activities are primarily based in office accommodation and wherever practicable the Group adopts energy saving policies. Any new and replaced air-conditioning units are being sourced from the energy efficient range and show a 70% saving in energy. With regard to the office environment, the Group encourages the recycling of materials such as paper, cardboard, toners and cartridges wherever possible.

Travel

Wilmington has implemented a cycle incentive to encourage staff commuting to work to switch to a greener alternative. The plan run by Cyclesheme is within the guidelines of the government's green travel plan, enabling Wilmington to provide employees with a cycle and safety equipment up to a maximum value of £1,000. Wilmington has also arranged for free secure cycle parking facilities for employees based in its London offices.

Officers and Advisers

Directors

David L Summers – Non-Executive Chairman
David Summers, aged 66, joined the Board in January 2001. Mr Summers was formerly Managing Director and Deputy Chairman of Butterworths, the professional reference publishers, and previously a director of Reed Elsevier UK Ltd. He is a panel member of the Competition Appeal Tribunal. Mr Summers is a member of the Group's Remuneration, Nomination and Audit Committees.

Charles J Brady – Chief Executive
Charles Brady, aged 52, is a solicitor and was a law lecturer before founding in 1985 the business which is now CLT Group. CLT Group was acquired by Wilmington in June 1999. Mr Brady joined the Board in November 1999 and was appointed Chief Executive in February 2002. He is a member of the Group's Nomination Committee.

R Basil Brookes – Finance Director
Basil Brookes, aged 50, qualified as a Chartered Accountant with Coopers & Lybrand. He has worked in the media industry since 1986 and joined the Wilmington businesses in 1992 and was a founder director of Wilmington Group.

Rory A Conwell – Executive Director
Rory Conwell, aged 55, has worked in the publishing and information industries for over 25 years. A founder director of Wilmington Group, he has been involved in most of the key investments that have created the shape and size of the business. He continues to concentrate on development initiatives for the Company.

Mark Asplin – Non-Executive Director
Mark Asplin, aged 48, joined the Board in April 2005. 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. Mr Asplin is Chairman of the Group's Remuneration and Nomination Committees and a member of the Group's Audit Committee.

Terry Garthwaite – Non-Executive Director
Terry Garthwaite, aged 62, joined the Board in June 2005. He 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 electronics group Renishaw plc, and of European power transmissions supplier Brammer PLC. Mr Garthwaite is Chairman of the Group's Audit Committee and a member of the Group's Remuneration and Nomination Committees.

Secretary

Richard Cockton – Company Secretary
Richard Cockton, aged 55, qualified as a Chartered Accountant with Coopers & Lybrand and joined Wilmington in 1998.

Registered Office

Paulton House, 8 Shepherdess Walk London N1 7LB
Company Registration No. 3015847
Incorporated and domiciled in Great Britain

Head Office

19-21 Christopher Street
London EC2A 2BS
Tel: +44 (0) 20 7422 6800
Fax: +44 (0) 20 7422 6822
Website: www.wilmington.co.uk

Advisers

Financial Advisers and Joint Stockbrokers	Numis Securities Limited 10 Paternoster Square London EC4M 7LT
	RBS Hoare Govett Limited 250 Bishopsgate London EC2M 4AA
Registered Auditors	PKF (UK) LLP Farringdon Place 20 Farringdon Road London EC1M 3AP
Solicitors	Lawrence Graham LLP 4 More London Riverside London SE1 2AU
Principal Bankers	Barclays Bank plc 1 Churchill Place Canary Wharf London E14 5HP
Registrars	Equiniti Limited Aspect House Spencer Road Lancing BN99 6DA

Shareholder helpline 0870 6015366

Corporate calendar

Annual General Meeting	5 November 2008
Payment of final dividend	7 November 2008
Announcement of Interim Results	February 2009
Payment of Interim dividend	April 2009
Announcement of Final Results	September 2009

Directors' Report

For the year ended 30 June 2008

The Directors present their report together with the financial statements and the independent auditors' report for the year ended 30 June 2008.

Business review

The Business Review is set out on pages 4 to 12.

In accordance with the requirements of the Companies Act 1985, the Chairman's Statement and Business Review provide information about the Group's strategy, its businesses and their financial performance during the year, the principal risks and uncertainties facing the Group and its future outlook, all of which are incorporated into this Directors' Report by reference.

The Group's acquisitions and disposals during the year are dealt with in Note 11 to the accounts.

The business does not incur expenditure on pure research. However, market research and analysis is written off as incurred. All internal product development costs which do not satisfy the criteria for capitalisation have been written off as incurred.

Principal activities

The Group is engaged in providing information and training to the professional business markets.

Results

The Group's financial results are set out in the consolidated income statement. Revenue is analysed by business segment and geographically in Note 2 of the consolidated accounts. Profit for the year of £7,447,000 (2007: £9,246,000) will be added to reserves.

Dividends

The Directors recommend that a final dividend for the year of 4.7p per ordinary share be paid on 7 November 2008 to shareholders on the register on 10 October 2008, which together with the interim dividend of 2.3p already paid, makes a total dividend for the year of 7.0p (2007: 6.0p) per ordinary share.

Directors and their interests

The Directors who have served throughout the year are set out on page 13 which includes brief biographical details. Their remuneration and interests in the share capital of the Company are set out in the Report on Directors' Remuneration on pages 21 to 25.

C J Brady and T Garthwaite, Executive and Non-Executive Directors respectively, retire by rotation and, being eligible, offer themselves for re-election at the Annual General Meeting. Biographical details of C J Brady and T Garthwaite are set out on page 13. C J Brady has a service contract with the Company which may be terminated by either party on 12 months' notice, T Garthwaite has a letter of appointment with the Company which may be terminated by the Company on three months' written notice and by T Garthwaite by written notice.

Details of the Directors' service contracts and letters of appointment are shown in the Report on Directors' Remuneration.

Other than as disclosed in the Report on Directors' Remuneration, none of the Directors had any interest, either during or at the end of the financial year, in any material contract or arrangement with the Company or any subsidiary undertaking.

Substantial shareholdings

As at 26 September 2008, in addition to the interests of the Directors, the Company had been notified of interests in 3 per cent. or more of the issued share capital of the Company as shown below. Interests are shown as a percentage of shares in issue at 26 September 2008.

	Number of ordinary shares	Percentage
Aberforth Partners LLP	14,535,400	17.21
Threadneedle Investments	5,078,690	6.01
Montanaro Investment Managers	4,353,364	5.15
Cheviot Asset Management	3,007,080	3.56
Mr Brian David Gilbert	2,824,623	3.34
Legal & General Investment Management	2,702,778	3.20
Herald Investment Management	2,687,257	3.18
Aberdeen Asset Management	2,546,000	3.01

Property, plant and equipment

The Directors do not believe that there is a significant difference between the market values and the balance sheet values of the Group's interests in freehold land and buildings.

Changes in share capital

330,500 ordinary shares were issued during the year in respect of share options exercised by members of staff.

In accordance with the Company's capital management policy set out in note 22 to the accounts, on 19 July 2007 the Company gave an irrevocable instruction to Numis Securities Limited to buy its own shares up to a value of £5 million within certain parameters during the period to 20 September 2007. In September 2007, we extended the buyback from the initial target of

£5 million to £12 million. On 15 July 2008, the Company gave a further irrevocable instruction to Nemis Securities Limited to buy further shares within certain parameters. Shares purchased pursuant to their instruction are held in Treasury. At 26 September 2008 1,942,000 shares had been bought pursuant to this instruction.

Financial instruments

An explanation of the Group's treasury policies is set out in the Business Review on pages 4 and 5. Details of the Group's Financial Instruments are set out in note 22 to the accounts.

Statement of Directors' responsibilities

The Directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations. They are also responsible for ensuring that the annual report includes information required by the Listing Rules of the Financial Services Authority.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors are required to prepare the Group financial statements and have elected to prepare the parent company financial statements in accordance with International Financial Reporting Standards as adopted by the European Union. The financial statements are required to give a true and fair view of the state of affairs of the Company and the Group 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 judgments and estimates that are reasonable and prudent;
- 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 proper accounting records that 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 comply with the Companies Act 1985. They are also responsible for safeguarding the assets of 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 corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements and other information included in annual reports may differ from legislation in other jurisdictions.

The Directors confirm, to the best of their knowledge:

- that the consolidated financial statements, which have been presented in accordance with IFRS as adopted by the EU and issued by the IASB, give a true and fair view of the assets, liabilities, financial position and profit of the Group; and
- that the Directors' 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 the Group faces.

Disclosure of information to auditors

Each of the Directors has confirmed that:

(a) so far as he is aware, there is no relevant audit information of which the Company's auditors are unaware, and

(b) he has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Charitable donations

The Group made charitable donations of £809 (2007: £2,590) during the year. No political donations were made during the year (2007: £nil).

Supplier Payment policy

The Group endeavours to settle payments to its suppliers in accordance with mutually agreed terms and conditions of business.

The average time taken to pay suppliers was 39 days (2007: 52 days).

Employees

The Group's policy is to consider all job applications on a fair basis free from discrimination in relation to age, sex, race, colour, ethnicity, religion, sexual orientation or handicap 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 handicapped or disabled person.

Directors' Report continued

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 affords staff the opportunity to advance to positions of greater responsibility and authority based on their skills and ability to perform the work required. Opportunities for training, promotion or transfer are not affected by age, sex, race, colour, ethnicity, religion, sexual orientation or handicap not related to job performance or disability.

Employee involvement

The Group places a great deal of importance on communicating its plans and objectives to all its staff and, where appropriate, consulting with them. Within each of the divisions there are profit centres run by experienced business managers the majority of whom are shareholders in the Company or its subsidiaries and whose remuneration is linked to revenue and/or profit achievements.

The Group operates share option schemes details of which are given both below and in note 25 to the accounts.

Share options

The Wilmington Group plc 1995 Unapproved Share Option Scheme (the "Unapproved Scheme") was adopted by the Company on 22 November 1995 and is administered by the Remuneration Committee of the Board (the "Remuneration Committee"). It provided for the grant of non-transferable options to acquire shares in the Company at prevailing market prices at the time of the grant. The exercise of options granted under the Unapproved Scheme is normally conditional upon achieving performance targets set by the Remuneration Committee. No further options may be granted under the Unapproved Scheme which terminated on 22 November 2005. Details of outstanding options are set out in the Report on Directors' Remuneration and in note 25 to the accounts.

The Wilmington Group plc 1999 Approved Share Option Scheme (the "Approved Scheme") was adopted on 2 September 1999 and approved by the Inland Revenue on 29 September 1999. The Approved Scheme is administered by the Remuneration Committee and provides for the grant of non-transferable options to acquire shares in the Company at prevailing market prices at the time of grant. The exercise of options granted under the Approved Scheme is normally conditional upon the achievement of performance targets set out by the Remuneration Committee.

The Wilmington Group plc 2003 Unapproved Executive Share Option Scheme (the "Unapproved Executive Scheme") was adopted on 5 November 2003. It is intended that the Unapproved Executive Scheme will primarily be operated through an employee share ownership trust, the trustees of which, at the recommendation of the Remuneration Committee, may grant non-transferable options to one or more employees (including Directors) of the Group to acquire existing or new shares in the Company at prevailing market prices at the time of the grant. The exercise of options granted under the Unapproved Executive Scheme will normally be conditional upon the achievement of performance targets recommended by the Remuneration Committee.

In the case of each of the schemes, no consideration is payable for the grant of options and options may generally be exercised three years after the dates of their grant (subject to the achievement of any applicable performance targets).

No options were granted during the year under any of the above schemes.

The Wilmington Group plc 2007 Performance Share Plan (the "Performance Share Plan") was adopted on 8 November 2007 to provide share based incentives to senior executives. Further details are set out in the Report on Directors' Remuneration on pages 24 and 25. On 5 December 2007, 540,401 share options were granted under the Share Performance Plan, of which 318,311 were granted to Directors.

Pension schemes

In compliance with legislation, all UK employees have access to a stakeholder pension scheme.

The Group operated a defined benefit pension scheme for a limited number of employees, the Wilmington Media Limited Pension Scheme, details of which are given in note 31 to the accounts. On 14 August 2007, upon completion of the sale of Wilmington Media Limited, the responsibility for this scheme transferred to the purchasers of Wilmington Media Limited.

Health and safety policy

Management at all levels are conscious of and committed to their responsibilities in securing the health, safety and welfare of employees and others, arising from the Group's activities.

Insurance

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' liability insurance as permitted by the Companies Act 1985.

Annual General Meeting

A separate notice convening the Annual General Meeting of the Company to be held at the offices of Hoare Govett Limited, 250 Bishopsgate, London EC2M 4AA on 5 November 2008 will be sent out with these accounts.

Explanatory notes of change to the Company's Articles of Association

Conflicts of interest - Resolution 10

The Companies Act 2006 sets out directors' general duties which largely codify the existing law but with some changes. Under the Companies Act 2006, from 1 October 2008 a director must avoid a situation where he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict with the company's interests. The requirement is very broad and could apply, for example, if a director becomes a director of another company or a trustee of another organisation. The Companies Act 2006 allows directors of public companies to authorise conflicts and potential conflicts, where appropriate, where the articles of association contain a provision to this effect. The Companies Act 2006 also allows the articles of association to contain other provisions for dealing with directors' conflicts of interest to avoid a breach of duty. The articles of association that it is proposed will be adopted at the Annual General Meeting give the Directors authority to approve such situations and to include other provisions to allow conflicts of interest to be dealt with in a similar way to the existing law.

There are safeguards which will apply when directors decide whether to authorise a conflict or potential conflict. First, only directors who have no interest in the matter being considered will be able to take the relevant decision, and secondly, in taking the decision the directors must act in a way they consider, in good faith, will be most likely to promote the company's success. The directors will be able to impose limits or conditions when giving authorisation if they think this is appropriate.

It is also proposed that the articles of association that it is proposed will be adopted at the Annual General Meeting should contain provisions relating to confidential information, attendance at board meetings and availability of board papers to protect a director being in breach of duty if a conflict of interest or potential conflict of interest arises. These provisions will only apply where the position giving rise to the potential conflict has previously been authorised by the directors.

It is the Board's intention to report annually on the Company's procedures for ensuring that the Board's powers of authorisation of conflicts are operated effectively and that the procedures have been followed.

Going Concern

After reviewing the Group's budget for the year to 30 June 2009 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.

Auditors

A resolution for the reappointment of PKF (UK) LLP will be proposed at the forthcoming Annual General Meeting.

By Order of the Board

Richard Cockton
Secretary

1 October 2008

Corporate Governance

The Company is committed to the principles of corporate governance contained in the Combined Code on Corporate Governance issued by the Financial Reporting Council in September 2006 (the "Code") and for which the Board is accountable to shareholders.

The Directors consider that the Company has complied with the provisions of the Code throughout the year except for provision A.3.3, the requirement to have a senior independent non-executive director other than the Chairman. As the Company is a smaller company the Non-Executive Chairman and the other two Non-Executive Directors sit on each of the Remuneration, Nomination and Audit Committees. The Non-Executive Chairman was appointed as a member of the Audit Committee on 6 February 2008. The Company has no independent senior Non-Executive Director and currently has no intention to appoint one.

This report, together with the Report on Directors' Remuneration on pages 21 to 25 sets out how the Company has applied the Main Principles of the Code.

1 The Board

The Company is controlled through the Board of Directors which, at 30 June 2008, comprised three Executive and three Non-Executive Directors. Short biographies of each Director are set out on page 13. The Board focuses on formulation of strategy, management of effective business controls and review of business performance. It has a formal schedule of matters specifically reserved to it for decision which it reviews periodically. The Board also reviews the Register of Rules.

The Board meets as often as necessary to discharge its duties effectively. In the financial year ended 30 June 2008 twelve board meetings were scheduled and the directors' attendance record is set out at the end of this report.

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 five times during the year and the Remuneration Committee met four times during the year. There was one Nomination Committee meeting 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 executives representing each of the major Divisions.

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. The Chief Executive has responsibility for all operational matters which includes the implementation of group strategy and policies approved by the Board.

Board balance and independence

All of 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. They each meet the independence criteria set out in the Code.

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.

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

Performance evaluation

The Board undertakes a formal annual evaluation of its own performance. As part of their evaluation, a questionnaire was approved by the Board. Directors submitted their completed questionnaires to the Chairman who reviewed their responses. These were subsequently discussed in open session. The exercise, which is undertaken on a regular basis, was viewed positively by the Board. A questionnaire was also devised and approved by the Board for the review of the Chairman's own performance. The Board met, without the Chairman being present, to review responses from the completed questionnaire.

Audit Committee

The Audit Committee is comprised of the three Non-Executive Directors. The Board is satisfied that Terry Garthwaite, who chairs the Committee, has recent and relevant financial experience.

The main role 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.

The Committee reviews the accounting policies and procedures of the Company together with all significant judgements made in the preparation of the half-yearly and annual financial statements before they are submitted to the Board. It also actively monitors the system of internal control. The Committee reviews arrangements by which staff of the Company may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters.

The Committee has primary responsibility for making recommendations to the Board regarding the appointment, re-appointment and removal of the external auditors which the Board puts to shareholders for approval in general meeting. It keeps under review the scope and results of the audit, and its cost effectiveness and the independence and objectivity of the auditor. The Committee keeps the nature and extent of non-audit services under review by regularly reviewing the balance of audit to non-audit fees. The auditors provide confirmation of independence on an annual basis.

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 Mark Asplin and comprises all the Non-Executive Directors and the Chief Executive. In case of equality of votes, the Chairman has a second or casting vote. It has full responsibility for reviewing the Board structure and for interviewing and nominating candidates to serve on the Board. 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.

2 Directors' Remuneration

Remuneration Committee

The Remuneration Committee, on behalf of the Board, 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. Mark Asplin chairs the Remuneration Committee; the other members are David Summers and Terry Garthwaite. 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 Report on Directors' Remuneration on pages 21 to 25.

3 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.

If requested, the Non-Executive Directors are available to attend meetings with major shareholders. The Board regularly receive copies of analysts' and brokers' briefings.

Constructive use of the Annual General Meeting

A separate notice convening the Annual General Meeting is being sent out with this report and accounts. 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 5 November 2008 and an explanation of the items of special business can be found in the circular convening the Annual General Meeting.

4 Accountability and Audit

The respective responsibilities of the Directors and auditors in connection with the financial statements are explained in the Statement of Directors' Responsibilities on page 15 and the Independent Auditors' Report set out on page 65.

Internal Control

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.

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

Corporate Governance continued

significant risks are identified, evaluated, managed and controlled and whether any significant weaknesses are promptly remedied and indicate a need for more extensive monitoring.

Further details of specific risks such as interest-rate risk, liquidity risk and foreign-currency risk are given in he Business Review on pages 4 to 12.

The key features of the internal financial control system that operated throughout the period under review are described under the following headings:

Management Information Systems

There are in place effective planning, budgeting and forecasting systems and 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. Performance is monitored against budget through monthly reporting cycles. Monthly reports on performance are provided to the Board, and the Group reports to shareholders twice a year. It also provides interim management statements on two other occasions during the year.

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

The individual operating companies and the Group have insurance cover where it is considered appropriate. In addition the Board has identified key strategic risks faced by the Group, which have been prioritised.

Organisation

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, company secretarial and group taxation.

Internal Audit

The Board has considered the need for an internal audit function, but has concluded that the internal control system is appropriate to the size and complexity of the Group.

Use of auditors for non-audit services

The non-audit services provided by the auditors are reviewed by the Audit Committee at each meeting and reported to the Board. All such services are considered by the Board and a decision taken on each occasion as to whether the particular services should or should not be provided by the auditors. An analysis of audit and non-audit fees payable to the auditors is shown in note 4 to the accounts.

Board and committees membership record

The number of scheduled full board meetings and committee meetings attended as a member by each Director during the year was as follows:

Board Meeting	Scheduled Board meetings	Audit Committee meetings	Remuneration Committee meetings	Nomination Committee meetings
M Asplin	12 (12)	5 (5)	4 (4)	1(1)
C J Brady (Chief Executive)	12 (12)	–	–	1(1)
R B Brookes	11 (12)	–	–	–
R A Conwell	11 (12)	–	–	–
T Garthwaite	12 (12)	5 (5)	4 (4)	1(1)
D L Summers (Chairman)	12 (12)	2 (2)*	4 (4)	1(1)

Figures in brackets indicate maximum number of meetings in the period which the Director was a Board or Committee member, as appropriate.

*David Summers was appointed as a member of the Audit Committee on 6 February 2008.

D L Summers
Chairman
1 October 2008

Report on Directors' Remuneration

Introduction

This remuneration report sets out the Company's policy on the remuneration of Executive and Non-Executive Directors together with details of Directors' remuneration packages, employment conditions and service contracts.

This report will be put to an advisory vote of the Company's shareholders at the Annual General Meeting on 5 November 2008. Sections marked (*) are not subject to audit.

Remuneration Committee*

The Remuneration Committee as at 30 June 2008 and until the date of this report comprised Mark Asplin (Chairman), Terry Garthwaite and David Summers (the Company Chairman). Both Mark Asplin and Terry Garthwaite are deemed to be independent Non-Executive Directors per the Combined Code.

Remuneration policy for Executive Directors and the determination of individual Executive Directors' remuneration packages and employment conditions have been delegated to the Board's Remuneration Committee which consists only of Non-Executive Directors. The Committee also approves the terms of all share schemes and any grants made under them.

The Committee's terms of reference are available on request from the Company Secretary.

In considering remuneration matters the Committee are able to take advice from its appointed advisers New Bridge Consultants LLP ("NBSC"), who provide no other services to the Company, and internally from the Chief Executive with respect to the other Executive Directors.

Remuneration policy*

The Remuneration Committee has established a policy on the remuneration of Executive Directors.

The key principles of this policy are:

- Remuneration is directly aligned with the performance of the Group and the interests of shareholders and is designed to attract, retain and motivate directors of the highest calibre.
- A significant proportion of Executive Directors' remuneration is structured so as to link rewards to annual and long-term Group performance targets which are reviewed annually.
- Executive Directors' remuneration packages are reviewed annually and are determined by reference to those pertaining in competing firms, responsibilities and time commitment, the performance of the individual and the performance of the Group.

Non-Executive Directors are remunerated by fees taking into account the time commitment and responsibilities of the role. They do not participate in the Company's annual or long-term incentive arrangements. Fees are determined by the Executive Directors in consultation with the Company's professional advisers and are reviewed annually and wholly independently of the Executive Directors' annual remuneration review.

Directors' service contracts and letters of appointment*

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

- 12 months' notice period or less shall apply.
- Termination payments are limited to payment of 12 months' salary and benefits.

Non-Executive Directors have letters of appointment.

Report on Directors' Remuneration continued

Service contracts and letters of appointment*

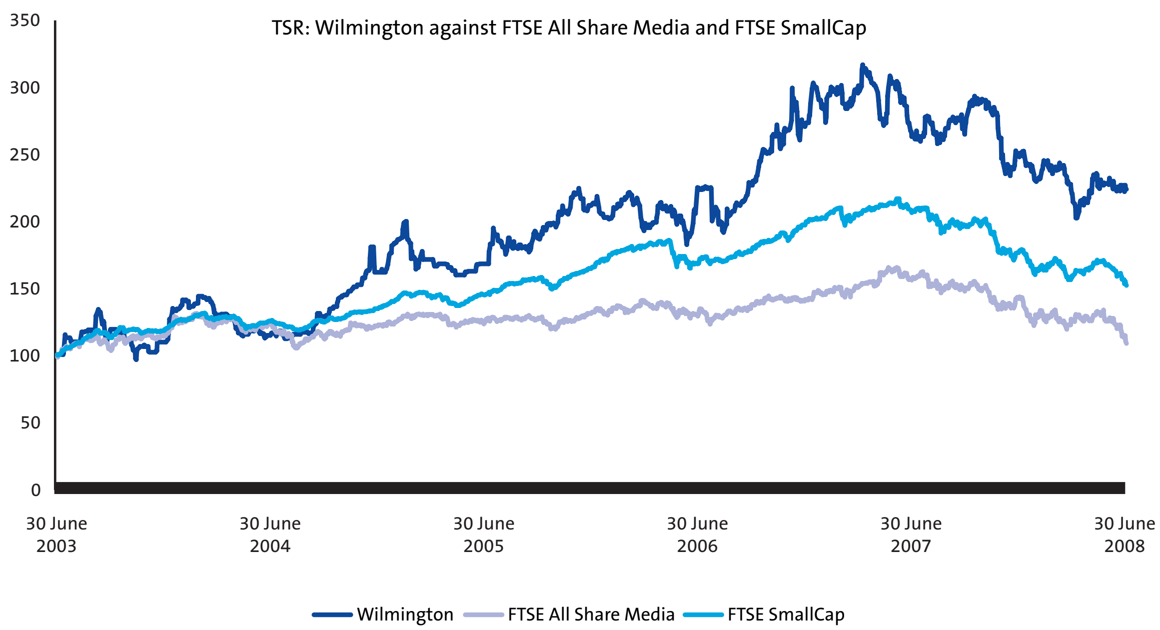
The following table shows details of Directors' service contracts and letters of appointment:

Name	Date of service contract/ letter of appointment	Notice period
Executive		
C J Brady	27 February 2002	12 months
R B Brookes	8 May 2002	12 months
R A Conwell	8 May 2002	12 months
Non-Executive		
D L Summers	15 February 2005	6 months
M Asplin	6 April 2005	3 months
T Garthwaite	15 June 2005	3 months

Notes:
The service contracts of the Executive Directors provide that if an Executive Director ceases to be a Director of the Company by virtue of removal from, failure to be re-elected to or retirement without submission to be re-elected from, such office pursuant to the Company's Articles of Association, the Company may terminate his employment immediately by making a payment equivalent to the basic salary and the value of non-monetary benefits payable during the notice period under his service contract.

Performance graph*

The following graph shows, for the year ended 30 June 2008 and for each of the previous four years, the total shareholder return (calculated in accordance with the Directors' Remuneration Report Regulations 2002) 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 Media and Photography 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.



Directors' emoluments

The remuneration of the Directors of the Company for the year ended 30 June 2008 is set out below.

	Salary and fees		Bonus		Pension Contributions		Allowances and benefits in kind		Total	
	Year ended 30 June 2008 £	Year ended 30 June 2007 £	Year ended 30 June 2008 £	Year ended 30 June 2007 £	Year ended 30 June 2008 £	Year ended 30 June 2007 £	Year ended 30 June 2008 £	Year ended 30 June 2007 £	Year ended 30 June 2008 £	Year ended 30 June 2007 £
C J Brady	300,000	273,000	143,107	246,866	38,586	11,463	27,197	25,645	508,890	556,974
R B Brookes	204,000	185,220	97,311	125,617	20,400	–	26,984	25,843	348,695	336,680
R A Conwell	100,000	92,610	47,702	83,745	12,862	5,025	18,943	17,651	179,507	199,031
D L Summers	70,000	77,500	–	–	–	–	–	–	70,000	77,500
M Asplin	33,750	40,750	–	–	–	–	–	–	33,750	40,750
T Garthwaite	33,750	40,750	–	–	–	–	–	–	33,750	40,750
	741,500	709,830	288,120	456,228	71,848	16,488	73,124	69,139	1,174,592	1,251,685

Base salary*

Base salaries for Executive Directors are reviewed by the Committee annually or on promotion and are assessed having regard to Company and individual performance, pay increases awarded throughout the Company and salary levels in comparable organisations.

Pension contributions

For the year ended 30 June 2008, Executive Directors could elect to have part of their salary and bonus paid into a personal pension scheme. During the year the following sacrifices were made from the bonuses disclosed above: C J Brady £143,107 (2007: £191,038), R B Brookes £Nil (2007: £Nil) and R A Conwell £47,702 (2007: £83,745).

Benefits*

Benefits for Executive Directors comprise a car allowance and cover for private medical, permanent health and life insurance. Benefits are not pensionable.

Performance related bonuses*

Executive Directors participate in an annual bonus scheme under which cash bonuses may be earned by reference to performance targets which are reviewed annually.

Bonuses earned during the year ended 30 June 2008 are shown in the table of Directors' emoluments.

The bonuses of C J Brady, R B Brookes and R A Conwell were earned by reference to the growth in the Group's profit before non-recurring items, taxation and amortisation of intangible assets after deducting the interest of minority shareholders in such profits. The Directors have opted to sacrifice bonuses for pension contributions as disclosed above.

For the financial year ending 30 June 2009 the bonus scheme will be structured so that all Executive Directors will receive bonuses calculated by reference to the percentage growth in the Group's profit before non-recurring items, share based payments taxation and amortisation of intangible assets after deducting the interest of minority shareholders in such profits.

A bonus cap of 100 per cent. of annual basic salary applies to each Executive Director.

Report on Directors' Remuneration continued

Performance Share Plan*

The Committee have concluded that the lack of any long-term share-based incentives to senior executives had led to their package being uncompetitive. Accordingly, a new policy has been introduced, based around annual conditional awards of shares, granted under a new Performance Share Plan ("PSP"). This plan was approved by shareholders at the November 2007 Annual General Meeting and the first Awards under the PSP granted in December 2007. Individuals receive an award of conditional free shares (an "Award") with a face value at grant of up to 150% of salary in any financial year, vesting after three years from grant, subject to the achievement of performance conditions and continued employment. It is anticipated that award levels for future years will be between 40% and (for Executive Directors) 75% of salary.

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. For the initial Awards, there will be two separate performance conditions, each applying to a proportion of an Award:

- The performance condition attached to 50% of the Awards will require normalised Earnings Per Share ("EPS") growth from the 2006/7 financial year to the 2009/10 financial year of between RPI+5% p.a. to RPI+12% p.a. for between 25% and 100% of this part of the award to vest (i.e. between 12.5% and 50% of the total award).
- The performance condition attached to the other 50% of the Awards will be based on Total Shareholder Return ("TSR") performance measured against the constituents of the FTSE Small Cap Index. 25% of this part of an Award will vest for median performance increasing on a straight line basis to 100% of this part of the Award vesting for upper quartile performance, i.e. between 12.5% (for median) and 50% (for upper quartile performance) of the total award. Performance will be measured over the three financial years 2007/8 to 2009/10.
- Awards will vest on a straight line basis between minimum and maximum thresholds.

The Committee considers that EPS and TSR are the most appropriate measures of performance for the initial Awards for the following reasons:

- The EPS target will reward significant and sustained increases in earnings that would be expected to flow through into shareholder value. For the executive this will also deliver a strong line of sight as it will be straightforward to evaluate and communicate.
- The TSR performance condition will provide a balance to the financial performance condition by rewarding relative share price performance against the FTSE Small Cap Index and ensure that a share price-based discipline in the package (in the absence of options) is retained.
- The Committee considers that the balance between EPS and TSR performance, at 50:50, is the most appropriate structure at this time, given the Company's objectives to maximize profitability and shareholder returns. The Committee will regularly review the current mix between TSR and EPS to ensure that it remains appropriate.

Share options

Details of the options held by Executive Directors are shown below.

		At 1 July 2007	Options exercised	Options granted	At 30 June 2008
C J Brady	Performance Share Plan	–	–	189,393	189,393
R B Brookes	Unapproved Scheme	5,000	(5,000)	–	–
	Approved Scheme	25,000	(25,000)	–	–
	Performance Share Plan	–	–	128,787	128,787
R A Conwell	Performance Share Plan	–	–	63,131	63,131

The Unapproved and Approved Scheme options held by R B Brookes had an exercise price of 118.5p and were exercisable during the period from March 2007 to March 2011 provided that the performance targets were met. On 26 September 2007 R B Brookes exercised both of the above options and sold the shares at 230p. The charge in the Income Statement in respect of these options was £917 (2007: £917).

The charge in respect of the Performance Share Plan options in the Income statement in respect of these options was £115,000 (2007: £Nil).

As at 30 June 2008 the Company's share price was 190p and its highest and lowest share prices during the year ended 30 June 2008 were 248p and 168p respectively.

Shareholding Guidelines*

Following approval of the PSP at the Annual General Meeting, Shareholding Guidelines for Executive Directors and selected senior 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), Executive Main Board Directors and selected senior 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.

Directors' interests

The interests of Directors and their immediate families in the issued ordinary share capital of the Company as at 30 June 2008 and the movement in the year are set out below.

Name	Beneficial/ Non-Beneficial	At 1 July 2007 Number	Movement in year Number	At 30 June 2008 Number	At 30 June 2008 Percentage
C J Brady	Beneficial	3,382,500	–	3,382,500	4.00
R B Brookes	Beneficial	845,662	–	845,662	1.00
R A Conwell	Beneficial	3,909,356	–	3,909,356	4.62
D L Summers	Beneficial	26,500	8,680	35,180	0.04
M Asplin	Beneficial	3,390	18,000	21,390	0.03
T Garthwaite	Beneficial	5,000	–	5,000	0.01

Interests at 30 June 2008 are shown as a percentage of shares in issue on that date.

There have been no changes in the Directors' interests between 30 June 2008 and 26 September 2008. No Director had a material interest in any contract of any significance with the Company or any of its undertakings during the year other than a service contract or, in the case of the Non-Executive Directors, a letter of appointment.

On behalf of the Board

Mark Asplin
Director and Chairman of The Remuneration Committee

1 October 2008

Consolidated Income Statement

for the year ended 30 June 2008

Click note number to view

	Notes	Year ended 30 June 2008 £'000	Year ended 30 June 2007 £'000
Revenue	2	93,403	81,453
Cost of sales		(28,594)	(27,064)
Gross profit		64,809	54,389
Operating expenses excluding amortisation	3	(46,202)	(37,904)
Amortisation	3	(5,276)	(3,922)
Profit from continuing operations before non-recurring items		13,331	12,563
Non-recurring items	4	–	1,208
Profit from continuing operations after non-recurring items		13,331	13,771
Finance revenue	5	331	140
Finance costs	5	(1,481)	(1,379)
Profit on continuing activities before taxation		12,181	12,532
Income tax expense	6	(3,585)	(3,343)
Profit on continuing activities after taxation		8,596	9,189
(Loss)/profit on discontinued operations after taxation	7	(365)	696
Net profit for the year	4	8,231	9,885
Attributable to equity holders of the parent		7,447	9,246
Minority interest		784	639
Earnings per share attributable to equity holders of the parent			
Continuing operations:	9		
Basic earnings per share		9.37p	10.18p
Diluted earnings per share		9.31p	10.14p
Continuing and discontinued operations:			
Basic earnings per share	9	8.93p	11.01p
Diluted earnings per share		8.87p	10.97p

Statements of Recognised Income and Expense

for the year ended 30 June 2008

	Group		Company	
	Year ended 30 June 2008 £'000	Year ended 30 June 2007 £'000	Year ended 30 June 2008 £'000	Year ended 30 June 2007 £'000
Capital reserves realised on disposal of subsidiaries	949	–	–	–
Interest rate swap (loss)/gain taken directly to equity	(150)	560	(150)	560
Actuarial gain in the pension scheme taken directly to equity	–	197	–	–
Exchange translation difference	63	–	–	–
Tax on items taken directly to equity	(242)	(227)	42	(168)
Net income recognised directly in equity	620	530	(108)	392
Net profit for the year	8,231	9,885	7,857	7,516
Total recognised income and expense for the year	8,851	10,415	7,749	7,908
Attributable to				
Equity holders of the parent	8,067	9,776		
Minority interests	784	639		
	8,851	10,415		

Balance Sheets

as at 30 June 2008

Click note number to view

	Notes	Group As at 30 June 2008 £'000	Group As at 30 June 2007 £'000 (Restated)	Company As at 30 June 2008 £'000	Company As at 30 June 2007 £'000
Non-current assets					
Goodwill	12	69,435	52,941	–	–
Intangible assets	13	34,818	31,615	206	21
Property, plant and equipment	14	8,263	8,131	1,655	1,797
Investments	15	–	–	41,285	44,959
Deferred tax asset	23	245	228	1	1
		112,761	92,915	43,147	46,778
Current assets					
Inventories	16	1,769	1,573	–	–
Trade and other receivables	17	23,413	24,192	56,183	43,213
Derivative financial assets	18	413	560	413	560
Cash and cash equivalents		3,697	4,443	–	–
		29,292	30,768	56,596	43,773
Non-current assets held for sale	29	–	9,715	–	–
Total assets		142,053	133,398	99,743	90,551
Current liabilities					
Trade and other payables	19	(33,704)	(35,122)	(1,787)	(2,732)
Tax liabilities		(3,368)	(2,649)	–	–
Bank overdrafts	20	(3,633)	(3,306)	(6,787)	(623)
Provisions for future purchase of minority interests	21	(939)	(118)	–	–
		(41,644)	(41,195)	(8,574)	(3,355)
Non-current liabilities					
Bank loans	20	(18,000)	(13,000)	(18,000)	(13,000)
Retirement benefit obligation	31	–	(18)	–	–
Deferred tax liability	23	(6,808)	(5,188)	(133)	(223)
Provisions for future purchase of minority interests	21	(9,268)	(6,247)	–	–
		(34,076)	(24,453)	(18,133)	(13,223)
Total liabilities		(75,720)	(65,648)	(26,707)	(16,578)
Net assets		66,333	67,750	73,036	73,973
Equity					
Share capital	24	4,224	4,208	4,224	4,208
Share premium account	26	43,413	43,006	43,413	43,006
Treasury shares	24	(3,968)	–	(3,968)	–
Capital reserve	26	–	949	–	–
Translation reserve	26	52	(11)	–	–
Share option reserve	26	302	125	120	4
Retained earnings	26	21,424	18,677	29,247	26,755
Equity shareholders' funds		65,447	66,954	73,036	73,973
Minority interests	27	886	796	–	–
Total equity		66,333	67,750	73,036	73,973

Approved and authorised for issue by the Board and signed on their behalf on 1 October 2008

R Basil Brookes
Finance Director

Cash Flow Statements

for the year ended 30 June 2008

Click note number to view

	Notes	Group Year ended 30 June 2008 £'000	Group Year ended 30 June 2007 £'000	Company Year ended 30 June 2008 £'000	Company Year ended 30 June 2007 £'000
Net cash flow from operating activities	32	12,622	13,713	(12,156)	8,214
Investing activities					
Purchase of property, plant and equipment	14	(1,475)	(1,092)	(37)	(135)
Sale of property, plant and equipment		122	35	–	–
Purchase of subsidiary undertakings and minority interests	11	(17,068)	(8,374)	–	–
Cash acquired on purchase of subsidiary undertakings	11	294	1,534	–	–
Cash movement of disposal of subsidiary undertakings		(783)	(32)	–	–
Sale of subsidiary undertakings	11	10,272	696	10,052	–
Purchase of intangible assets	13	(924)	(1,370)	(221)	(9)
Sale of intangible assets		–	28	–	–
Net cash used in investing activities		(9,562)	(8,575)	9,794	(144)
Financing activities					
Dividends paid to equity holders of the parent	26	(5,257)	(3,940)	(5,257)	(3,940)
Dividends paid to minority shareholders in subsidiary undertakings	27	(331)	(292)	–	–
Issue of ordinary shares	26	423	376	423	376
Increase/(decrease) in long term loans		5,000	(3,000)	5,000	(3,000)
Share buy back	24	(3,968)	–	(3,968)	–
Net cash flows used in financing activities		(4,133)	(6,856)	(3,802)	(6,564)
Net (decrease)/increase in cash and cash equivalents		(1,073)	(1,718)	(6,164)	1,506
Cash and cash equivalents at beginning of the year		1,137	2,855	(623)	(2,129)
Cash and cash equivalents at end of the year		64	1,137	(6,787)	(623)

Notes to the Accounts

1. Statement of Accounting Policies

The significant accounting policies applied in preparing the financial statements are as follows:

a) Basis of preparation

These accounts have been prepared in accordance with International Financial Reporting Standards ("IFRS"), including International Accounting Standards ("IAS") and interpretations issued by the International Accounting Standards Board ("IASB") and its committees, and as adopted by the EU, and in accordance with the Companies Act 1985.

b) Significant accounting judgements, estimates and assumptions

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for revenues and expenses during the year and the amounts reported for assets and liabilities at the balance sheet date. However, the nature of estimation means that actual outcomes could differ from those estimates.

The key sources of estimation uncertainty that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are the calculation of the provisions for future purchase of minority interests (see note 1(s)), the measurement and impairment of goodwill, an intangible asset with an indefinite life, and the estimation of share-based payment costs. The Group determines whether goodwill is impaired on an annual basis and this requires an estimation of the value in use of the cash generating unit to which goodwill is allocated. This involves estimation of future cash flows and choosing a suitable discount rate (see note 12). The estimation of share-based payment costs requires the selection of an appropriate model, consideration as to the inputs necessary for the valuation model chosen and the estimation of the number of awards that will ultimately vest, inputs for which arise from judgements relating to the probability of meeting non-market performance conditions and the continuing participation of employees (see note 25).

In the process of applying the Group's accounting policies, management has made the following judgement regarding taxation. The Company and its subsidiaries are subject to routine tax audits and also a process whereby tax computations are discussed and agreed with the appropriate authorities. Whilst the ultimate outcome of such tax audits and discussions cannot be determined with certainty, management estimates the level of provisions required for both current and deferred tax on the basis of professional advice and the nature of current discussions with the tax authority concerned.

c) Prior period adjustment – correction of error

The Financial Reporting Review Panel ("The Panel") has reviewed the report and accounts of the Company for the year ended 30 June 2007 and concluded that the Company's treatment of minority put options as contingent liabilities was not in accordance with paragraph 23 of IAS 32 "Financial Instruments: Presentation" which requires a liability to be recorded for all contracts that contain an obligation to purchase own equity instruments for cash. The Directors have accepted the Panel's conclusions and have corrected the treatment of the minority put options by way of a prior period adjustment. The effect of the adjustment at 30 June 2007 is to increase liabilities from £59,283,000 to £65,648,000 and to reduce shareholders' funds (within minority interests) from £69,108,000 to £67,750,000, with a corresponding adjustment to goodwill. Notes 12, 21 and 27 show the restatements of goodwill, provisions for the future purchase of minority interests and minority interests respectively.

d) Basis of consolidation

The consolidated financial information combines the financial statements of the Company and its subsidiaries.

Where, on the acquisition of a business prior to 1 July 2004, all of the criteria for the combination that fall within the definition of a merger under UK GAAP were met, merger accounting has been applied.

From 1 July 2004, business acquisitions have been accounted for in accordance with IFRS 3, "Business Combinations". Fair values are attributed to the Group's share of net assets. Where the cost of acquisition exceeds the fair values attributable to such net assets, the difference is treated as purchased goodwill and is capitalised (see note 1(h)). In the case of subsequent acquisitions of minority interests in subsidiaries not subject to a put option, the difference between the consideration payable for the additional interest in the subsidiary and the minority interest's share of the assets and liabilities reflected in the consolidated balance sheet at the date of acquisition of the minority interest has been treated as goodwill. In the case of minority interests subject to minority put options, provisions are made at the time of acquisition for the estimated future cost required to settle put options held by minority shareholders over minority interest shares, should said put options be exercised. (See note 1(s)).

Results are consolidated from the date of acquisition of a subsidiary in the case of subsidiaries acquired during the year and to the date of disposal in the case of subsidiaries sold during the year. Results of companies 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".

e) Revenue

Revenue represents the invoiced value of goods sold and services provided during the period, stated net of Value Added Tax. Subscription revenue is allocated to the relevant accounting periods covered by the subscription either 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. Advertising revenue is recognised on publication. Subscriptions and fees in advance are carried forward in trade and other payables.

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 receivable is reasonably assured.

f) Property, plant and equipment

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

Freehold buildings	2 per cent. per annum
Leasehold properties	over the term of the lease to a maximum of 50 years
Leasehold improvements	10 per cent. per annum or over the term of the lease if less than 10 years
Fixtures and fittings	10-20 per cent. per annum
Computer equipment	25-33 per cent. per annum
Motor vehicles	25 per cent. per annum

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

g) Intangible assets

Intangible assets are capitalised and amortised through the income statement over their estimated useful lives not exceeding 20 years.

Computer software that is integral to a related item of hardware is included as property, plant and equipment. All other computer software is recorded as an intangible asset.

h) Goodwill

Goodwill is not amortised. Instead it is subject to an annual impairment review using discounted cash flows based on an appropriate weighted average cost of capital.

i) Investments

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

j) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost includes materials, direct labour, and overheads appropriate to the relevant stage of production. Net realisable value is based on estimated selling price less all the further costs to completion and all relevant marketing, selling and distribution costs.

Notes to the Accounts continued

1. Statement of Accounting Policies (continued)

k) Foreign currencies

Assets and liabilities expressed in foreign currencies are translated into sterling at rates of exchange ruling at the end of the financial period. Trading activities are translated into sterling at the rate of exchange ruling at the date of the transaction. Any resultant gain or loss on exchange is shown as part of the period's profit or loss from ordinary activities.

Profits and losses of overseas subsidiary undertakings are translated into sterling at average rates for the year. The balance sheets of overseas subsidiary undertakings are translated at the rate ruling at the balance sheet date. Differences arising from the translation of Group investments in overseas subsidiary undertakings are dealt with in equity.

Net exchange differences classified as equity are separately tracked and the cumulative amount disclosed as a translation reserve.

l) Taxation

Corporation tax has been provided on profit for the period at appropriate rates.

m) Deferred taxation

Deferred taxation is provided on all temporary differences between the carrying amounts of assets and liabilities in the accounting and tax balance sheets except where IAS 12 "Income Taxes" specifies that it should not. Deferred taxation is measured at the tax rates that are expected to apply in the periods in which temporary differences reverse, based on tax rates or laws enacted or substantively enacted at the balance sheet date.

Deferred taxation is provided in respect of the Group's liabilities under its post employment benefit arrangements and on other employee benefits such as share and share option schemes.

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

n) Financial assets

The Group classifies its non-derivative financial assets as loans and receivables. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date.

Financial assets are initially recognised at fair value (the transaction price plus directly attributable transaction costs).

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, do not qualify as trading assets and have not been designated as either fair value through profit and loss or available for sale. Such assets are carried at amortised cost using the effective interest method if the time value of money is significant. Gains and losses are recognised in income when the loans and receivables are derecognised or impaired, as well as through the amortisation process. If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced, with the amount of the loss recognised in administration expenses.

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. Any subsequent reversal of an impairment loss is recognised in the income statement, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date.

1. Statement of Accounting Policies (continued)

o) Derivative financial instruments and hedging

The Group uses derivative financial instruments such as interest rate swaps to hedge its risks associated with interest rate fluctuations. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Any gains or losses arising from changes in fair value on derivatives during the year that do not qualify for hedge accounting are taken directly to the income statement.

The fair value of interest rate swap contracts is determined by reference to market values for similar instruments.

For the purpose of hedge accounting, hedges are classified as:

- fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment (except for foreign currency risk); or
- cash flow hedges when hedging exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment; or
- hedges of a net investment in a foreign operation.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the hedging instrument's effectiveness in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

The Group has only entered into cash flow hedges. For these, the effective portion of the gain or loss on the hedging instrument is recognised directly in equity, while the ineffective portion is recognised in profit or loss. Amounts taken to equity are transferred to the income statement when the hedged transaction affects profit or loss, such as when the forecast sale or purchase occurs. Where the hedged item is the cost of a non-financial asset or liability, the amounts taken to equity are transferred to the initial carrying amount of the non-financial asset or liability.

If a forecast transaction is no longer expected to occur, amounts previously recognised in equity are transferred to profit or loss. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, amounts previously recognised in equity remain in equity until the forecast transaction occurs and are transferred to the income statement or to the initial carrying amount of a non-financial asset or liability as above. If the related transaction is not expected to occur, the amount is taken to profit or loss.

p) Operating leases

Rentals incurred in respect of operating leases are charged in the income statement on a straight line basis.

q) Pension scheme arrangements

The Group operated a defined benefit pension scheme, for a limited number of employees, which required contributions to be made to a separately administered fund. The fund was actuarially valued every three years. Following the disposal of Wilmington Media, responsibility for this scheme is no longer the Group's.

The Group also contributes to defined contribution pension arrangements for a limited number of other employees. Contributions to these arrangements are charged in the income statement in the period in which they are incurred.

The Group accounts for its pension scheme arrangements in accordance with IAS 19 "Employee benefits". Actuarial gains and losses were taken directly in full to equity.

The Group's balance sheet at 30 June 2007 reflected the assets less liabilities of the Group's defined benefit scheme.

Notes to the Accounts continued

1. Statement of Accounting Policies (continued)

r) Share-based payments

An expense for equity instruments granted is recognised in the financial statements based on their fair value at the date of grant. This expense which is in relation to employee option and performance share schemes is recognised over the vesting period of the scheme.

IFRS 2 has been applied to all options granted after 7 November 2002 and not vested by 1 January 2005. The Group has adopted either the Black Scholes model for the purposes of computing fair value or, in the case of the Performance Share Plan, the Monte Carlo method.

s) Provisions for future purchase of minority interests

On the acquisition of less than 100% of certain subsidiaries the Group enters into put and call options with the holders of the shares not owned by the Group, to purchase their interest 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 (as used in the impairment tests on goodwill and discounted at a rate of 10% to reflect the time value of money) and assuming the put options are exercised at the first available opportunity. Any change in value 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.

t) New standards and interpretations applied

In preparing these financial statements the Group has adopted for the first time IFRS 7 "Financial Instruments: Disclosures" and IAS 1 "Amendment – Presentation of Financial Statements: Capital Disclosures", both of which became effective for accounting periods beginning on or after 1 January 2007 and IFRIC 11 "Group and Treasury Share Transactions" which became effective in accounting period beginning on the 1 March 2007. These new standards require disclosures of some additional information about the Group's financial instruments (their significance and the nature and extent of risks they give rise to) and capital management policies. These is no impact on reported income or net assets as a result of adopting these standards.

u) New standards and interpretations not applied

The IASB have issued the IFRS 8 "Operating Segments" with an effective date of accounting periods beginning on or after 1 January 2009.

IFRS 8's core principle is that an entity should disclose information to enable users of its financial statements to evaluate the nature and financial effects of the types of business activities in which it engages and the economic environments in which it operates.

IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the entity that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

The Directors do not anticipate that the adoption of this standard will have a material impact on the Group's financial statements in the period of initial application.

v) Hedging policy

The Group and Company have adopted a hedging policy in respect of interest payments on the revolving credit facility during the year. Further details of this can be found in note 22.

2. Segmental information

(a) Primary reporting format – business segments

An analysis of business segments by company and business is shown in note 15

Year ended 30 June 2008

		Legal and Regulatory £'000	Business Information £'000	Total £'000
Revenue		75,370	18,033	93,403
Segmental profit before amortisation		17,936	2,964	20,900
Amortisation		(3,584)	(1,656)	(5,240)
Segmental profit after amortisation		14,352	1,308	15,660
Unallocated central overheads (including amortisation of £36,000)				(2,329)
Profit from continuing operations before non-recurring items				13,331
Non-recurring items				–
Profit from continuing operations after non-recurring items				13,331
Net finance costs				(1,150)
Profit on continuing activities before taxation				12,181
Income tax expense				(3,585)
Profit on continuing activities after taxation				8,596
Loss from discontinued operations				(365)
Net profit for the year				8,231
Assets		113,489	25,802	139,291
Liabilities		(43,469)	(8,348)	(51,817)
Net assets		70,020	17,454	87,474
Less: net unallocated central assets and liabilities				(21,141)
				66,333
Capital expenditure	– Legal and Regulatory and Business Information	1,682	460	2,142
	– Central			257
				2,399
Depreciation	– Legal and Regulatory and Business Information	899	312	1,211
	– Central			178
				1,389

Notes to the Accounts continued

2. Segmental information (continued)

(a) Primary reporting format – business segments
Year ended 30 June 2007

		Legal and Regulatory £'000	Business Information £'000	Total £'000
Revenue		65,319	16,134	81,453
Segmental profit before amortisation		15,736	2,969	18,705
Amortisation		(2,751)	(1,147)	(3,898)
Segmental profit after amortisation		12,985	1,822	14,807
Unallocated central overheads (includes amortisation at £24,000)				(2,244)
Profit from continuing operations before non-recurring items				12,563
Non-recurring items				1,208
Profit from continuing operations after non-recurring items				13,771
Net finance costs				(1,239)
Profit on continuing activities before taxation				12,532
Income tax expense				(3,343)
Profit on continuing activities after taxation				9,189
Profit from discontinued operations				696
Net profit for the year				9,885
Assets		89,247	24,497	113,744
Liabilities		(41,159)	(6,767)	(47,926)
Net assets		48,088	17,730	65,818
Plus: net discontinued and unallocated central assets and liabilities				1,932
				67,750
Capital expenditure	– Legal and Regulatory and Business Information	649	1,202	1,851
	– discontinued and central			765
				2,616
Depreciation	– Legal and Regulatory and Business Information	663	176	839
	– discontinued and central			680
				1,519

2. Segmental information (continued)

(b) Secondary reporting format – geographical segments

The geographical analysis of revenue is as follows:

	Year ended 30 June 2008 £'000	Year ended 30 June 2007 £'000
United Kingdom	79,179	69,521
Overseas	14,224	11,932
	93,403	81,453

(c) Adjusted profit

Adjusted profit is defined as profit before taxation, amortisation, share based payments and non-recurring items and reconciles to profit on continuing activities before taxation as follows:

	Year ended 30 June 2008 £'000	Year ended 30 June 2007 £'000
Profit on continuing activities before taxation	12,181	12,532
Amortisation	5,276	3,922
Share based payments	177	–
Non-recurring items (see note 4)	–	(1,208)
Adjusted profit	17,634	15,246

3. Operating expenses

	Year ended 30 June 2008 £'000	Year ended 30 June 2007 £'000
Distribution and selling costs	10,124	7,215
Administrative expenses	36,078	30,689
	46,202	37,904
Amortisation of intangible assets (administrative expense) (see note 13)	5,276	3,922
Total operating expenses	51,478	41,826

Notes to the Accounts continued

4. Profit from continuing operations

Profit for the year from continuing operations is stated after charging/(crediting)	Year ended 30 June 2008 £'000	Year ended 30 June 2007 £'000
Depreciation of property, plant and equipment (see note 14)	1,389	1,519
(Profit)/loss on sale of property, plant and equipment	(13)	10
Rentals under operating leases:		
Machinery	21	34
Other operating leases	745	638
Fees payable to the Company's auditor for the audit of the Company's annual accounts	89	68
Fees payable to the Company's auditor and its associates for other services:		
The audit of the Company's subsidiaries pursuant to legislation	141	151
Other services pursuant to legislation	13	25
Tax services	32	36
Other services	4	30
Share based payments	177	34
Non-recurring items (see below)	–	(1,208)

Fees paid to PKF (UK) LLP and its associates for non-audit services to the Company itself are not disclosed in the individual accounts of Wilmington Group plc because the Company's consolidated accounts are required to disclose such fees on a consolidated basis.

The Directors considered the auditors to be best placed to provide the non-audit services above. The Audit Committee reviews the nature and extent of non-audit services to ensure that independence is maintained.

Non-recurring items for the year ended 30 June 2007 principally represented the inducement fee received, net of transaction costs, relating to the proposed merger with Metal Bulletin plc.

5. Finance revenue and costs

	Year ended 30 June 2008 £'000	Year ended 30 June 2007 £'000
Finance revenue comprise:		
Bank interest receivable	331	103
Pension scheme finance income	–	37
	331	140
Finance costs comprise:		
Interest payable on loans and overdrafts	(1,222)	(1,211)
Facility fees	(259)	(168)
	(1,481)	(1,379)

6. Income tax expense

	Year ended 30 June 2008 £'000	Year ended 30 June 2007 £'000
The tax charge comprises:		
UK corporation tax at current rates	4,532	4,521
Adjustment to previous year	18	(12)
	4,550	4,509
Foreign tax	483	317
	5,033	4,826
Deferred tax credit	(1,448)	(1,483)
Income tax expense	3,585	3,343

Following the change in the UK Corporation tax rate from 30% to 28% on 1 April 2008, the effective rate of Corporation tax in the UK in the Group for the year is 29.5%.

Factors affecting the tax charge for the year:

The tax charge for the year is less than the effective rate of corporation tax in the UK of 29.5% for the year. The differences are explained below:

Reconciliation of tax charge:		
Profit on ordinary activities before tax	12,181	12,532
Profit on ordinary activities multiplied by the 'effective' rate of corporation tax in the year of 29.5% (2007: 30%)	3,593	3,760
Effect of:		
Net (profit)/loss on sale of assets not taxable	(3)	3
Foreign tax rate differences (including foreign tax losses not utilised)	105	66
Adjustment to tax charge in respect of previous years	18	(12)
Other items not subject to tax	(128)	(120)
Effect of change in future rate of corporation tax for deferred tax calculation from 30% to 28%	–	(354)
Income tax expense	3,585	3,343

Notes to the Accounts continued

7. (Loss)/profit for the period from discontinued operations

On 14 August 2007, the Company sold all of its interest in Wilmington Media Limited, Dewberry Redpoint Limited and Office Solutions Media Limited. The results of these companies are treated as discontinued operations and their net profit has been included in the consolidated income statement. Their results are as follows:

	Year ended 30 June 2008 £'000	Year ended 30 June 2007 £'000
Revenue	1,937	21,687
Expenses	(2,147)	(20,503)
(Loss)/profit before amortisation and taxation	(210)	1,184
Amortisation	(63)	(753)
(Loss)/profit before taxation	(273)	431
Attributable tax credit/(charge)	82	(129)
Net operating (loss)/profit attributable to discontinued operations	(191)	302
Profit on disposal of discontinued operations	438	246
Attributable tax (charge)/credit	(612)	148
	(174)	394
(Loss)/profit on discontinued operations after taxation	(365)	696

8. Dividends

Amounts recognised as distributions to equity holders in the year.

	Year ended 30 June 2008 pence per share	Year ended 30 June 2007 pence per share	Year ended 30 June 2008 £'000	Year ended 30 June 2007 £'000
Final dividends recognised as distributions in the year	4.00	2.70	3,352	2,257
Interim dividends recognised as distributions in the year	2.30	2.00	1,905	1,683
Total dividends paid	6.30	4.70	5,257	3,940
Dividend proposed	4.70	4.00	3,904	3,366

9. Earnings per share

To allow shareholders to gain a better understanding of the trading performance of the Group, an adjusted earnings per ordinary share has been calculated using an adjusted profit after taxation and minority interests but before amortisation of intangible assets and post-taxation non-recurring costs.

(a) From continuing operations

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

	Year ended 30 June 2008 £'000	Year ended 30 June 2007 £'000
Earnings from continuing operations for the purpose of basic earnings per share excluding discontinued operations	7,812	8,550
Add: Amortisation (net of minority interest effect and deferred tax)	3,638	2,720
Non-recurring items after taxation	–	(846)
Share based payments (net of tax)	125	–
Earnings for the purposes of adjusted earnings per share	11,575	10,424

	Number	Number
Weighted average number of ordinary shares for the purposes of basic and adjusted earnings per share	83,356,950	83,989,179
Effect of dilutive potential ordinary shares:		
Exercise of share options	557,373	317,924
Weighted average number of ordinary shares for the purposes of diluted earnings per share	83,914,323	84,307,103
Basic earnings per share	9.37p	10.18p
Diluted earnings per share	9.31p	10.14p
Adjusted basic earnings per share	13.89p	12.41p
Adjusted diluted earnings per share	13.79p	12.36p

(b) From continuing and discontinued operations

	Year ended 30 June 2008 £'000	Year ended 30 June 2007 £'000
Earnings from continuing operations for the purpose of basic earnings per share excluding discontinued operations	7,812	8,550
Adjustments to include the (loss)/profit for the period from discontinued operations	(365)	696
Earnings from continuing and discontinued operations for the purpose of basic earnings per share	7,447	9,246
Add: Amortisation (net of minority interest effect and deferred tax)	3,683	3,247
Non-recurring items after taxation	–	(846)
Share based payments	125	–
Earnings for the purposes of adjusted earnings per share	11,255	11,647
Basic earnings per share	8.93p	11.01p
Diluted earnings per share	8.87p	10.97p
Adjusted basic earnings per share	13.50p	13.87p
Adjusted diluted earnings per share	13.41p	13.81p

Notes to the Accounts continued

9. Earnings per share (continued)

(c) From discontinued operations

	Year ended 30 June 2008 £'000	Year ended 30 June 2007 £'000
Earnings from discontinued operations for the purpose of basic earnings per share	(365)	696
Add: Amortisation (net of minority interest effect and deferred tax)	45	527
Earnings for the purposes of adjusted earnings per share	(320)	1,223
Basic earnings per share	(0.44)p	0.83p
Diluted earnings per share	(0.44)p	0.83p
Adjusted basic earnings per share	(0.38)p	1.46p
Adjusted diluted earnings per share	(0.38)p	1.45p

10. Results of Wilmington Group plc

Of the results for the year, a profit of £7,857,000 (2007: £7,516,000) is dealt with in the financial statements of the holding company. Pursuant to Section 230 of the Companies Act 1985 the Company's own income statement is not included in these financial statements.

11. Acquisitions and disposals

Subsidiaries acquired – The Matchett Group Limited

On 26 November 2007 the Group acquired 80 per cent of the fully diluted share capital of The Matchett Group Limited for a cash consideration of £5.7m and the repayment of existing debt of £3.9m together with acquisition costs of £0.2m. Further consideration is payable in respect of the 80 per cent stake dependent on profits during the year ending 31 December 2008. The aggregate amount payable for the 80 per cent comprising the further consideration together with the initial consideration and repayment of debt is capped at £15m. Since acquisition The Matchett Group Limited has generated revenue of £4,084,000 and contributed a profit before tax and amortisation to the Group of £394,000. Had the Group owned The Matchett Group Limited for the whole twelve months since 30 June 2007, it would have generated revenue of £8,442,000 and contributed a profit before tax and amortisation to the Group of £1,113,000.

Put and call options have been entered into by CLT Group whereby the 20 per cent shareholders of The Matchett Group Limited can require CLT Group to acquire their shares for a consideration based on a formula linked to future profits. Similarly from 2015, CLT Group can require any remaining minority shareholders to sell their shares to CLT Group, again based on a formula linked to profits. The amount payable under the arrangements is capped at £21m (including the initial and deferred consideration and debt repayments).

11. Acquisitions and disposals (continued)

Assets and liabilities of subsidiary undertaking acquired:

	Book value £'000	Adjustments £'000	Fair value £'000
Property, plant and equipment	256	(157)	99
Inventories	62	(33)	29
Trade and other receivables	1,115	102	1,217
Cash and cash equivalents	247	–	247
Trade and other payables	(1,848)	(333)	(2,181)
Intangible assets	1,851	1,300	3,151
Deferred tax	19	(871)	(852)
	1,702	8	1,710
Less: minority interests			(793)
			917
Goodwill arising on consolidation			8,901
Consideration			9,818
Satisfied by cash (including acquisition costs)			9,818

Adjustments have been made in respect of fair value adjustments and to reflect alignment with the Group's accounting policies.

Subsidiaries acquired – AP Information Services Limited/Aspire Publications Limited

On 15 February 2008 the Group acquired 100 per cent of AP Information Services Limited for an initial cash consideration of £5.3m. AP Information Services Limited on 3 April 2008 then acquired 100 per cent of Aspire Publications Limited for an initial cash consideration of £1.3m. Deferred consideration of £0.3m was also paid prior to 30 June 2008. Since acquisition, AP Information Services Limited and Aspire Publications Limited have generated revenue of £1,530,000 and contributed profit before divisional overheads, tax and amortisation to the Group of £759,000. Had the Group owned AP Information Services Limited and Aspire Publications Limited for the whole twelve months since 30 June 2007, they would have generated revenue of £3,426,000 and contributed a profit before divisional overheads, tax and amortisation to the Group of £1,027,000.

Notes to the Accounts continued

11. Acquisitions and disposals (continued)

Assets and liabilities of subsidiary undertaking acquired:

	Book value £'000	Adjustments £'000	Fair value £'000
Property, plant and equipment	34	(29)	5
Inventories	11	177	188
Trade and other receivables	443	(83)	360
Cash and cash equivalents	47	–	47
Trade and other payables	(1,053)	(198)	(1,251)
Intangible assets	795	3,605	4,400
Deferred tax	(6)	(1,226)	(1,232)
	271	2,246	2,517
Goodwill arising on consolidation			4,752
Consideration			7,269
Satisfied by cash (including acquisition costs)			6,879
Deferred consideration			390
			7,269

Adjustments have been made in respect of fair value adjustments and to reflect alignment with the Group's accounting policies.

Other acquisitions

In July 2007, the Group acquired 51 per cent. of Clientzone Limited for a cash consideration of £108,000 (including acquisition costs). In addition £145,000 was paid during the year in respect of deferred consideration due for acquisitions in prior years together with certain small payments in relation to costs of acquisitions in the prior year.

Minority Interest acquired

During the year the Group acquired the remaining 20 per cent. of La Touche Bond Solon Limited for a cash consideration of £118,000.

Disposals

On 14 August 2007, the Company sold all of its interest in Wilmington Media Limited, Dewberry Redpoint Limited and Office Solutions Media Limited for a cash consideration net of disposal costs (including the costs of providing transitional services to the business disposed of) of £10.3m which has resulted in a modest pre tax gain on disposal (see note 7).

12. Goodwill

	£'000
Cost	
At 1 July 2006, previously reported	47,187
Adjustment relating to provisions for acquisition of minority interests	3,479
At 1 July 2006 (as restated)	50,666
Acquisitions	2,653
Transfer to assets held for sale	(1,906)
Change in provisions for acquisition of minority interests	1,954
Change in minority interest reserve	(426)
At 1 July 2007 as restated (previously £47,934,000)	52,941
Acquisitions	13,725
Change in provisions for acquisitions of minority interests	3,167
Change in minority interest reserve	(398)
	69,435
Net book value	
At 30 June 2008	69,435
At 30 June 2007 (as restated)	52,941

Goodwill arises on the consolidation of subsidiary undertakings. Goodwill arising on acquisitions before the date of transition to IFRS has been retained at the previous UK GAAP amounts subject to being tested for impairment at that date. The major constituents are £31,472,000 (2007: £31,472,000) of goodwill in respect of the Group's Central Law Training cash generating unit, £8,901,000 (2007: £nil) in respect of The Matchett Group and £4,752,000 (2007: £nil) in respect of AP Information Services/Aspire.

The Group tests annually for impairment. The recoverable amount of the goodwill is determined from value in use calculations. The key assumptions for the value in use calculations are those regarding the discount rates, growth rates and expected changes to sales and overheads during the period. Management uses pre-tax discount rates of 10% that reflect prudent current market assessments for the time value of money and the risks specific to the cash generating units. The growth rates are based on management forecasts and expectations of future changes in the market.

The Group prepares cash flow forecasts derived from the most recent financial budgets and profit forecasts approved by management for the next three years.

Notes to the Accounts continued

13. Intangible assets

	Group			Company
	Publishing rights, titles and benefits £'000	Computer software £'000	Total £'000	Computer software £'000
Cost				
At 1 July 2006	38,444	1,162	39,606	68
Additions	843	681	1,524	9
Acquisitions	7,055	–	7,055	–
Disposals	–	(57)	(57)	–
Transfer to assets held for sale	(7,859)	(616)	(8,475)	–
At 1 July 2007	38,483	1,170	39,653	77
Additions	–	924	924	221
Acquisitions	7,514	41	7,555	–
Disposals	–	–	–	–
At 30 June 2008	45,997	2,135	48,132	298
Amortisation				
At 1 July 2006	6,320	389	6,709	32
Charge for year	4,230	445	4,675	24
Disposals	–	(29)	(29)	–
Transfer to assets held for sale	(3,038)	(279)	(3,317)	–
At 1 July 2007	7,512	526	8,038	56
Charge for year	4,856	420	5,276	36
Disposals	–	–	–	–
At 30 June 2008	12,368	946	13,314	92
Net book value				
At 30 June 2008	33,629	1,189	34,818	206
At 30 June 2007	30,971	644	31,615	21

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 2006	5,866	3,790	722	3,610	4,839	382	19,209
Additions	3	124	22	318	510	115	1,092
Acquisitions	–	–	24	85	87	275	471
Disposals	–	–	–	(44)	(349)	(110)	(503)
Sale of subsidiary	–	–	(533)	(202)	(693)	(28)	(1,456)
Exchange translation differences	–	–	(1)	(1)	(3)	–	(5)
Transfer to assets held for sale	(2,288)	–	(65)	(359)	(355)	(306)	(3,373)
At 1 July 2007	3,581	3,914	169	3,407	4,036	328	15,435
Additions	–	21	98	635	568	153	1,475
Acquisitions	–	–	–	29	75	–	104
Disposals	–	–	–	(20)	(47)	(160)	(227)
Exchange translation differences	–	–	5	33	48	–	86
At 30 June 2008	3,581	3,935	272	4,084	4,680	321	16,873
Depreciation							
At 1 July 2006	446	1,046	275	2,085	4,054	102	8,008
Charge for year	93	175	60	519	511	161	1,519
Disposals	–	–	–	(46)	(365)	(47)	(458)
Sale of subsidiary	–	–	(234)	(148)	(648)	(10)	(1,040)
Exchange translation differences	–	–	–	–	(3)	–	(3)
Transfer to assets held for sale	(220)	–	(32)	(183)	(183)	(104)	(722)
At 1 July 2007	319	1,221	69	2,227	3,366	102	7,304
Charge for year	58	179	26	490	549	87	1,389
Disposals	–	–	–	(8)	(10)	(122)	(140)
Exchange translation differences	–	–	–	8	49	–	57
At 30 June 2008	377	1,400	95	2,717	3,954	67	8,610
Net book value							
At 30 June 2008	3,204	2,535	177	1,367	726	254	8,263
At 30 June 2007	3,262	2,693	100	1,180	670	226	8,131

Included in freehold property is £1,210,000 (2007: £1,210,000) of non-depreciated land.

Notes to the Accounts continued

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 2006	2,655	31	32	62	2,780
Additions	124	–	–	11	135
Disposals	–	–	–	–	–
At 1 July 2007	2,779	31	32	73	2,915
Additions	8	–	2	27	37
Disposals	–	–	–	–	–
At 30 June 2008	2,787	31	34	100	2,952
Depreciation					
At 1 July 2006	886	8	17	31	942
Charge for year	149	3	6	18	176
Disposals	–	–	–	–	–
At 1 July 2007	1,035	11	23	49	1,118
Charge for year	152	3	7	17	179
Disposals	–	–	–	–	–
At 30 June 2008	1,187	14	30	66	1,297
Net book value					
At 30 June 2008	1,600	17	4	34	1,655
At 30 June 2007	1,744	20	9	24	1,797

15. Investments

	Company Shares in subsidiary undertakings £'000
Cost less provision at 1 July 2006 and 1 July 2007	44,959
Disposals	(3,674)
Cost less provision at 30 June 2008	41,285

At 30 June 2008 the principal subsidiary undertakings listed below were all owned by the Company. All have ordinary share capital. Except where indicated, all of the principal subsidiary undertakings were incorporated in and principally operated in Great Britain. Subsidiary undertakings marked (*) are indirectly owned.

15. Investments (continued)

Name of company	Business	Percentage owned
Legal and Regulatory		
CLT Group Limited	Holding company	100
Central Law Training Limited*	Professional education, post qualification training and legal conferences	100
CLT International Limited*	Certified professional training	100
Central Law Training (Scotland) Limited*	Professional education, post qualification training and legal conferences	80
Bond Solon Training Limited*	Witness training and conferences	100
Quorum Training Limited*	Financial training courses	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
La Touche Bond Solon Training Limited* (incorporated and operates in Ireland)	Witness and post qualification legal training	100
The Matchett Group Limited*	Provision of professional training	80
John Matchett Limited*	Provision of professional training and support services	80
Adkins & Matchett UK Limited*	Provision of professional training	80
Adkins, Matchett & Toy, Limited* (Incorporated and operates in the USA)	Provision of professional training	80
Clientzone Limited*	Support services to the accountancy profession	42
Mercia Group Limited*	Training and support services to the accountancy profession	83
Mercia NI Limited* (incorporated and operates in Ireland)	Training and support services to the accountancy profession	50
Mercia Ireland Limited* (incorporated and operates in Ireland)	Training and support services to the accountancy profession	50
Practice Track Limited*	Marketing support services for the accountancy profession	100
Waterlow Legal and Regulatory Limited	Provision of information and events for professional markets	100
Ark Group Limited*	Holding company	85
Ark Conferences Limited*	Provision of information and events for professional practice management	85
Ark Group Australia Pty Limited* (incorporated and operates in Australia)	Provision of information and events for professional practice management	85
Smee and Ford Limited*	Provision of legacy information	100
AP Information Services Limited*	Provision of information for professional markets	100
Aspire Publications Limited*	Provision of information for professional markets	100
Business Information		
Wilmington Business Information Limited	Holding company	100
Muze Europe Limited*	Provision of reference information to the music industry	50
Hollis Directories Limited*	Holding company	100
Hollis Publishing Limited*	Provision of reference information to the public relations market	100
Beechwood House Publishing Limited*	Provision of reference information to the healthcare industry	75
Pendragon Professional Information Limited*	Provision of information for professionals in the pensions industry	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

Wilmington Business Information Limited owns 75 per cent. of Beechwood House Publishing Limited and 50.001 per cent. of Muze Europe Limited. CLT Group Limited owns 80 per cent. of Central Law Training (Scotland) Limited and 80 per cent. of The Matchett Group Limited. Waterlow Legal and Regulatory Limited owns 85 per cent. of Ark Group Limited. Ark Group Limited owns 100 per cent. of Ark Conferences Limited and Ark Group Australia Pty Limited. Central Law Training Limited owns 82.7 per cent. of Mercia Group Limited. Mercia Group Limited owns 60 per cent. of Mercia NI Limited and Mercia Ireland Limited. Mercia Group Limited owns 51 per cent. of Clientzone Limited.

The Matchett Group Limited, John Matchett Limited, Adkins and Matchett UK Limited and Adkins, Matchett & Toy, Limited have non-coterminous year ends of 31 December 2007 due to share option agreements.

Notes to the Accounts continued

16. Inventories

	Group 30 June 2008 £'000	Group 30 June 2007 £'000
Raw materials	55	152
Work in progress	1,652	1,416
Books held for sale	62	5
	1,769	1,573

17. Trade and other receivables

	Group		Company	
	30 June 2008 £'000	30 June 2007 £'000	30 June 2008 £'000	30 June 2007 £'000
Trade receivables	19,402	20,648	–	–
Other receivables	1,829	927	66	37
Amounts due from subsidiary undertakings	–	–	55,827	42,845
Prepayments and accrued income	2,182	2,617	290	331
	23,413	24,192	56,183	43,213

Amounts due from subsidiary undertakings at 30 June 2007 included £7,480,000 which was an interest free loan repayable in more than one year by one of the subsidiaries sold during the year.

18. Derivative financial assets

	Group		Company	
	30 June 2008 £'000	30 June 2007 £'000	30 June 2008 £'000	30 June 2007 £'000
Interest rate and currency swaps – cash flow hedge	413	560	413	560

Details of the interest rate swap and currency swap are set out in note 22.

19. Trade and other payables

	Group		Company	
	30 June 2008 £'000	30 June 2007 £'000	30 June 2008 £'000	30 June 2007 £'000
Trade payables	6,117	5,713	–	–
Other payables	2,092	2,235	393	353
Other taxes and social security	3,240	3,568	61	24
Subscriptions and fees in advance	11,323	12,929	–	–
Accruals	10,932	10,677	1,166	932
Amounts due to subsidiary undertakings	–	–	167	1,423
	33,704	35,122	1,787	2,732

20. Bank loans and overdrafts

	Group		Company	
	30 June 2008 £'000	30 June 2007 £'000	30 June 2008 £'000	30 June 2007 £'000
Current liability – bank overdraft	3,633	3,306	6,787	623
Non-current liability – bank loan	18,000	13,000	18,000	13,000

The Group has an unsecured committed 5 year revolving credit facility of £60 million (2007: £60 million) to March 2012 of which £18 million was drawn down at 30 June 2008 (2007: £13 million). Interest is charged on the amount drawn down at 0.8 to 1.0 per cent. above LIBOR depending upon leverage. Under the facility, drawdown is made for interest fixture periods of up to six months in duration. Of the amount drawn down at 30 June 2008, £6,000,000 matured on 16 July 2008 and was rolled over to mature on 16 October 2008 and £12,000,000 matured on 29 September 2008 and was rolled over to mature on 29 October 2008.

The bank overdrafts are the subject of a Group set off arrangement. Interest is charged on the overdraft at 1 per cent. above Barclays Bank Base Rate.

21. Provisions for future purchase of minority interests

	Group	
	Current provisions (as re-stated) £'000	Non current provisions (as re-stated) £'000
At 1 July 2006 (as restated – previously nil)	130	4,207
Provision for new put options issued over minority interests – taken to goodwill	–	1,807
– taken to minority reserve	–	74
Change in value of existing provisions (including unwinding of discounting)	(12)	159
At 1 July 2007 (as restated – previously nil)	118	6,247
Provision for new put options issued over minority interests – taken to goodwill	–	977
– taken to minority reserve	–	793
Provisions utilised in respect of acquisitions of minority interests	(118)	–
Change in value of existing provisions (including unwinding of discounting)	–	2,190
Non-current provisions becoming current	939	(939)
At 30 June 2008	939	9,268

Provisions represent the estimated future cost (discounted at a rate of 10% to reflect the time value of money) required to settle put options held by minority shareholders over minority interest shares, should said put options be exercised.

The actual settlement timing and value is dependant upon when (and if) the minority shareholders choose to exercise their options and the profitability of the underlying companies at the date of exercise. For the purposes of estimating the above provision it has been assumed that put options are exercised at the first available opportunity.

Notes to the Accounts continued

22. Financial instruments

An explanation of the Group's Treasury policies is set out in the Business Review on pages 4 and 5.

Liquidity Risk

At 30 June 2008, the Group had undrawn committed borrowing facilities of £42,000,000, comprising a revolving credit facility provided by Barclays Capital, HSBC and Royal Bank of Scotland. Any non-compliance with covenants within the borrowing arrangements could, if not waived, constitute an event of default with respect to such arrangements. The Group was fully compliant with its financial covenants throughout each of the periods presented.

The Group and Company had available undrawn committed bank facilities as follows;

	30 June 2008 £'000	30 June 2007 £'000
Expiring within one year	–	–
After more than one year	42,000	47,000
	42,000	47,000

The Group uses bank facilities to manage short and long term liquidity. Information on contractual activity can be found in note 20 to the accounts.

The following tables illustrate the contractual maturity profiles of its financial liabilities at 30 June. The amounts disclosed have not been subject to discounting and hence do not necessarily agree to the carrying amounts in the balance sheet.

Group

At 30 June 2008	Within 1 Year £'000	1 – 2 Years £'000	2 – 5 Years £'000	More than 5 Years £'000	Total £'000
Bank overdraft	3,633	–	–	–	3,633
Bank loans	–	–	18,000	–	18,000
Trade payables and accruals	19,141	–	–	–	19,141
Provision for future purchase of minority interests	939	3,579	7,804	118	12,440
	23,713	3,579	25,804	118	53,214

At 30 June 2007	Within 1 Year £'000	1 – 2 Years £'000	2 – 5 Years £'000	More than 5 Years £'000	Total £'000
Bank overdraft	3,306	–	–	–	3,306
Bank loans	–	–	13,000	–	13,000
Trade payables and accruals	18,625	–	–	–	18,625
Provision for future purchase of minority interests	118	1,887	5,817	139	7,961
	22,049	1,887	18,817	139	42,892

22. Financial instruments (continued)

Company

At 30 June 2008	Within 1 Year £'000	1 – 2 Years £'000	2 – 5 Years £'000	More than 5 Years £'000	Total £'000
Bank overdraft	6,787	–	–	–	6,787
Bank loans	–	–	18,000	–	18,000
Trade payables and accruals	1,726	–	–	–	1,726
	8,513	–	18,000	–	26,513

At 30 June 2007	Within 1 Year £'000	1 – 2 Years £'000	2 – 5 Years £'000	More than 5 Years £'000	Total £'000
Bank overdraft	623	–	–	–	623
Bank loans	–	–	13,000	–	13,000
Trade payables and accruals	2,708	–	–	–	2,708
	3,331	–	13,000	–	16,331

Credit Risk

The Group's principal financial assets are bank balances and trade and other receivables, which represent the Group's maximum exposure to credit risk in relation to financial assets. The Group's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables estimated by the Group's management based on prior experience and their assessment of the current economic value.

The Group has no significant concentration of credit risk with exposure spread over a large number of customers.

The Company's credit risk in relation to the unlimited cross guarantee with the Group's bankers is referred to in note 28.

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

	30 June 2008 £'000	30 June 2007 £'000
Allowances at 1 July 2007	977	949
Additions charged to income statement	159	260
Allowances used	(115)	(232)
Allowances reversed on disposal of subsidiaries	(303)	–
Allowances at 30 June 2008	718	977

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

	Not due £'000	Overdue 0 – 30 days £'000	Overdue 30 – 60 days £'000	Over 60 days £'000	Total £'000
At 30 June 2008	10,707	4,128	2,042	3,243	20,120
At 30 June 2007	11,908	4,201	2,063	3,453	21,625

The Company does not have trade receivables.

Notes to the Accounts continued

22. Financial instruments (continued)

Capital Management

The Board's 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. Within this policy the Board is mindful of the need to balance these objectives with the efficient use of capital and during the past year has made purchases of its own shares from time to time, (see note 24). Details of the Group's banking arrangements are set out under Liquidity Risk above.

Analysis of total financial liabilities and financial assets

The table below sets out the Group's IAS39 classification of each of its financial assets and liabilities at 30 June 2008. All amounts are stated at their carrying value.

Group

At 30 June 2008	Fair value through profit and loss £'000	Loans and receivables £'000	Derivatives used for hedging £'000	Liabilities held at amortised cost £'000	Liabilities held at fair value £'000	Total £'000
Cash and cash equivalents	–	3,697	–	–	–	3,697
Bank overdraft	–	–	–	(3,633)	–	(3,633)
Borrowings due after more than one year	–	–	–	(18,000)	–	(18,000)
Derivative assets	3	–	410	–	–	413
Derivative liabilities	–	–	–	–	(10,207)	(10,207)
Other financial assets	–	21,231	–	–	–	21,231
Other financial liabilities	–	–	–	(19,141)	–	(19,141)
	3	24,928	410	(40,774)	(10,207)	(25,640)

At 30 June 2007	Fair value through profit and loss £'000	Loans and receivables £'000	Derivatives used for hedging £'000	Liabilities held at amortised cost £'000	Liabilities held at fair value £'000	Total £'000
Cash and cash equivalents	–	4,443	–	–	–	4,443
Bank overdraft	–	–	–	(3,306)	–	(3,306)
Borrowings due after more than one year	–	–	–	(13,000)	–	(13,000)
Derivative assets	–	–	560	–	–	560
Derivative liabilities	–	–	–	–	(6,365)	(6,365)
Other financial assets	–	21,575	–	–	–	21,575
Other financial liabilities	–	–	–	(18,625)	–	(18,625)
	–	26,018	560	(34,931)	(6,365)	(14,718)

Company

At 30 June 2008	Fair value through profit and loss £'000	Loans and receivables £'000	Derivatives used for hedging £'000	Liabilities held at amortised cost £'000	Total £'000
Bank overdraft	–	–	–	(6,787)	(6,787)
Borrowings due after more than one year	–	–	–	(18,000)	(18,000)
Derivative assets	3	–	410	–	413
Other financial assets	–	55,893	–	–	55,893
Other financial liabilities	–	–	–	(1,726)	(1,726)
	3	55,893	410	(26,513)	29,793

22. Financial instruments (continued)

At 30 June 2007	Fair value through profit and loss £'000	Loans and receivables £'000	Derivatives used for hedging £'000	Liabilities held at amortised cost £'000	Total £'000
Bank overdraft	–	–	–	(623)	(623)
Borrowings due after more than one year	–	–	–	(13,000)	(13,000)
Derivative assets	–	–	560	–	560
Other financial assets	–	42,882	–	–	42,882
Other financial liabilities	–	–	–	(2,708)	(2,708)
	–	42,882	560	(16,331)	27,111

Other financial assets comprise trade and other receivables due within one year. Other financial liabilities comprise trade and other payables and accruals due within one year.

Derivative assets are dealt with under cash flow hedges below. No speculative positions are undertaken.

Derivative liabilities designated at fair value are options between the minority interest holders of subsidiary companies and the Group. The options require the Group to purchase a minority shareholding according to a contractual obligation. The liability represents the costs to the Group of buying out these minority interests should the put options be exercised by the minority shareholders. The valuation upon exercise is dependent on the business performance of the subsidiary entities at the date the options are exercised.

Hedges

Cash Flow Hedges

In November 2006 the Group entered into a 5 year £15m interest rate swap whereby it receives interest on £15m based on 3 month LIBOR and pays interest on £15m at a fixed rate of 5.23%. This derivative has been designated as a cash-flow hedge in order to manage interest rate risk associated with the first £15m of the credit facility. Payments received under the swap have been matched against interest paid quarterly during the year and the entire gain on the hedge has been recognised in equity, following the Directors assessment of the hedge's effectiveness. On 19 May 2008 the Group sold forward 1 year €1m at a rate of 1.2497. This approximates to the after tax profits of APM, the Group's principal operation in the eurozone. Any gain or loss is recognised in the Income Statement.

Fair value of financial assets and liabilities

Set out below is a comparison by class of carrying amounts and fair values of all of the Group's financial investments.

Group	Book value 30 June 2008 £'000	Book value 30 June 2007 £'000	Fair value 30 June 2008 £'000	Fair value 30 June 2007 £'000
Financial assets				
Cash and cash equivalents	3,697	4,443	3,697	4,443
Derivative assets	413	560	413	560
Other financial assets	21,231	21,575	21,231	21,575
	25,341	26,578	25,341	26,578
Financial liabilities				
Bank overdraft	(3,633)	(3,306)	(3,633)	(3,306)
Bank loans	(18,000)	(13,000)	(18,000)	(13,000)
Derivative liabilities	(10,207)	(6,365)	(10,207)	(6,365)
Other financial liabilities	(19,141)	(18,625)	(19,141)	(18,625)
	(50,981)	(41,296)	(50,981)	(41,296)

Notes to the Accounts continued

22. Financial instruments (continued)

Company

	Book value		Fair value	
	30 June 2008 £'000	30 June 2007 £'000	30 June 2008 £'000	30 June 2007 £'000
Financial assets				
Derivative assets	413	560	413	560
Other financial assets	55,893	42,882	55,893	42,882
	56,306	43,442	56,306	43,442
Financial liabilities				
Bank overdraft	(6,787)	(623)	(6,787)	(623)
Bank loans	(18,000)	(13,000)	(18,000)	(13,000)
Other financial liabilities	(1,726)	(2,708)	(1,726)	(2,708)
	(26,513)	(16,331)	(26,513)	(16,331)

Sensitivity Analysis

The Group has carried out a sensitivity analysis that measures the estimated charge to the income statement and equity of a 1% difference in market interest rates applicable at 30 June 2008 with all other measures remaining constant. Similarly the sensitivity analysis in respect of currency risk measures the estimated charge to the income statement and equity of a 10% difference in the market rates of both the US dollar and Euro, being the two major currencies to which the Group is exposed.

The sensitivity analysis includes 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 these are recognised at fair value.

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.

d) Changes in foreign currency rates only affect those items of income and expense and assets and liabilities denominated in the said currencies.

Interest rate risk

	Income Statement		Equity (before tax)	
	100 bps Increase £'000	100 bps Decrease £'000	100 bps Increase £'000	100 bps Decrease £'000
Cash and cash equivalents	27	(27)	27	(27)
Bank overdraft	(33)	33	(33)	33
Bank loans	(153)	153	(153)	153
Interest Swap	150	(150)	150	(150)
	(9)	9	(9)	9

Currency risk

	Income Statement		Equity (before tax)	
	+10% £'000	-10% £'000	+10% £'000	-10% £'000
Cash and cash equivalents	44	(44)	145	(145)
Trade receivables	–	–	215	(215)
Trade payables	–	–	(299)	299
Foreign exchange impact on profit	(81)	81	(81)	81
	(37)	37	(20)	20

23. Deferred tax

Movements on deferred tax are as follows:

	Group £'000	Company £'000
Asset at 1 July 2006	212	1
Deferred tax credit in the income statement for the year	39	–
Deferred tax charge taken directly in equity for the year	(59)	–
Deferred tax assets set up on fair value review	52	–
Effect of change in future tax rate from 30% to 28%	(16)	–
Asset at 30 June 2007	228	1
Deferred tax credit in the income statement for the year	80	–
Deferred tax charge taken directly in equity for the year	–	–
Deferred tax credit arising on disposals	(63)	–
Asset at 30 June 2008	**245**	**1**
Provision at 30 June 2006	4,594	92
Deferred tax liabilities arising on acquisitions	2,117	–
Deferred tax (credit) in the income statement for the year	(1,321)	(21)
Deferred tax charge taken directly in equity for the year	168	168
Effect of change in future tax rate from 30% to 28%	(370)	(16)
Provision at 1 July 2007	5,188	223
Deferred tax liabilities arising on acquisitions	2,092	–
Deferred tax (credit) in the income statement for the year	(1,378)	(28)
Deferred tax charge taken directly in equity for the year	(42)	(42)
Deferred tax credit arising on disposals	948	–
Provision at 30 June 2008	**6,808**	**133**

	30 June 2008 £'000	30 June 2007 £'000
The deferred tax asset relates to the following:		
Share based payments	92	42
Holiday pay accruals	153	181
Defined benefit scheme	–	5
	245	228
The deferred tax liability relates to the following:		
Timing differences on non-current assets	6,692	5,031
Interest rate swap	116	157
	6,808	5,188

Notes to the Accounts continued

24. Share capital

Group and Company

	30 June 2008 £'000	30 June 2007 £'000
Authorised		
110,000,000 (2007: 110,000,000) ordinary shares of 5p each	5,500	5,500
Allotted, called-up and fully paid ordinary shares of 5p each 84,486,679 (2007: 84,156,179)	4,224	4,208

During the year 330,500 ordinary shares were issued in respect of share options exercised by members of staff. As part of the Company's share buy back programme, at 30 June 2008, the company had purchased 1,917,000 shares at a value of £3,968,000. These are shown as Treasury shares in the balance sheet.

25. Share based payments

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

a) Under the Wilmington Group plc 1995 Unapproved Share Option Scheme

Year of grant	Subscription price per share	Period within which options exercisable	Number of shares for which options outstanding at 30 June 2007	Options exercised during year	Options lapsed during year	Number of shares for which options outstanding at 30 June 2008
2001	217.5p	Jun 2004-Jun 2008	131,830	(8,000)	(123,830)	–
2001	146.5p	Nov 2004-Nov 2008	100,000	(100,000)	–	–
2004	118.5p	Mar 2007-Mar 2011	291,000	(125,000)	–	166,000

b) 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 30 June 2007	Options exercised during year	Options lapsed during year	Number of shares for which options outstanding at 30 June 2008
1999	285p	Nov 2002-Nov 2009	170,500	–	(46,000)	124,500
2000	384.5p	Jun 2003-Jun 2010	52,400	–	(29,000)	23,400
2000	316.5p	Nov 2003-Nov 2010	62,750	–	(4,000)	58,750
2001	217.5p	Jun 2004-Jun 2011	72,170	–	(23,960)	48,210
2002	170p	May 2005-May 2012	17,600	–	–	17,600
2003	61.5p	Mar 2006-Mar 2013	41,000	–	–	41,000
2004	118.5p	Mar 2007-Mar 2014	189,000	(97,500)	–	91,500

Criteria for the exercise of options issued under the 1995 Unapproved Share Option and the 1999 Approved Share Option Schemes include a minimum three year interval before first exercise for options granted prior to March 2003. The increase in adjusted earnings per share of the Company must be a least as great as the growth in the FTSE All Share Index over the same period. For options granted since March 2003 the increase in adjusted earnings per share must have grown by a percentage which is not less than the percentage increase during the relevant period in the Retail Price Index plus 2% or 3% for each year up to the exercise date. If options remain unexercised after a period of 7 years from the date of the grant the option expires. Furthermore, options are forfeited if the employee leaves the Group before the options vest.

25. Share based payments (continued)

Options were valued using the Black Scholes model with the following assumptions:

Expected volatility (%)	25
Expected life (years)	5
Risk free rate (%)	5
Expected dividends (%)	3

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.

	Year ended 30 June 2008		Year ended 30 June 2007	
	Number	Weighted average exercise price	Number	Weighted average exercise price
Outstanding at 1 July	1,128,250	186.14	2,012,650	178.16
Lapsed	(226,790)	254.29	(328,400)	338.21
Exercised	(330,500)	129.71	(556,000)	66.85
Outstanding at 30 June	570,960	191.93	1,128,250	186.14
Exercisable at 30 June	570,960	191.93	1,128,250	248.02

The weighted average share price during the period was 210.46p (2007: 225.31p).

	Year ended 30 June 2008			Year ended 30 June 2007		
Range of exercise prices	Weighted average exercise price	Number of shares	Weighted average remaining contractual life	Weighted average exercise price	Number of shares	Weighted average remaining contractual life
1p – 99p	61.5	41,000	4.75	61.50	41,000	5.75
100p – 199p	121.8	275,100	3.82	124.70	597,600	4.34
200p – 299p	266.2	172,710	1.86	248.23	374,500	2.22
300p – 399p	335.9	82,150	2.30	347.44	115,150	3.23

c) Under the Wilmington Group plc 2007 Performance Share Plan

Year of grant	Option price per share	Date of vesting	Number of shares for which options outstanding at 30 June 2007	Options granted during year	Number of shares for which options outstanding at 30 June 2008
2007	Nil	Dec 2010	–	540,401	540,401

Details of the Performance Share Plan are set out in the Report on Directors' Remuneration on pages 24 and 25.

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

Expected Volatility (%)	26
Expected life (years)	3
Expected dividends (%)	Nil

Notes to the Accounts continued

26. Reconciliation of movements in equity shareholders' funds

	Share Capital £'000	Share Premium Account £'000	Treasury Shares £'000	Capital Reserve £'000	Translation Reserve £'000	Share Option Reserve £'000	Retained Earnings £'000	Total £'000	Net Minority Interest (restated) (see note 27) £'000	Total (restated) £'000
Group										
Balance at 1 July 2006	4,180	42,658	–	949	(11)	91	12,841	60,708	875	61,583
Profit for the year	–	–	–	–	–	–	9,246	9,246	125	9,371
Exchange translation difference	–	–	–	–	–	–	–	–	–	–
Interest rate swap gain taken directly to equity	–	–	–	–	–	–	560	560	–	560
Actuarial gain taken directly to equity	–	–	–	–	–	–	197	197	–	197
Tax on items taken directly to equity	–	–	–	–	–	–	(227)	(227)	–	(227)
	4,180	42,658	–	949	(11)	91	22,617	70,484	1,000	71,484
Dividends paid	–	–	–	–	–	–	(3,940)	(3,940)	(204)	(4,144)
Share option reserve	–	–	–	–	–	34	–	34	–	34
Issue of Share Capital during the year	28	348	–	–	–	–	–	376	–	376
Balance at 1 July 2007	4,208	43,006	–	949	(11)	125	18,677	66,954	796	67,750
Profit for the year	–	–	–	–	–	–	7,447	7,447	28	7,475
Exchange translation difference	–	–	–	–	63	–	–	63	–	63
Interest rate swap gain taken directly to equity	–	–	–	–	–	–	(150)	(150)	–	(150)
Reserve directly to equity	–	–	–	(949)	–	–	949	–	–	–
Tax on Capital reserve taken directly to equity	–	–	–	–	–	–	(284)	(284)	–	(284)
Tax on interest rate swap taken directly to equity	–	–	–	–	–	–	42	42	–	42
	4,208	43,006	–	–	52	125	26,681	74,072	824	74,896
Dividends paid	–	–	–	–	–	–	(5,257)	(5,257)	–	(5,257)
Share option reserve	–	–	–	–	–	177	–	177	–	177
Issue of share capital during the year	16	407	–	–	–	–	–	423	–	423
Acquisitions during the year	–	–	–	–	–	–	–	–	120	120
Acquisition of minorities during the year	–	–	–	–	–	–	–	–	–	–
Movement in minorities due to company sold during the year	–	–	–	–	–	–	–	–	(58)	(58)
Share buy back	–	–	(3,968)	–	–	–	–	(3,968)	–	(3,968)
Balance at 30 June 2008	**4,224**	**43,413**	**(3,968)**	**–**	**52**	**302**	**21,424**	**65,447**	**886**	**66,333**

26. Reconciliation of movements in equity shareholders' funds (continued)

Company	Share Capital £'000	Share Premium £'000	Treasury Shares £'000	Share Option Reserve £'000	Retained Earnings £'000	Total £'000
Balance at 1 July 2006	4,180	42,658	–	3	22,787	69,628
Profit for the year	–	–	–	–	7,516	7,516
Interest rate swap gain taken directly to equity	–	–	–	–	560	560
Tax on items taken directly to equity	–	–	–	–	(168)	(168)
	4,180	42,658	–	3	30,695	77,536
Dividends paid	–	–	–	–	(3,940)	(3,940)
Share option reserve	–	–	–	1	–	1
Issue of share capital during the year	28	348	–	–	–	376
Balance at 1 July 2007	4,208	43,006	–	4	26,755	73,973
Profit for the year	–	–	–	–	7,857	7,857
Interest rate swap gain taken directly to equity	–	–	–	–	(150)	(150)
Tax on items taken directly to equity	–	–	–	–	42	42
	4,208	43,006	–	4	34,504	81,722
Dividends paid	–	–	–	–	(5,257)	(5,257)
Share option reserve	–	–	–	116	–	116
Issue of share capital during the year	16	407	–	–	–	423
Share buy back	–	–	(3,968)	–	–	(3,968)
Balance at 30 June 2008	4,224	43,413	(3,968)	120	29,247	73,036

27. Minority interest

Assets and liabilities of subsidiary undertaking acquired:

	Minority interest – share of results and funds £'000	Minority interest– provision for future acquisition (as restated, previously £nil) £'000	Net minority interest (restated) £'000
At 1 July 2006	1,733	(858)	875
Profit for the year	639	(514)	125
	2,372	(1,372)	1,000
Dividends paid	(292)	88	(204)
Acquisitions during the year	74	(74)	–
At 1 July 2007	2,154	(1,358)	796
Profit for the year	784	(756)	28
	2,938	(2,114)	824
Dividends paid	(331)	331	–
Acquisitions during the year	913	(793)	120
Acquisition of minorities during the year	(27)	27	–
Movement in minorities due to company sold during the year	(58)	–	(58)
	3,435	(2,549)	886

Notes to the Accounts continued

28. Contingencies and commitments

Contingencies

Company

The Company has entered into an unlimited cross guarantee with the Group's bankers in respect of the net £10 million overdraft facilities extended to certain of the Company's subsidiaries. At 30 June 2008 the Company's gross contingent liability in respect of this facility was £11,477,000 (2007: £8,062,000).

Commitments

a) The Group had capital commitments at 30 June 2008 contracted but not provided for of £147,000 (2007: £50,000).

b) Total commitments payable under non-cancellable operating leases were as follows:

	Property		Other operating leases	
	30 June 2008 £'000	30 June 2007 £'000	30 June 2008 £'000	30 June 2007 £'000
One year	673	676	7	18
Between two and five years	647	1,175	6	–
After five years	51	85	–	–
	1,371	1,936	13	18

29. Non-current assets held for sale

As noted in note 7 on 14 August 2007, the Company sold all of its interest in Wilmington Media Limited, Dewberry Redpoint Limited and Office Solutions Media Limited.

Non-current assets held for sale at 30 June 2007 in relation to these companies comprised:–

	2008 £'000	2007 £'000
Goodwill	–	1,906
Intangible assets	–	5,158
Property	–	2,101
Plant and equipment	–	550
	–	9,715

30. Related party transactions

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

The Company has made recharges totalling £2,500,000 (2007: £1,050,000) to three of its subsidiaries in respect of management services. In addition certain administrative expenses totalling £273,200 (2006: £265,200) have been recharged at cost to its subsidiaries.

Finance has been provided to the Company by one of its subsidiaries at commercial rates of interest for the year totalling £72,000 (2007: £44,000). In addition the Company has provided finance to one of its subsidiaries at commercial rates of interest for the year totalling £259,000 (2007: £285,000).

31. Staff and their pay and benefits

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

	Year ended 30 June 2008 £'000	Year ended 30 June 2007 £'000
Wages and salaries	29,883	33,291
Social security costs	2,968	3,733
Pension costs	909	605
	33,760	37,629

The details of each Directors' remuneration and share options are in the Report on Directors' Remuneration on pages 21 to 25. In addition employee costs of £1,153,000 (2007: £889,000), pension costs of £17,000 (2007: £Nil) and share based payments of £48,000 (2007: £Nil) were paid in respect of other key management personnel.

b) The average number of employees employed by the Group was as follows:

	Year ended 30 June 2008 Number	Year ended 30 June 2007 Number
Selling and distribution	217	349
Production	211	326
Administration	570	471
	998	1,146

c) Retirement benefits

Defined benefit scheme

At 30 June 2007, the group operated a defined benefit scheme for a limited number of employees. Included in the Group balance sheet at 30 June 2007 was a net pension liability of £18,000 in respect of this scheme. Following the sale of Wilmington Media Limited in August 2007, the Group is no longer responsible for this scheme. In view of the immateriality of the net pension liability at 30 June 2007, no further disclosures relating to this scheme are included in these accounts.

Defined contribution scheme

The Group contributes to a defined contribution pension scheme. Total contributions to the scheme during the year were £909,000 (2007: £502,000).

Notes to the Accounts continued

32. Net cash flow from operating activities

	Group		Company	
	Year ended 30 June 2008 £'000	Year ended 30 June 2007 £'000	Year ended 30 June 2008 £'000	Year ended 30 June 2007 £'000
Profit from operations	13,331	13,771	6,802	8,427
Non-recurring items	–	(1,208)	–	(1,208)
Operating (loss)/profit from discontinued operations	(273)	431	–	(280)
Depreciation of property, plant and equipment	1,389	1,519	179	176
Amortisation of intangible assets	5,339	4,675	36	24
(Profit)/loss on disposal of property, plant and equipment	(13)	10	–	–
Share based payments	177	34	1	1
Operating cash flows before movements in working capital	19,950	19,232	7,018	7,140
(Increase) in inventories	(433)	(69)	–	–
(Increase)/decrease in receivables	(1,103)	(3,097)	(13,222)	4,334
Increase/(decrease) in payables	177	2,900	(927)	1,069
Cash generated by operations	18,591	18,966	(7,131)	12,543
Tax paid	(4,866)	(3,902)	(3,851)	(3,137)
Interest paid	(1,103)	(1,351)	(1,174)	(1,192)
Net cash flow from operating activities	12,622	13,713	(12,156)	8,214

The Group manages its treasury function on a group wide basis. As a result it is not practicable to separately identify the movements in working capital attributable to discontinued operations. The operating cash flow from discontinued operations before movements in working capital for the year ended 30 June 2008 was an outflow of £173,000 (2007: inflow of £1,743,000). Investing activities of the discontinued operations for the year ended 30 June 2008 were a net cash inflow of £Nil (2007: £102,000). As it is not practicable to separately identify Group financing movements for discontinued operations, financing activities for the discontinued operations consist solely of dividends paid to minority shareholders during the year ended 30 June 2008 of £Nil (2007: £19,000).

Independent Auditors' Report

Independent Auditors' Report to the members of Wilmington Group plc

We have audited the Group and Parent Company financial statements ('the financial statements') of Wilmington Group plc for the year ended 30 June 2008 which comprise the Consolidated Income Statement, the Statements of Recognised Income and Expense, the Balance Sheets, the Cash Flow Statements and the related notes. The financial statements have been prepared under the accounting policies set out therein. We have also audited the information in the Report on Directors' Remuneration that is described as having been audited.

This report is made solely to the Company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and Auditors

The Directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and International Financial Reporting Standards ('IFRSs') as adopted by the European Union are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements and the part of the Report on Directors' Remuneration to be audited in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and whether the financial statements and the part of the Report on Directors' Remuneration to be audited have been properly prepared in accordance with the Companies Act 1985 and whether, in addition, the Group Financial Statements have been properly prepared in accordance with article 4 of the IAS Regulation. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements. The information in the Directors' Report includes that specific information presented in the Business Review that is cross referenced from the Business Review section of the Directors' Report.

In addition we report to you if, in our opinion, the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Directors' remuneration and other transactions is not disclosed.

We review whether the Corporate Governance Statement reflects the Company's compliance with the nine provisions of the 2006 Combined Code specified for our review by the Listing Rules of the Financial Services Authority, and we report if it does not. We are not required to consider whether the Board's statements on internal control cover all risks and controls, or form an opinion on the effectiveness of the Group's corporate governance procedures or its risk and control procedures.

We read other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. The other information comprises only the Directors' Report, the unaudited part of the Report on Directors' Remuneration, the Financial Highlights, the Chairman's Statement, the Business Review, the Officers and Advisers, the Corporate Governance Statement and the Five Year Financial Summary. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Independent Auditors' Report continued

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements and the part of the Report on Directors' Remuneration to be audited. It also includes an assessment of the significant estimates and judgments made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Group's and Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements and the part of the Report on Directors' Remuneration to be audited are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we evaluated the overall adequacy of the presentation of information in the financial statements and the part of the Report on Directors' Remuneration to be audited.

Opinion

In our opinion:

- the Group financial statements give a true and fair view, in accordance with IFRSs as adopted by the European Union, of the state of the Group's affairs as at 30 June 2008 and of its profit for the year then ended;
- the Parent Company financial statements give a true and fair view, in accordance with IFRSs as adopted by the European Union as applied in accordance with the provisions of the Companies Act 1985, of the state of the Parent Company's affairs as at 30 June 2008;
- the Group financial statements have been properly prepared in accordance with article 4 of the IAS Regulation;
- the financial statements and the part of the Report on Directors' Remuneration to be audited have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

PKF (UK) LLP
Registered Auditors
London, UK
1 October 2008

Pro-forma Five Year Financial Summary*

	As stated historically			Continuing operations	
	2004 £'m (UK GAAP)	2005 £'m (IFRS)	2006 £'m (IFRS)	2007 £'m (IFRS)	2008 £'m (IFRS)
Consolidated Income Statements					
Revenue	82.7	80.5	65.8	81.5	93.4
Cost of sales	(27.5)	(27.5)	(21.2)	(27.1)	(28.6)
Gross profit	55.2	53.00	44.6	54.4	64.8
Operating expenses	(44.6)	(40.0)	(31.4)	(37.9)	(46.2)
Operating profit before amortisation and impairment of goodwill and intangible assets and exceptional items	10.6	13.0	13.2	16.5	18.6
Operating non-recurring items	(0.2)	(0.9)	(1.2)	1.2	–
Operating profit before amortisation and impairment of goodwill and intangible assets	10.4	12.1	12.0	17.7	18.6
Amortisation and impairment of goodwill and intangible assets	(4.8)	(3.4)	(2.5)	(3.9)	(5.3)
Profit from operations	5.6	8.7	9.5	13.8	13.3
Non-operating non-recurring items	0.2	–	–	–	–
Profit before interest and taxation	5.8	8.7	9.5	13.8	13.3
Net finance costs	(0.4)	(0.9)	(1.0)	(1.3)	(1.1)
Profit on ordinary activities before taxation	5.4	7.8	8.5	12.5	12.2
Income tax expense	(2.7)	(2.3)	(2.1)	(3.3)	(3.6)
Profit on ordinary activities after taxation	2.7	5.5	6.4	9.2	8.6
Operating cash inflows	12.0	14.6	16.9	19.0	18.6
Earnings per ordinary share (pence) – continuing and discontinued operations	2.47	5.37	7.69	11.01	8.93
Diluted earnings per ordinary share (pence) – continuing and discontinued operations	2.46	5.35	7.64	10.97	8.91
Adjusted earnings per ordinary share (pence) – continuing and discontinued operations	7.73	9.30	11.47	13.87	13.50
Earnings per ordinary share (pence) – continuing operations		5.71	6.80	10.18	9.37
Adjusted earnings per ordinary share (pence) – continuing operations		9.43	9.84	12.41	13.89
Dividend per share (pence)	3.00	3.60	4.00	6.00	7.00

The above is based on information extracted from the Company's statutory accounts.

The results for 2006, 2007 and 2008 are for continuing operations only. It has not been practicable to restate prior years to exclude the now discontinued operations, hence results for these years are stated without amendment from those previously reported.

The results for 2005, 2006, 2007 and 2008 are consistent with the application of IFRS. The results for 2004 are presented consistent with UK GAAP as had then been applied. Results for these years are not therefore strictly comparable with those for 2004.

Shareholder Notes

Wilmington Group plc

19-21 Christopher Street, London EC2A 2BS

Tel: +44(0) 20 7422 6800 Fax: +44(0) 20 7422 6822

www.wilmington.co.uk