Wilmington

Annual Report and Accounts 2009

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

Wilmington Group plc

Wilmington's strategy

1. To deliver sustainable and growing profits from servicing the information and training requirements of professional business markets

2. To invest in our core business to generate strong levels of organic growth

3. To invest in technology to expand e-revenue, digital capability and operational efficiency

4. To develop strong management teams with robust organisational structures

5. To create value enhancing acquisitions

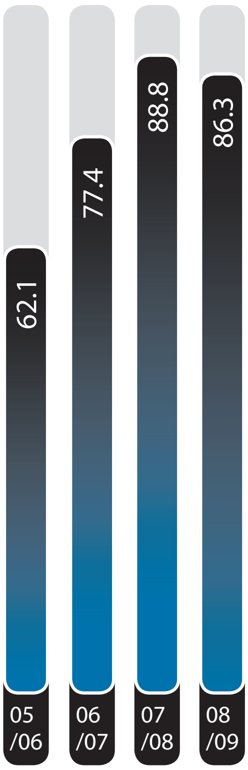
Contents

Financial Highlights

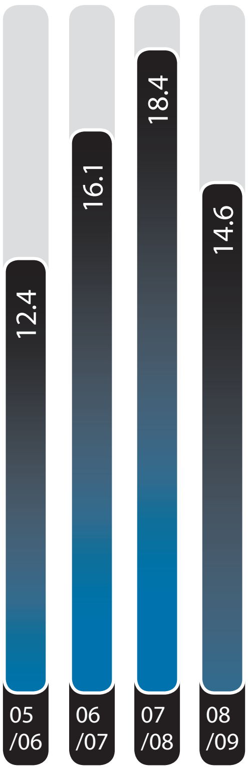
Wilmington Group contains many high quality, resilient businesses which have continued to perform well during the economic downturn.

	Year ended 30 June 2009 £'000	Year ended 30 June 2008 £'000	Change %
Revenue	86,268	88,828	(2.9)
Adjusted Profit before Interest (Note 1)	14,637	18,375	(20.3)
Adjusted Profit (Note 1)	13,315	17,225	(22.7)
Adjusted Earnings per Share from continuing operations (pence) (Note 2)	10.50p	13.34p	(21.3)
Dividend per share (pence) (Note 3)	7.00p	7.00p	–

Revenue
£ millions

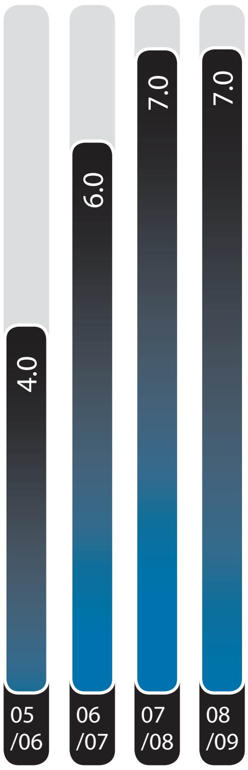


Adjusted Profit before Interest
£ millions



Adjusted Earnings per Share
pence

Dividend per share
pence



		Year ended 30 June 2009 £'000	Year ended 30 June 2008 £'000
Note 1	Adjusted Profit is defined as follows:		
	Profit on continuing activities before taxation	2,850	11,863
	Amortisation of intangible assets	5,034	4,560
	Impairment of goodwill	2,750	–
	Unwinding of the discount on the provision for future purchase of minority interests	927	625
	Share based payments	80	177
	Non-recurring items	1,674	–
	Adjusted Profit	13,315	17,225
	Net interest and facility fees	1,322	1,150
	Adjusted Profit before Interest	14,637	18,375

Note 2 Adjusted Earnings per Share is calculated using Adjusted Profit after taxation and minority interest

Note 3 Dividend per share comprise the interim dividend for the year together with the proposed fund dividend for the year

What We Do

Professional Training & Events

The **Professional Training & Events** division is a specialist training provider to the professional markets. Key brands include:

Central Law Training (CLT) is the UK's leading provider of post qualification legal training for solicitors, barristers and other legal professionals. Its legal courses and conferences qualify for Continuing Professional Development from key professional bodies.

CLT Scotland is Scotland's principal provider of post qualification legal training. All of CLT Scotland's legal conferences and seminars are presented in association with the University of Strathclyde.

CLT Ireland is a specialist provider of professional training for the legal and corporate professional sectors. The company runs a comprehensive monthly programme of events that includes seminars, conferences and master–classes.

CLT International is the leading provider of trust, compliance and anti money laundering training. The division works in association with the Society of Trust and Estate Practitioners (STEP).

Mercia is a key provider of training and support services to the accountancy profession. Courses cover a range of technical areas from core accountancy to specialist tax. Technical support services includes a comprehensive range of practical manuals and file reviews.

Bond Solon is the UK's leading legal training consultancy for non-lawyers. They are the market leaders in providing innovative, relevant and experiential courses. Bond Solon have won several awards including a Highly Commended National Training Award.

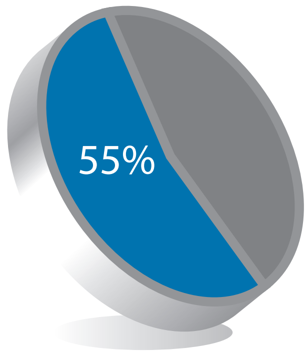
Quorum Training provides training to finance professionals, the public sector and in practice. Training covers all major aspects of accounting, finance, treasury, taxation, VAT, internal audit, corporate governance, risk management and business law.

Matchett Group provides customised financial skills training in banking and related sectors and business, management, leadership, professional and personal skills training to clients across Europe, the Americas and Asia.

International Compliance Training is the exclusive training provider of qualifications from the International Compliance Association (ICA). The ICA offers programmes in Anti Money Laundering, Compliance and Financial Crime Prevention.

La Touche Training is Ireland's leading legal skills training company. Since 1995 the company has provided experiential, skill based training to non-lawyers on the legal aspects of their work.

PERCENTAGE OF GROUP REVENUE



MARKET SECTORS

- **Accounting**
- **Banking & Finance**
- **Government & Public Sector**
- **Healthcare & Pharmaceutical**
- **Legal**

BRANDS

Professional Publishing & Information

The Professional Publishing & Information division provides market leading electronic and printed information, solutions and services for professional markets. Key divisions include:

Waterlow Professional Publishing who publish a market leading range of printed and electronic databases, online information services, magazines and mailing lists for legal and professional markets. Key brands include;

- **Waterlow** – legal and professional databases in print and online
- **Solicitors Journal** – printed and online legal magazines and databases
- **Charity Choice** – the UK's leading charity contacts database in print and online
- **Caritas** – the most comprehensive and detailed databases and analysis on the UK charitable sector, provided in print and online
- **AP Information Services** – the leading databases of UK and international pension funds, published in print and online
- **Ark** – printed and online magazines and databases for the legal, professional and knowledge management markets
- **WME** – some of the leading PR and entertainment contact databases

Pendragon who produce Perspective, the leading electronic information service for the UK pensions industry. The service is updated daily and includes the full and up-to-date text of all legislation and regulatory texts relevant to the industry.

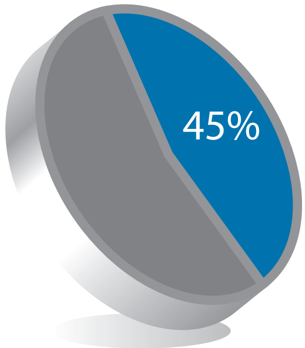
Binley's, the UK's leading provider of healthcare professional information to pharmaceutical companies and the public sector. Its extensive portfolio includes healthcare databases, mailing lists, directories, printed and electronic mapping tools, NHS learning programmes and an all-encompassing mailing & fulfilment and e-communications service.

Agence de Presse Médicale (APM) who publish electronic information services providing real time news on French and International healthcare markets.

International Company Profile (ICP) who provide credit reports and profiles on companies, particularly in the emerging markets, for the international credit insurance market.

Smee & Ford, the leading provider of legacy information services to charities and publisher of Mortascreen, the leading mortality suppression database to the direct marketing community and HALO, the leading deceased identity fraud prevention database to the financial services industry.

PERCENTAGE OF GROUP REVENUE



MARKET SECTORS

- **Accounting**
- **Banking & Finance**
- **Charities**
- **Healthcare & Pharmaceutical**
- **Legal**
- **Media & Entertainment**
- **Pensions**

BRANDS

AP Information Services Ltd.

CaritasData specialist financial information

ICP

Binley's www.binleys.com

Pendragon

WATERLOW W Established 1844

APM International www.apmnews.com

SF& Smee & Ford The legacy people

(Perspective)

ark GROUP

SOLICITORS JOURNAL

WATERLOW Legal&Regulatory

Chairman's Statement

The year ended 30 June 2009 saw Wilmington face very challenging trading conditions brought about by the severe and unprecedented downturn in global economic conditions. The economic downturn adversely impacted Wilmington towards the end of 2008; however, the extent of the downturn did not become fully apparent until 2009.

Despite the tough trading conditions, the resilience of Wilmington's portfolio of businesses is demonstrated by the encouraging levels of turnover and profitability achieved by many of the Group's businesses. However, the severity and length of the downturn is having an effect on even our most resilient businesses. The biggest impact has been seen in our legal training businesses which are highly operationally geared and where reduced revenues have significantly hit operating margins.

Financial Performance

The financial results for the year ended 30 June 2009 reflect the challenging economic environment. Revenue from continuing operations in the year declined by 2.9% to £86.3m (2008: £88.8m). Profit from continuing operations before tax, amortisation and impairment, share based payments, non-recurring items and interest ("Adjusted EBITA") decreased by 20.3% to £14.6m (2008: £18.4m). The adjusted profit from continuing operations (before tax, amortisation and impairment, share based payments, the unwinding of the discount on the provision for future purchase of minority interests and non-recurring items ("Adjusted Profit Before Tax")) declined by 22.7% to £13.3m (2008: £17.2m).

The Group has taken a non-cash impairment charge of £2.7m (2008: £Nil) in respect of Matchett, the financial learning division serving the banking market, and also incurred non-recurring costs of £1.7m (2008: £Nil), of which £1.1m related to the costs of reorganising the business and £0.6m related to abortive transaction costs. These one-off charges have thus contributed to the reduction in reported profit before tax at £2.9m (2008: £11.9m).

Adjusted earnings per share from continuing operations before amortisation and impairment, share based payments, the unwinding of the discount on the provision for future purchase of minority interests and non-recurring items ("Adjusted Earnings per Share") decreased by 21.3% to 10.50p per Share (2008: 13.34p). Basic earnings per share, which is after non-recurring items, share based payments, the unwinding of the discount on the provision for future purchase of minority interests and amortisation and impairment declined to 0.46p (2008: 8.82p).

The quality of the operating profits continues to be underpinned by good cash flow. Operating cash flow was £13.9m (2008: £18.6m), representing 112% of operating profit (before tax, amortisation and impairment and interest) (2008: 106%).

At 30 June 2009 the net assets of the Group were £53.8m, (2008: £61.3m) with deferred revenue of £13.9m (2008: £15.1m).

At 30 June 2009 the Group had net debt (as set out in the Consolidated Cash Flow Statement) of £17.8m (2008: £17.9m), representing less than 30% utilisation of our £60m facilities which are committed to 2012.

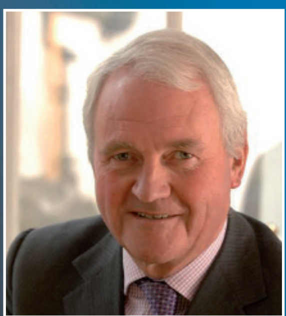
Acquisitions and Disposals

During the financial year ended 30 June 2009 we made no further acquisitions; however, we exited three businesses that were not core to our strategy:

On 30 September 2008 we completed the disposal of our holding in the joint venture Muze Europe Limited, a music information business serving the European market.

On 17 October 2008 we disposed of HPCi which published the magazines "Soap, Perfumery and Cosmetics", "Manufacturing Chemist" and "Cleanroom Technology". This divestment has further reduced our dependence on magazine advertising.

On 21 April 2009 we sold the Press Gazette magazine to Progressive Digital Media Group Plc. As part of this transaction we agreed a long term deal to work together with the new owners on the associated events which we retained.



David Summers OBE

"Despite the tough trading conditions, the resilience of Wilmington's portfolio of businesses is demonstrated by the encouraging levels of turnover and profitability achieved by many of the Group's businesses."

These disposals increased our concentration on core professional markets. Supported by a strong balance sheet, we continue to look for acquisitions which complement our strategic goals and where we believe we can create value. In difficult markets we are particularly careful to ensure that any investment we make is sustainable over the long term and will further our goal of long term profit growth.

Dividend

The Board is recommending that the dividend is maintained at the same level as the prior year, reflecting the Group's continuing strong cash generation and confidence in the future. The Board proposes a final dividend of 4.7p per share payable on 13 November 2009 to shareholders on the register on 16 October 2009. Taken together with the interim dividend of 2.3p per share, this makes a total dividend for the year of 7.0p per share (2008: 7.0p). The dividend is covered 1.5 times by adjusted earnings per share from continuing operations.

Highlights of the Year

Wilmington Group contains many high quality, resilient businesses which have continued to perform well during the economic downturn.

During the year the Group restructured its operations both to reduce costs and to improve operational effectiveness. We have exited a number of properties and have streamlined our workforce, as a result of which we incurred related non-recurring costs of £1.1m. Where appropriate we have continued to invest in our business with the launch of new products, the development of new technologies and the recruitment of staff. As a result of this we ended the year with a more efficient and effective structure than at the start of the financial period.

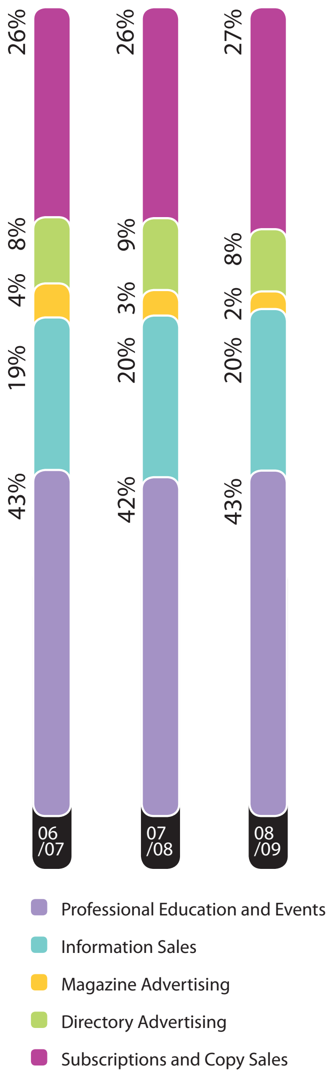
Following the disposal of Muze and HPCi we reorganised the management of our Publishing businesses, consolidating the management of the Wilmington Business Information division with the Waterlow Legal and Regulatory division. This has created a Professional Publishing & Information business which for the year ended 30 June 2009 accounted for approximately 44.7% of the Group's turnover and contributed 60.1% of Group Trading Profits (segmental profits before amortisation and impairment) before central overheads. The Group has early adopted IFRS 8 "Operating Segments" and the Group's operations are now reported as two divisions: Professional Publishing & Information and Professional Training & Events. This reflects how these businesses are now managed and our desire to extend our range of activities across the professional market sector.

Professional Publishing & Information

Revenue from continuing operations has remained stable at £38.6m (2008: £38.4m), helped by a full year of APIS (acquired in February 2008). Segmental profits before

Group Revenue by source

percentage



Chairman's Statement continued

non-recurring items, central overheads and amortisation have reduced by 9.1% to £10.4m (2008: £11.5m).

We have seen strong performances from a number of areas of this business, in particular from Pendragon, our pensions information business, and from the healthcare activities of Binley's and APM.

The disposal of our publishing interests in non-core markets provided the opportunity to reorganise the core Waterlow Professional Publishing division ("Waterlow") to benefit from synergies and cost savings and implement a more efficient operational structure. APIS was fully integrated into Waterlow during the financial year and, since the end of the financial year, Ark Publishing and our Media assets have both been incorporated into Waterlow.

We have recently consolidated the business into fewer locations and reorganised the management structure. The Waterlow team has performed exceptionally well to assimilate APIS and to undertake a major restructuring whilst delivering robust results in extremely tough markets.

Our Professional Publishing & Information businesses are operating in very difficult market conditions. However, our portfolio includes a number of defensive assets where we maintain strong, long term relationships with clients. We believe that our resilient performance is a demonstration of the quality of these assets. We expect difficult trading conditions to continue, but we are confident that we will emerge from this challenging period with an even better business with strong long term prospects, and we are confident of improving our market position going forward.

Professional Training & Events

Revenue from continuing operations declined by 5.4% to £47.7m (2008: £50.4m). This includes a full year contribution from the Matchett Group (acquired in November 2007). Trading Profits have declined by 23.5% to £6.9m (2008: £9.0m).

The Professional Training & Events division has faced a very challenging trading environment, particularly in the legal and financial sectors. Market conditions have adversely and significantly impacted upon bookings for legal and some other short courses, particularly in the areas of investment banking and financial training.

In contrast, in the areas of international fund management, compliance and accountancy, the training business has proved particularly resilient. We have seen a strong performance by Mercia Group, the provider of training and technical support for accountancy firms. Bond Solon, which provides expert witness training, investigatory training and law to non-lawyers, also continues to perform well. The CLT International business has made excellent progress, performing ahead of the prior year, through the provision of compliance, trusts and anti-money laundering training programmes. CLT International's Singapore operations have developed very satisfactorily, having achieved profitability during the financial year. This is in line with the CLT Group's strategy of substantial expensed investment in the development of new product areas and new markets.

The Professional Training & Events business continues to examine its cost base across all its operational areas. This has resulted in exiting properties and better utilising existing office space as well as reorganising management teams. The business is already experiencing positive benefits from the more efficient operational structure, and will benefit considerably from the cost savings already achieved.

The Matchett Group (acquired in November 2007) had a strong start to the financial year, with good enrolments on its graduate programmes for investment banks in July to September 2008. However, from October 2008 its performance was adversely impacted by the banking crisis. Profits for the year to 30 June 2009 were ahead of the eight month period ended 30 June 2008, but significantly below the level of our expectations at the beginning of the year.

"We believe that we can deliver the best returns for our Shareholders by focusing investment into key professional niche sectors to ensure we have the capacity, over the long term, to deliver strong and sustainable growth."

Matchett reacted quickly to the banking crisis, significantly reducing its fixed cost base. The graduate programmes in summer 2009 have seen an increase in our market share, albeit with reduced numbers compared to 2008.

Outlook

While we remain attuned to the current trading conditions across our markets and the general economic outlook, we believe the Group has resilient and robust assets and the resources, ambition, determination and proven management to continue to deliver sustainable medium and longer term growth, both organically and through acquisition.

Whilst many parts of the Group are starting to see the benefits of cost savings and efficiencies resulting from earlier management initiatives, we continue to monitor our structure and cost base to ensure they are aligned with market conditions. We remain focused on optimising short term performance in difficult economic conditions whilst seeking strategic organic and acquisitive investment opportunities to generate additional shareholder value.

We remain committed to our strategy of delivering information and training to selected professional business markets. We believe that these markets have attractive long term prospects and despite the global recession we continue to invest in our business, both in new technology and new product offerings. We believe that we can deliver the best returns for our shareholders by focusing investment into key professional niche sectors to ensure we have the capacity, over the long term, to deliver strong and sustainable growth.

The Board expects that the current challenging economic conditions will continue for at least the first half of the new financial year. Given the downturn experienced in the early part of 2009 we anticipate that the financial performance for the first six months of the current year will be below the level achieved in the prior year, with like-for-like comparators becoming less difficult thereafter.

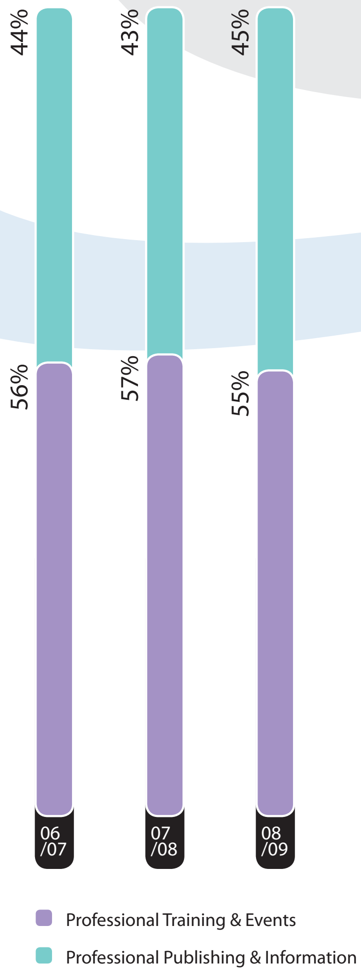
Finally, and as always, I would like to thank my fellow Directors, Senior Managers and all of the Group's employees who have contributed to this year's results for their innovation, hard work and commitment, particularly against such a challenging economic climate.

David Summers OBE
Chairman
25 September 2009

Business Review

Revenue by Segment

percentage



Overview of the Group's Financial Performance

In the year ended 30 June 2009 Wilmington generated revenues from continuing operations of £86.3m, down 2.9% from £88.8m. Adjusted EBITA from continuing operations was £14.6m, down 20.3% from £18.4m, with the operating margin down to 16.9% from 20.5%. The drop in Adjusted EBITA compared with the overall revenue decline results from the combination of a severe downturn in some of our businesses, particularly the highly operationally geared legal training business, partly offset by a positive full year contribution from two prior year acquisitions.

Revenue on a like-for-like basis declined by 7.7% with like-for-like profits declining by 28.0%. The full year impact of the acquisitions of Matchett and APIS contributed additional revenues of £3.8m at an overall margin of 20.8%.

Reported profit before tax on continuing operations decreased to £2.9m from £11.9m, reflecting additionally the increase in amortisation and impairment, non-recurring items and the unwinding of the discount on the provision for future purchase of minority interests.

Accounting Policies

As previously announced on 23 July 2009, the Group's accounting policies are reviewed on a regular basis to ensure that they align with current best practice. In light of the growing importance of online product distribution, it was decided that online directory revenue, which was historically reported on publication, would now be recognised over the period of supply. Hard copy advertising revenue continues to be recognised on publication.

It was also decided that two further technical changes would be made, neither of which impacts our adjusted earnings measures. The movement in the provision for the future purchase of minority interests was previously treated as an adjustment to goodwill. To the extent that this movement relates to the unwinding of the discount on the provision it is now reflected in the income statement as a finance charge over the discounting period. Secondly, a deferred tax asset relating to the amortisation of non-qualifying intangible assets acquired prior to April 2002 which was first recognised on the transition to IFRS, whilst remaining a potential benefit, is no longer recognised on the consolidated balance sheet. The bulk of this asset had already been written off on the disposal of the trade magazines in the year ended 30 June 2008.

None of the above changes have a cash impact on the Group. As a result of these changes at 30 June 2009 the net assets of the Group are reduced from £60.1m to £53.8m, of which £3.7m reflects the increase in online directory deferred revenue. The profit before tax for the year ended 30 June 2009 is reduced from £3.8m to £2.9m. The adjusted profit before tax remains unchanged at £13.3m. Earnings per share and adjusted earnings per share reduced from 1.01p to a loss of 0.38p and

> "Wilmington's realignment of its portfolio over recent years focusing on professional markets has, amongst other benefits, served to increase its resilience to changes in market conditions, which is particularly important in the current economic climate."

9.79p to 9.77p respectively. At 30 June 2008, the net assets of the Group are reduced from £66.3m to £61.3m, of which £3.8m reflects the increase in the online directory deferred revenue. The previously reported profit before tax and adjusted profit before tax for the year to 30 June 2008 are changed from £12.1m to £11.9m and £17.1m to £17.2m respectively. Earnings per share and adjusted earnings per share from continuing operations for the year to 30 June 2008 are reduced from 9.80p to 8.82p and 13.48p to 13.34p.

Non-recurring costs

During the year the Group incurred non-recurring costs of £1.7m, of which £1.1.m related to the costs of reorganising the business and £0.6m related to abortive transaction costs incurred during the year.

Amortisation and Impairment

In addition to the normal amortisation of intangible assets, the Group has booked a non-cash impairment charge of £2.75m in respect of the Matchett Group. Despite the increase in market share achieved by the Matchett Group for the graduate intake in summer 2009, which will be reported in the results for the year ending 30 June 2010, and the significant cost reductions already achieved, the forecast profitability of the Matchett Group has been adversely impacted by the downturn in its main market. The Board believes it has taken a prudent but realistic view of the likely time and extent of a recovery in the trading conditions affecting Matchett in arriving at this impairment charge.

Taxation

The Group tax charge of £1.9m represents 67.1% of the profits before tax (2008: 31.6%). The non-cash charges for impairment and unwinding of the put option discount are not allowable for UK tax purposes. Adjusting for these items, the tax charge is 29.3% compared to the statutory UK rate of 28%, reflecting higher rates of tax paid on earnings in overseas territories.

Earnings per Share

Adjusted Earnings per Share from continuing operations decreased by 21.3% to 10.5p (2008: 13.34p). Basic Earnings per Share from continuing operations decreased to 0.46p (2008: 8.82p).

Earnings and Adjusted Earnings per Share are calculated on the weighted average number of shares in issue of 82,590,096 for the year ended 30 June 2009 (2008: 83,356,950).

Balance Sheet and Net Debt

The Group had net debt at 30 June 2009 of £17.8m (2008: £17.9m) and had a committed bank facility of £60m (2008: £60m), of which £18m was drawn down at 30 June 2009 (2008: £18m). This modest reduction in net debt has been achieved despite paying shareholders an increased dividend during the period and incurring significant non-recurring costs. This demonstrates the strong underlying cash flows generated by the Group.

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.

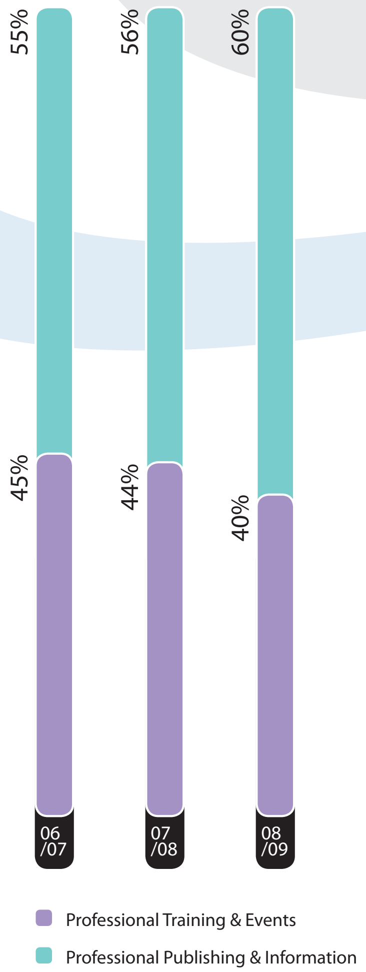
The main risks arising from the Group's financial instruments are interest rate risk, liquidity risk and foreign currency risk. The Group's credit risk is discussed in Note 22 to the accounts. The Board reviews and agrees policies for managing each of these risks and they are summarised below. These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

Business Review continued

Profit by Segment
percentage



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 mark to market loss on the derivative has been recognised in equity, following the Directors' assessment of the hedge's effectiveness.

b) Liquidity risk

The Group's policy throughout the period has been to ensure continuity of funding by the use of a £5m overdraft facility, a £5m money market line and a £60m revolving credit facility which is committed until 2012.

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 14 May 2009 the Group sold forward US$0.5m to October 2009 at a rate of 1.5155. This contract was entered into in order to provide certainty in sterling terms of the bulk of the net US$ income of the Matchett business. Any gain or loss on this contract is recognised in the income statement.

Business Objectives and Strategy

Wilmington's key strategy is to increase shareholder value by delivering sustainable and growing profits from servicing the information and training requirements of professional business markets. We believe that this strategy will deliver long term benefits for the Group. Whilst many professional business sectors are currently being adversely impacted by the recession, we believe that the professional markets we serve will, over the medium and longer term, require the information and training that Wilmington provides. This will provide the Group with good growth opportunities.

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 to extend and enhance our product range;
- investing in online 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 realignment of its portfolio over recent years focusing on professional markets has, amongst other benefits, served to increase its resilience to changes in market conditions, which is particularly important 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.

In the 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 continued to grow year on year and is now at 18.0%. This proportion has increased due to our investment in the South East Asian region, with the compliance programmes in Singapore now operating profitably.

Key Financial and Operational Targets

At a Group level we have five key financial and operational targets. In addition, each of the operating divisions monitors a number of key performance indicators. This year, for the first time in many years, we have not delivered an improved performance against our financial and operational targets. However, by continuing to focus on these essential benchmarks we have been able to concentrate on mitigating the adverse effects of the global recession and produce what we consider to be creditable results whilst establishing a more resilient and efficient platform to support future growth.

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, the unwinding of the discount on the provision for future purchase of minority interests and share based payments. Amortisation and impairment 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 2009 Adjusted Profit Before Tax from continuing operations reduced by 22.7% to £13.3m (2008: £17.2m).

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 2009, Adjusted Earnings per Share from continuing operations decreased by 21.3% to 10.50p per share (2008: 13.34p).

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 cash flow for the year ended 30 June 2009 of £13.9m was 112% of operating profit before interest, amortisation and impairment of intangible assets (2008: £18.6m, 106%). Free cash flow, which is calculated after deduction from operating cash flow of capital expenditure, payment of corporation tax and payment of interest, was £6.6m (2008: £10.4m).

4. Consistent and Sustainable Revenue Streams

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

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

The Group has continued to increase the supply of its products and services online or digitally, but remains conscious of the needs of markets which continue to prefer some 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 websites which will deliver benefits in the current year and beyond.

The Group analyses its revenue streams on the following bases:

- Subscriptions and copy sales 27% of revenue (2008: 26%);
- Professional education and events 43% of revenue (2008: 42%);
- Information sales and professional services 20% of revenue (2008: 20%);
- Directory advertising 8% of revenue (2008: 9%);
- Magazine advertising 2% of revenue (2008: 3%);

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. Adjusted Operating Margin

The adjusted operating margin reflects the quality of the Group's revenue streams. Improving and maintaining the adjusted operating margin is a key goal for the Group. Reflecting the difficult economic conditions, our adjusted operating margin for the year just ended decreased to 16.9%, compared to 20.7% in 2008.

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 improve 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 websites, online information delivery and online and electronic support systems. This investment has helped profit margins and efficiency and 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 legal and regulatory uncertainties. Certain parts of our businesses are also affected by the (often positive) impact of changes in professional regulations and by the impact of the economic cycle on advertising and promotional spending. The prevailing economic climate also constitutes a risk factor, particularly in the legal and financial sectors, which has affected the Group's profitability. Key supplier and customer loss feature as a risk; however, we feel that our supplier and customer bases are both sufficiently diverse.

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 for key individuals. Just as importantly, it operates a culture where each individual can maximise his or her potential. Wilmington is also committed to further develop staff and encourages training for key employees to build on their existing skill sets.

   During the year under review we have seen many members of staff demonstrate their commitment and ability to adapt to changing conditions by taking on extra responsibilities. They have shown flexibility with their terms and conditions, and their loyalty and reliability during a demanding economic environment has been evident.

Business Review continued

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. We are also ensuring we are compliant with the relevant data protection legislation with a thorough external audit of data management systems.

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 acts of terrorism.

5. There is an element of reputational risk for Wilmington, particularly in areas where we have high profile products and services. Damage to reputation and/or brand could lead to an adverse impact on the Group. The success of the Group's businesses are in part dependent on the success of their branded publications and events. Wilmington is conscious of the need to ensure the careful management of products and services to reduce this risk.

Wilmington's People

In a competitive environment and in difficult trading conditions, 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, enthusiasm and flexibility that provide the basis for a successful growing business.

As Wilmington moves towards a greater emphasis on digital and interactive services we need to continue developing 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 externally.

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 actively encouraging links between our businesses where there are opportunities to collaborate and to 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 we have upgraded our Group accounting system, streamlining the process so that information is 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 survive during the downturn and return to growth 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.

Professional Training & Events

Professional Training & Events accounts for 55.3% of Group revenue producing 39.9% of Group trading profit. This division has seen a significant decline in course bookings upon its legally based training programmes. Revenue decreased by 5.4%, to £47.7m (2008: £50.4m) while segmental profit declined by 23.5% to £6.9m (2008: £9.0m) giving operating margins of 14.5% (2008: 17.9%).

Central Law Training serves the legal and financial markets and is the market leader in the provision of mandatory post-qualification training courses for UK lawyers. It also provides paralegal training, mandatory accreditation programmes and the New York Bar course. In total it delivers more than 4,000 training courses per annum. During the year ended 30 June 2009 there has been a decline in legal course bookings. This decline was particularly severe from January onwards and has resulted in a 24% reduction in turnover compared to the prior year. The downturn has been addressed by rationalising the course programme and refocusing the marketing strategy.

Despite the economic downturn, there have been a number of successful developments. We are particularly pleased with the development of our webinar programme (live online seminars) which have seen significant growth in delegate numbers throughout the year ended 30 June 2009. We continue to develop new course programmes and have launched a range of prequalification Law courses, including a flexible legal practice course, in collaboration with the University of the West of England. The New York Bar training programmes have also shown good growth during the year.

CLT Scotland, working in association with the University of Strathclyde, is the market leader for provision of mandatory post-qualification courses for lawyers in Scotland. It also delivers a highly successful paralegal training programme. CLT Scotland has also seen a sharp decline in revenue as a result of reduced course bookings. We have rationalised the course programme and refocused the marketing strategy. Particular emphasis has also been placed on the development of in-company training programme for many larger clients.

Mercia is the leading provider of technical, marketing and training support to the accountancy profession. The Mercia Group of companies has grown turnover and profitability while continuing to invest in the development of new business. We have seen good growth from our technical and marketing support provided to Accountancy firms.

CLT International is the leading provider of trust, compliance and anti-money laundering training. Operating internationally, it has seen strong growth in both turnover and profitability. Working in association with the Society of Trust and Estate Practitioners ("STEP"), we have seen strong growth in both the international trust programmes and the UK Trust and Estate Diplomas.

The Singapore Compliance programme has performed well, achieving profitability during the financial year. We continue to invest in Singapore and expect to see further growth. Compliance training programmes have been launched in the Middle East, and are showing good potential. CLT International has also successfully launched a new Diploma programme for fund management. The trend towards greater regulation of banks and financial service companies and greater emphasis on compliance will provide opportunities for further growth.

Bond Solon is the market leader in the UK for the provision of expert and professional witness training programmes. Increasing provision of legal training for non-lawyers has resulted in another year of strong revenue and profit growth. Bond Solon continues to be successful in securing large tenders to provide specialist training.

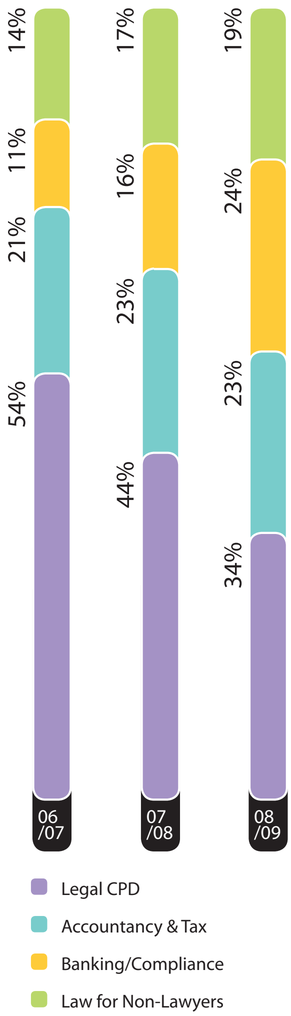
Quorum was acquired by the Group in May 2005 and presents financial training programmes, primarily to finance professionals within large organisations and the public sector. These programmes have been adversely impacted by the global downturn with a significant reduction in the number of delegate bookings. We have radically restructured the operation of this business, removing significant property costs and integrated management of the course programme into the Central Law Training division. Quorum has recently successfully launched a subscription membership scheme, which is now attracting some major clients.

Matchett Group was acquired by the Group in November 2007 and is the leading provider of graduate entrant training to investment banks in London, New York and the Far East. In addition, it provides skills and management training to large corporate companies and public sector bodies. The Matchett Group had a strong start to the financial year, with good enrolments on its graduate programmes for investment banks in the summer of 2008. However, from October 2008 its performance was adversely impacted by the banking crisis and the economic downturn. Its profits for the year to 30 June 2009 were ahead of the eight month period ending 30 June 2008, but significantly below our expectations at the beginning of the year.

Matchett has reacted quickly to the banking crisis, significantly reducing its fixed cost base. The graduate programmes for investment banks have started the 2009/10 financial year well, increasing market share, albeit with reduced numbers compared to the summer of 2008. We are confident in the future prospects of the Matchett Group. However, as the level of profitability is significantly below our forecast when we acquired the business we have taken a £2.75m impairment charge to the carrying value of the Matchett Group.

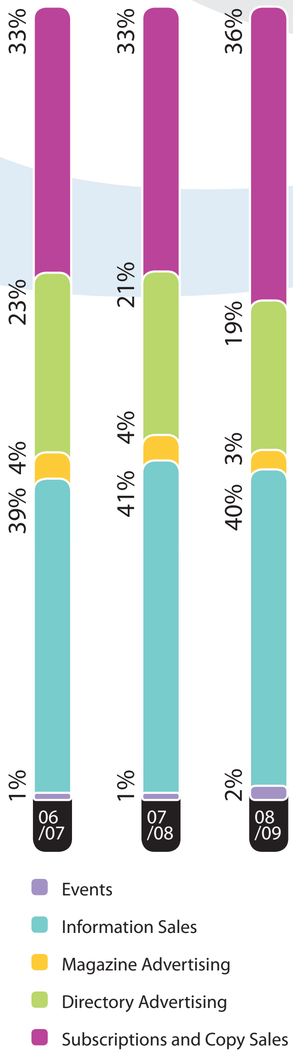
Professional Training & Events Revenue by source

percentage



Business Review continued

Professional Publishing & Information Revenue by source
percentage



Professional Publishing & Information

Professional Publishing & Information accounts for 44.7% of Group revenue from continuing operations and contributes 60.1% of Group trading profit. Revenue has remained stable with a marginal increase of 0.5% to £38.6m (2008: £38.4m), enhanced by a full year of APIS which was acquired in February 2008. Trading profit reduced by 9.1% to £10.4m (2008: £11.5m) giving operating margins of 27.0% (2008: 29.8%).

This division provides information, solutions, directories, magazines and services to the legal, charity, accountancy, surveying, pensions, banking & finance, healthcare and pharmaceutical markets.

Waterlow Professional Publishing forms the largest business within this division. 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. Although not immune to the advertising downturn and general recessionary pressures, this division proved relatively robust. This was partly down to an early and comprehensive review of the cost base, which coincided with the integration of APIS. Operating primarily within the pensions sector APIS, which has been fully integrated into Waterlow Professional Publishing, has made excellent progress. It is particularly encouraging that we have been able to make a value enhancing acquisition which has delivered strong returns despite a severe market downturn.

We saw a strong performance from our pension information business Pendragon, which provides the leading electronic information solution for UK pensions professionals. Pendragon continued its record of steady growth despite a challenging market.

Binley's, a provider of specialist contact information and sales management solutions to the healthcare and pharmaceutical industries, also delivered further revenue and profit growth notwithstanding continued investment for further organic growth, principally electronic information services and solutions.

APM, our specialist Press Agency based in Paris with an office in London, continued to build its subscription revenues both in Europe and with the fledgling English language product, APM Health Europe. Helped by the strong euro, this division saw double digit growth in both revenues and profits.

International Company Profile (ICP) is a leading provider of financial information on companies worldwide, specialising in emerging markets. The past year saw a tumultuous period in credit insurance markets which proved beneficial to ICP and allowed us to deliver good growth.

Smee & Ford, 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, maintained its profitability despite the impact of the recession on the direct mail industry. This was partly a result of its growing fraud prevention product.

Wilmington Media & Entertainment (WME) had a very difficult year with unprecedented trading conditions in its PR, TV, Journalism and Sponsorship sectors. Following the sale of Press Gazette this division was extensively restructured and we are confident of an improved performance in the current year.

All of our Publishing and Information markets have common characteristics including large professional client bases with strong information needs, increasing regulatory requirements and sustainable medium and long term demand. These features provide us with a strong base upon which we will continue to build.

During the year our two publishing divisions were merged and we disposed of a number of non-core divisions as part of our strategy of concentrating on core professional markets and focusing on high margin businesses, ideally with electronic products and with strong subscription revenues. This process has involved extensive work but is now almost complete.

We were encouraged, therefore, to see subscription revenues increase to 36% of total sales this year (2008: 33%). This illustrates how our increasing concentration on our core markets has also allowed us to focus on higher quality types of products, and there has been an associated increase in the quality of earnings in the business. In addition to pure subscription sales, the revenues derived from these subscription customers and customers who buy information under licence agreement amounted to 65% of total sales (2008: 59%) which demonstrates the value of leveraging our strong customer relationships.

We have transformed our publishing businesses over recent years from ones which were primarily print and advertising based to ones which are now primarily suppliers of information in electronic format. In the year to 30 June 2009 the proportion of revenues derived from products and services delivered electronically increased to 60% (2008: 56%). We are continuing to invest in this vital structural development.

During the period we exited our west London office (Putney) and relocated the Ark Publishing teams to an existing central London office. We have implemented a wide and deep cost reduction initiative across the whole business which will bring long term benefits.

While this year's results were below the Board's initial expectations, we believe that the continuing businesses which now form Professional Publishing & Information have demonstrated their resilience in a market which has exposed the structural weaknesses of many publishing assets. Most of our businesses provide "must have" information and are market leaders. We believe that we have the right type of assets for the future and that we are well positioned to achieve good growth when markets improve.

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.

Acquisitions and Disposals

We have carefully formulated acquisition and disposal criteria together with a thorough post-acquisition analysis. We seek to fully comprehend acquisitions both in terms of return on capital and in terms of the added value 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 purchase assets only if we believe we can drive profit growth and improved margins from those acquisitions. The economic climate has made us very cautious in our valuations and analysis and during the year Wilmington did not complete any new acquisitions.

In September 2008 we completed the disposal of our holding in the joint venture of Muze Europe, a music information business serving the European market.

In October 2008 we disposed of HPCi which published the magazines "Soap, Perfumery and Cosmetics", "Manufacturing Chemist", and "Cleanroom Technology".

In November 2008 we acquired an additional 5% of the share capital of Beechwood Publishing which operates under the Binley's brand, taking our holding to 80%.

In April 2009 we sold Press Gazette magazine to Progressive Digital Media Group Plc. As part of this transaction we agreed a long term deal to work together with the new owners on the associated events which we retained. The sale of Press Gazette represents a completion of our exit from trade magazine publications.

With effect from July 2009 we acquired the remaining 15% share capital of Ark Group.

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. The ICA has also assisted the Financial Services Skills Council (FSSC) to produce National Occupational Standards of Competence in Countering Financial Crime – a critical issue in the current economic environment.

As part of its work in the Middle East, International Compliance Training continues to develop and promote Sharia Law and practice and encourages and facilitates ethical compliance practices in the Sharia environment.

Wilmington's partnership with the Co-Operative Bank to provide an online donation service continues to be a success. The number of charities registered for the service has increased by 25% over the past year, and the number of donations made through the site has increased by more than 60%. 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

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.

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 ISO 14001 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 website activity. This trend is likely to continue into the future. The disposal of our trade magazine businesses has resulted in a substantial reduction of paper usage.

Business Review continued

Printers

All our major print suppliers are now ISO 14001 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

The exit of our trade magazines has seen a significant reduction in the quantity of packaging used by the Group. For remaining magazines we use recyclable polythene with a thickness of 25 microns. Where possible we are also converting to an oxo-biodegradable form of polythene.

Offices

The Group's activities are primarily based in office accommodation and wherever practicable the Group adopts energy saving policies. Any new and replacement air conditioning units 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. The Group also ensures the correct disposal of electrical equipment and fluorescent tubes is compliant with the Waste Electrical and Electronic Equipment Directive (WEEE).

Travel

Wilmington has implemented a cycle incentive to encourage staff commuting to work to switch to a greener alternative. The plan run by Cyclescheme 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. Wilmington is beginning to utilise video conferencing technology in its offices mainly to communicate with overseas offices and clients, subsequently reducing the need for overseas travel. The introduction of training webinars in our Professional Training & Events division has seen the additional benefit of reducing delegate travel to venues and is proving to be popular.

Officers and Advisers

Directors

David L Summers OBE Non-Executive Chairman

David Summers, aged 67, 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 and is a member of the Audit Committee of the Competition Service. Mr Summers is a member of the Group's Remuneration, Nomination and Audit Committees.

Charles J Brady Chief Executive

Charles Brady, aged 53, 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 51, 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 56, 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 49, 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 63, 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.

Advisers

Financial Advisers and Joint Stockbrokers

Numis Securities Limited
10 Paternoster Square, London EC4M 7LT

RBS Hoare Govett Limited
250 Bishopsgate, London EC2M 4AA

Independent Auditors

PricewaterhouseCoopers LLP
1 Embankment Place, London WC2N 6RH

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

0871 384 2855 (UK)
+44 121 415 7047 (Overseas)

Secretary

Richard Cockton – Company Secretary
Richard Cockton, aged 56, 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

Corporate calendar

Annual General Meeting
11 November 2009

Announcement of Interim Results
February 2010

Announcement of Final Results
September 2010

Directors' Report

For the year ended 30 June 2009

The Directors present their report together with the financial statements and the Independent Auditors' report for the year ended 30 June 2009.

Business review

In accordance with the requirements of the Companies Act 2006, the Chairman's Statement and Business Review as set out on pages 4 to 16 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.

Results

The Group's financial results are set out in the Group Income Statement. Revenue is analysed by business segment and geographically in Note 2 of the consolidated accounts. A loss for the year of £311,000 (2008: profit of £8,376,000) has been taken to reserves.

Dividends

The Directors recommend that a final dividend for the year of 4.7p per ordinary share be paid on 13 November 2009 to shareholders on the register on 16 October 2009, which together with the interim dividend of 2.3p already paid, makes a total dividend for the year of 7.0p (2008: 7.0p) per ordinary share.

Directors and their interests

The Directors who have served throughout the year and up to the date of this report are set out on page 17 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 24 to 27.

R Basil Brookes and Rory A Conwell, Executive Directors, retire by rotation and, being eligible, offer themselves for re-election at the Annual General Meeting. Biographical details of R Basil Brookes and Rory A Conwell are set out on page 17. Both R Basil Brookes and Rory A Conwell have service contracts with the Company which may be terminated by either party on twelve months' 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.

Interests in contracts

No Director had a material interest in any contract, other than an employment contract, that was significant in relation to the Group's business at any time during the period.

Takeover directive disclosures

As at 30 June 2009, the Company had only one authorised class of share, namely ordinary shares of 5p each, of which there were 84,557,679 in issue (2008: 84,486,679). There are no special arrangements or restrictions relating to any of these shares, whether in terms of transfers, voting rights, or relating to changes in control of the Company.

The Company does not have any special rules in place regarding the appointment and replacement of Directors, or regarding amendments to the Company's articles of association.

The Company seeks annual authority from its Shareholders to purchase its own shares through the Annual General Meeting.

Except for share options, there are no special conditions or agreements in place which would take effect, alter or terminate in the event of a takeover. Subject to various conditions, if the Company is taken over, all share options will vest and may be exercised.

Apart from the interests of the Directors disclosed in the Report on Directors' Remuneration and the substantial interests listed below, there are no individuals or entities with significant holdings, either direct or indirect, in the Company.

Substantial shareholdings

As at 18 September 2009, in addition to the interests of the Directors, the Company had been notified of interests in 3% or more of the issued share capital of the Company as shown below. Interests are shown as a percentage of shares in issue at 18 September 2009.

	Number of ordinary shares	Percentage
Aberforth Partners LLP	15,814,206	18.70
Threadneedle Investments	5,004,900	5.92
Montanaro Investment Managers	4,513,364	5.34
Legal & General Investment Management	3,546,436	4.19
Aberdeen Asset Management	3,474,864	4.11
Mr Brian David Gilbert	2,824,623	3.34

Significant contractual or other arrangement

The Company does not have any contractual or other arrangements which are essential to the business of the Company.

Land and building

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

71,000 ordinary shares were issued during the year in respect of share options exercised by members of staff.

On 19 July 2007 the Company gave an irrevocable instruction to Numis Securities Limited to buy its own shares up to a value of £5m within certain parameters during the period to 20 September 2007. In September 2007, the buyback was extended from the initial target of £5m to £12m. On 15 July 2008, the company gave a further irrevocable instruction to Numis Securities Limited to buy further shares within certain parameters during the period to 17 September 2008. Shares purchased pursuant to their instruction are held in Treasury. At 17 September 2009 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 9 and 10. Details of the Group's Financial Instruments are set out in Note 18 to the accounts.

Statement of Directors' responsibilities

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the Group and Company financial statements in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss of the Group for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable IFRSs as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and enable them to ensure that the financial statements and the Report on Directors' Remuneration comply with the Companies Act 2006 and , as regards the Group financial statements, Article 4 of the IAS Regulation. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Each of the Directors, whose names and functions are listed in Officers and Advisers, confirm that, to the best of their knowledge:

- the Group financial statements, which have been prepared in accordance with IFRSs as adopted by the EU, give a true and fair view of the assets, liabilities, financial position and profit of the Group; and
- the 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 it 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 £1,245 (2008: £809) during the year. No political donations were made during the year (2008: £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 43 days (2008: 39 days).

The Company has no trade creditors.

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 disabled person.

Where existing employees become disabled, it is the Group's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development wherever appropriate.

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 to 27.

On 5 December 2007, 540,401 share options were granted under the Share Performance Plan, of which 381,311 were granted to Directors.

On 21 October 2008, 323,634 share options were granted under the Share Performance Plan, of which 221,126 were granted to Directors.

Pension schemes

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

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 2006.

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 11 November 2009 will be sent out with these accounts.

Going Concern

As highlighted in Note 20 to the financial statements, the Group meets its day-to-day working capital requirements through an overdraft facility and revolving credit facility which is due for renewal on 7 March 2012. The current economic conditions create uncertainty particularly over (a) the level of demand for the Group's products; (b) the exchange rate between sterling and the dollar and the euro; (c) the availability of bank finance in the foreseeable future.

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

After reviewing the Group's budget and forecasts for the period to 31 December 2010 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.

Independent Auditors

PKF (UK) LLP resigned as Auditors on 13 February 2009 and PricewaterhouseCoopers LLP were appointed as Auditors on 23 April 2009.

A resolution for the reappointment of PricewaterhouseCoopers LLP will be proposed at the forthcoming Annual General Meeting.

By Order of the Board
Richard Cockton
Secretary
25 September 2009

Corporate Governance Statement

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 June 2008 (the "Code") and for which the Board is accountable to shareholders. A copy of this code is publicly available from www.frc.org.uk.

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 Nomination Committee has reviewed whether a senior independent Non-Executive Director other than the Chairman should be appointed. The Nomination Committee, in consultation with the wider Board, consider that the main roles of a senior independent Director are to provide an alternative point of access for shareholders should they be unable to resolve any concerns through the normal channels and to oversee the Board's discussion on the Chairman's performance. After due consideration, the Nomination Committee believes that these roles, based upon the current complexity and operations of the Company, are adequately addressed by the open communication channels for shareholders which exist, including the availability of all Non-Executive Directors if required, and the current performance evaluation procedures for the Chairman which are in place. This requirement of the Combined Code will be reviewed on an annual basis.

This report, together with the Report on Directors' Remuneration on pages 24 to 27 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 2009, comprised three Executive and three Non-Executive Directors. Short biographies of each Director are set out on page 17. 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. This includes approval of acquisitions and disposals and major capital expenditure. The Board also reviews the Register of Risks.

The Board meets as often as necessary to discharge its duties effectively. In the financial year ended 30 June 2009 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 four times during the year and the Remuneration Committee met two times during the year. There was no Nomination Committee meeting during the year. However the Nomination Committee did meet on 14 July 2009.

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

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, reappointment 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 Auditors. 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. During the year, the Audit Committee reviewed the Group and Company's external Auditors and as a result PKF (UK) LLP resigned as Auditors on 13 February 2009 and PricewaterhouseCoopers LLP were appointed as Auditors on 23 April 2009.

The Audit Committee also reviews the Register of Risks.

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. It has full responsibility for reviewing the Board structure and for interviewing and nominating candidates to serve on the Board as well as reviewing senior executive development. Suitable candidates, once nominated, meet with the Chairman and the Chief Executive. The candidates are then put forward for consideration and appointment by the Board as a whole. The Committee has access to external professional advice at the Company's expense as and when required.

The Nomination Committee recognises that its composition does not have a majority of independent Non-Executive Directors as it includes the Chief Executive and the Chairman is deemed not to be independent. As a consequence of this, in case of equality of votes, the Chairman of the Nomination Committee has a second or casting vote.

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 24 to 27.

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.

Although the Board has not appointed a senior independent Director, if requested, each of the Non-Executive Directors is available to attend meetings with major Shareholders. The Board regularly receives 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 11 November 2009 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 19 and the Independent Auditors' Report set out on pages 28 and 29.

Internal Control

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

Also, in line with the Turnbull Report recommendations, the Board regularly reviews the effectiveness of the Group's systems of internal control. The Board's monitoring covers all controls, including financial, operational and compliance controls and risk management. It is based principally on reviewing reports from management to consider whether significant risks are identified, evaluated, managed and controlled 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 the Business Review on pages 9 and 10.

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.

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 and that an internal audit function is currently unnecessary.

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	11(12)	4(4)	2(2)	–(–)
C J Brady (Chief Executive)	12(12)	–	–	–
R B Brookes	12(12)	–	–	–
R A Conwell	11(12)	–	–	–
T Garthwaite	12(12)	4(4)	2(2)	–(–)
D L Summers (Chairman)	12(12)	4(4)	2(2)	–(–)

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

D L Summers OBE
Chairman
25 September 2009

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 11 November 2009.

Remuneration Committee (unaudited)

The Remuneration Committee as at 30 June 2009 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 or on the Company's website.

In considering remuneration matters, the Committee takes periodic external advice from Hewitt New Bridge Street Consultants LLP ("HNBSC") its appointed advisers, who provide no other services to the Company, and internal advice from the Chief Executive with respect to the other Executive Directors.

Remuneration policy (unaudited)

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' potential 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. They are assessed in light of the performance of the individual and the performance of the Group and also regularly benchmarked by reference to those pertaining to comparator organisations.

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 (unaudited)

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.

Service contracts and letters of appointment (unaudited)

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

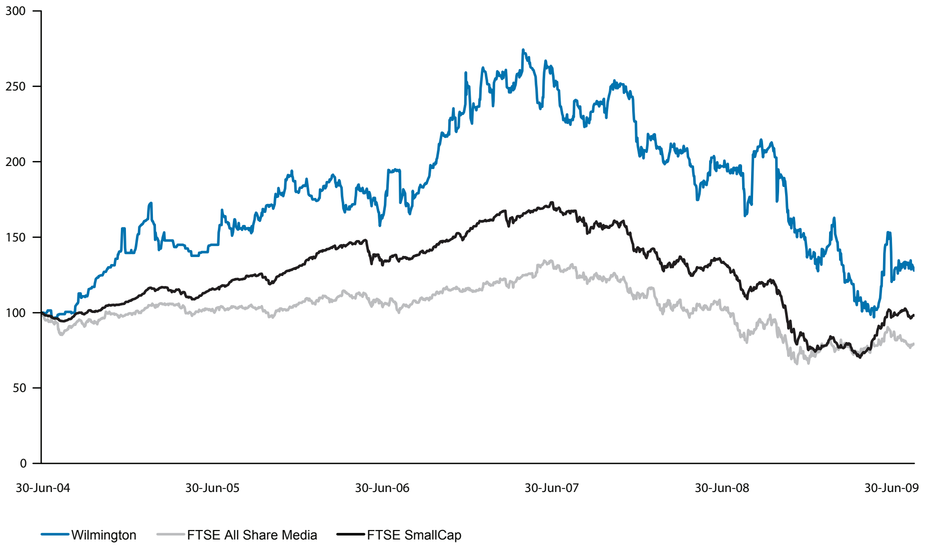
Notes:

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 (unaudited)

The following graph shows, for the year ended 30 June 2009 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.

TSR: Wilmington against FTSE All Share Media and FTSE SmallCap



Directors' emoluments (audited)

The remuneration of the Directors of the Company for the year ended 30 June 2009 is set out below.

	Salary and fees		Bonus		Pension Contributions		Allowances and benefits in kind		Total	
	Year ended 30 June 2009 £	Year ended 30 June 2008 £	Year ended 30 June 2009 £	Year ended 30 June 2008 £	Year ended 30 June 2009 £	Year ended 30 June 2008 £	Year ended 30 June 2009 £	Year ended 30 June 2008 £	Year ended 30 June 2009 £	Year ended 30 June 2008 £
C J Brady	324,000	300,000	36,700	143,107	32,400	38,586	27,685	27,197	420,785	508,890
R B Brookes	220,320	204,000	25,000	97,311	22,032	20,400	27,650	26,984	295,002	348,695
R A Conwell	108,000	100,000	12,500	47,702	11,550	12,862	19,605	18,943	151,655	179,507
D L Summers	82,000	70,000	–	–	–	–	–	–	82,000	70,000
M Asplin	41,900	33,750	–	–	–	–	–	–	41,900	33,750
T Garthwaite	41,900	33,750	–	–	–	–	–	–	41,900	33,750
	818,120	741,500	74,200	288,120	65,982	71,848	74,940	73,124	1,033,242	1,174,592

Base salary (unaudited)

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. The increase in salaries which took effect from 1 July 2008 was based on an assessment made at that time. There has been no increase to the salaries or allowances of the Executive Directors since that date.

Pension contributions (audited)

For the year ended 30 June 2009, 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 salaries and bonuses disclosed above: C J Brady £Nil (2008: £143,107), R B Brookes £Nil (2008: £Nil) and R A Conwell £12,500 (2008: £47,702).

Benefits (unaudited)

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 (unaudited)

Executive Directors participate in an annual bonus scheme under which cash bonuses may be earned by reference to performance targets which are reviewed annually. The bonus scheme is structured so that all Executive Directors receive bonuses calculated by reference to the annual percentage growth in the Group's profit before non-recurring items, taxation and amortisation of intangible assets and after deducting the interest of minority shareholders in such profits. In the year ended 30 June 2009 the Group's profit decreased from the previous year. However, in view of the Executive Directors' significant contribution to the restructuring of the Group and their ongoing commitment to its long term development, the Remuneration Committee decided to award modest discretionary bonuses of amounts as disclosed above.

The Directors have opted to sacrifice bonuses for pension contributions as disclosed above.

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

Performance Share Plan (unaudited)

Under the terms of a Performance Share Plan ("PSP") which was approved by shareholders at the Annual General Meeting on 8 November 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.

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 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 over the three years commencing with the previous 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 commencing with the previous financial year.

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 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 (audited)

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

Further details of these options are set out in note 25 to the accounts. The options in place at 1 July 2008 were part of the 2007 grant and the options issued during the year were part of the 2008 grant.

		At 1 July 2008	Options exercised	Options granted	At 30 June 2009
C J Brady	Performance Share Plan	189,393	–	109,831	299,224
R B Brookes	Performance Share Plan	128,787	–	74,685	203,472
R A Conwell	Performance Share Plan	63,131	–	36,610	99,741

As at 30 June 2009 the Company's share price was 117p and its highest and lowest share prices during the year ended 30 June 2009 were 88p and 206p respectively.

Shareholding Guidelines (unaudited)

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% vested of 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 (audited)

The interests of Directors and their immediate families in the issued ordinary share capital of the Company as at 30 June 2009 and the movement in the year are set out below.

Name	Beneficial/ Non-Beneficial	At 1 July 2008 Number	Movement in year Number	At 30 June 2009 Number	At 30 June 2009 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	35,180	–	35,180	0.04
M Asplin	Beneficial	21,390	20,000	41,390	0.05
T Garthwaite	Beneficial	5,000	–	5,000	0.01

Interests at 30 June 2009 are shown as a percentage of shares in issue on that date.

There have been no changes in the Directors' interests between 30 June 2009 and 17 September 2009. 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

25 September 2009

Independent Auditors' Report

Independent Auditors' report to the members of Wilmington Group plc

We have audited the financial statements of Wilmington Group plc for the year ended 30 June 2009 which comprise the Group Income Statement, the Group and Company Statements of Recognised Income and Expense, Group and Company Balance Sheets, the Group and Company Cash Flow Statements and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the parent Company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

Respective responsibilities of Directors and Auditors

As explained more fully in the Directors' Responsibilities Statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Sections 495 to 497 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group's and the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Company's affairs as at 30 June 2009 and of the Group's profit and Group's and Company's cash flows for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the Company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and, as regards the Group financial statements, Article 4 of the IAS Regulation.

Separate opinion in relation to IFRSs as issued by the IASB

As explained in Note 1 to the Group financial statements, the Group in addition to complying with its legal obligation to apply IFRSs as adopted by the European Union, has also applied IFRSs as issued by the International Accounting Standards Board (IASB).

In our opinion the Group financial statements comply with IFRSs as issued by the IASB.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion:

- the part of the Report on Directors' Remuneration to be audited has been properly prepared in accordance with the Companies Act 2006;
- the information given in the Corporate Governance Statement with respect to Rules 7.2.5 and 7.2.6 of the Disclosure and Transparency Rules issued by the Financial Services Authority is consistent with the financial statements; and
- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following:

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

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

Under the Listing Rules we are required to review:

- the Directors' Statement, set out on page 20, in relation to going concern; and
- the parts of the Corporate Governance Statement relating to the Company's compliance with the nine provisions of the June 2008 Combined Code specified for our review.

Julian Jenkins (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
25 September 2009

Group Income Statement

for the year ended 30 June 2009

	Notes	Year ended 30 June 2009 £'000	Year ended 30 June 2008 £'000 (Restated note 1 (c))
Revenue	2	86,268	88,828
Cost of sales		(27,064)	(27,098)
Gross profit		59,204	61,730
Operating expenses excluding amortisation and impairment and non-recurring items	3	(44,647)	(43,532)
Amortisation and impairment	3	(7,784)	(4,560)
Operating expenses before non-recurring items		(52,431)	(48,092)
Non-recurring items	4	(1,674)	–
Total operating expenses		(54,105)	(48,092)
Operating profit from continuing operations	4	5,099	13,638
Finance income	5	175	331
Finance costs	5	(2,424)	(2,106)
Profit on continuing activities before income tax		2,850	11,863
Income tax expense	6	(1,911)	(3,749)
Profit on continuing activities after income tax		939	8,114
(Loss)/profit on discontinued operations after income tax	7	(690)	1,025
Net profit for the financial year		249	9,139
Attributable to:			
Equity holders of the Company		(311)	8,376
Minority interest		560	763
Earnings per share attributable to equity holders of the Company			
Continuing operations:	9		
Basic earnings per share		0.46p	8.82p
Diluted earnings per share		0.45p	8.76p
Continuing and discontinued operations:	9		
Basic (loss)/earnings per share		(0.38)p	10.05p
Diluted (loss)/earnings per share		(0.38)p	9.98p

The notes on pages 34 to 65 are an integral part of these consolidated financial statements.

Statements of Recognised Income and Expense

for the year ended 30 June 2009

	Group		Company	
	Year ended 30 June 2009 £'000	Year ended 30 June 2008 £'000 (Restated note 1 (c))	Year ended 30 June 2009 £'000	Year ended 30 June 2008 £'000
Capital reserve realised on disposal of subsidiaries	–	949	–	–
Cash flow hedge loss taken directly to equity	(1,454)	(150)	(1,454)	(150)
Exchange translation difference	(7)	63	–	–
Deferred tax on items taken directly to equity	407	(242)	407	42
Net (loss)/income recognised directly in equity	(1,054)	620	(1,047)	(108)
Net profit/(loss) for the year	249	9,139	(1,474)	7,857
Total recognised income and expense for the year	(805)	9,759	(2,521)	7,749
Attributable to:				
Equity holders of the parent	(1,365)	8,996		
Minority interests	560	763		
	(805)	9,759		

The notes on pages 34 to 65 are an integral part of these consolidated financial statements.

Balance Sheets

as at 30 June 2009

	Notes	Group As at 30 June 2009 £'000	Group As at 30 June 2008 £'000 (Restated note 1(c))	Company As at 30 June 2009 £'000	Company As at 30 June 2008 £'000
Non-current assets					
Goodwill	12	62,401	67,969	–	–
Intangible assets	13	28,712	34,818	274	206
Property, plant and equipment	14	7,779	8,263	1,527	1,655
Investments	15	–	–	41,285	41,285
Deferred tax asset	23	486	245	303	1
		99,378	111,295	43,389	43,147
Current assets					
Inventories	16	1,342	1,769	–	–
Trade and other receivables	17	18,407	23,413	51,179	56,183
Derivative financial assets	18	25	413	–	413
Cash and cash equivalents		1,506	3,697	–	–
		21,280	29,292	51,179	56,596
Total assets		120,658	140,587	94,568	99,743
Current liabilities					
Trade and other payables	19	(31,716)	(37,462)	(1,540)	(1,787)
Current income tax liabilities		(501)	(2,316)	(121)	–
Bank overdrafts	20	(1,336)	(3,633)	(9,058)	(6,787)
Provisions for future purchase of minority interests	21	(2,148)	(939)	–	–
		(35,701)	(44,350)	(10,719)	(8,574)
Non-current liabilities					
Bank loans	20	(18,000)	(18,000)	(18,000)	(18,000)
Derivative financial liabilities	18	(1,045)	–	(1,045)	–
Deferred tax liabilities	23	(6,685)	(7,620)	(14)	(133)
Provisions for future purchase of minority interests	21	(5,410)	(9,268)	–	–
		(31,140)	(34,888)	(19,059)	(18,133)
Total liabilities		(66,841)	(79,238)	(29,778)	(26,707)
Net assets		53,817	61,349	64,790	73,036
Equity					
Share capital	24	4,228	4,224	4,228	4,224
Share premium account	24	43,470	43,413	43,470	43,413
Treasury shares	24	(4,008)	(3,968)	(4,008)	(3,968)
Translation reserve	26	45	52	–	–
Share option reserve	26	382	302	154	120
Retained earnings	26	9,464	16,601	20,946	29,247
Shareholders' funds		53,581	60,624	64,790	73,036
Minority interests	26	236	725	–	–
Total equity and revenue attributable to equity holders of the Company		53,817	61,349	64,790	73,036

The notes on pages 34 to 65 are an integral part of these consolidated financial statements.

Approved and authorised for issue by the Board and signed on their behalf on 25 September 2009.

R Basil Brookes
Finance Director

Cash Flow Statements

for the year ended 30 June 2009

	Notes	Group Year ended 30 June 2009 £'000	Group Year ended 30 June 2008 £'000	Company Year ended 30 June 2009 £'000	Company Year ended 30 June 2008 £'000
Net cash flow from operating activities	31	8,033	12,622	3,685	(12,156)
Investing activities					
Purchase of property, plant and equipment	14	(1,036)	(1,475)	(48)	(37)
Proceeds from sale of property, plant and equipment		98	122	27	–
Purchase of subsidiary undertakings and minority interests	11	(678)	(17,068)	–	–
Cash acquired on purchase of subsidiary undertakings		–	294	–	–
Cash movement on disposal of subsidiary undertakings		(224)	(783)	–	–
Proceeds from sale of subsidiary undertakings	11	457	10,272	–	10,052
Purchase of intangible assets	13	(558)	(924)	(177)	(221)
Proceeds from sale of intangible assets		301	–	–	–
Net cash used in investing activities		(1,640)	(9,562)	(198)	9,794
Financing activities					
Dividends paid to equity holders of the Company	26	(5,779)	(5,257)	(5,779)	(5,257)
Dividends paid to minority shareholders in subsidiary undertakings	27	(529)	(331)	–	–
Issue of ordinary shares	26	61	423	61	423
Increase in long term loans		–	5,000	–	5,000
Purchase of treasury shares	26	(40)	(3,968)	(40)	(3,968)
Net cash flows used in financing activities		(6,287)	(4,133)	(5,758)	(3,802)
Net increase/(decrease) in cash and cash equivalents		106	(1,073)	(2,271)	(6,164)
Cash, cash equivalents and bank overdrafts at beginning of the year		64	1,137	(6,787)	(623)
Cash, cash equivalents and bank overdrafts at end of the year		170	64	(9,058)	(6,787)
Reconciliation of net debt					
Cash and cash equivalents at beginning of the year		3,697	4,443	–	–
Bank overdraft at beginning of the year		(3,633)	(3,306)	(6,787)	(623)
Borrowings at beginning of the year		(18,000)	(13,000)	(18,000)	(13,000)
Net debt at beginning of the year		(17,936)	(11,863)	(24,787)	(13,623)
Net increase/(decrease) in cash and cash equivalents		106	(1,073)	(2,271)	(6,164)
Increase in long term loans		–	(5,000)	–	(5,000)
Cash and cash equivalents at end of the year		1,506	3,697	–	–
Bank overdrafts at end of the year		(1,336)	(3,633)	(9,058)	(6,787)
Borrowings at end of the year		(18,000)	(18,000)	(18,000)	(18,000)
Net debt at end of the year		(17,830)	(17,936)	(27,058)	(24,787)

The notes on pages 34 to 65 are an integral part of these consolidated financial statements.

Notes to the Accounts

General Information

Wilmington Group plc ("the Company") is a public limited company which is listed on the London Stock Exchange and is incorporated and domiciled in the UK.

1. Statement of Accounting Policies

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

a) Basis of preparation

The Group and Company 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 2006 applicable to companies reporting under IFRS. The consolidated financial statements have been prepared under the historic cost convention, as modified by the revaluation of financial assets and liabilities (including derivative instruments) at fair value through profit or loss. The Group financial statements are presented in Sterling and all values are rounded to the nearest thousand pounds (£'000s) except where otherwise indicated.

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 21), the measurement and impairment of goodwill 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 authorities concerned.

c) Prior period adjustments

Management have reviewed the accounting policies adopted by the Group and have made the following adjustments in the year. To be in line with industry best practice:

- Revenue recognition relating to online content has been amended in the year. Online directory advertisement revenue, which historically was recognised on publication, is now recognised over the period that the advertisement remains online.
- In addition, the movement relating to the unwinding of the discount on the provision for the future purchase of minority interests, which was previously treated as an adjustment to goodwill, is now reflected in the Income Statement as a finance charge over the discounting period and also a deferred tax asset relating to the amortisation of non-qualifying intangible assets acquired prior to April 2002, which was first recognised on the transition to IFRS, whilst remaining a potential benefit, is no longer recognised in the Consolidated Balance Sheet.

The effect of these adjustments (which are not affected by the reclassification of certain operations to discontinued) at 30 June 2008 is to reduce goodwill from £69,435,000 to £67,969,000, to increase deferred revenue carried forward from £11,323,000 to £15,081,000, decrease income tax liabilities from £3,368,000 to £2,316,000, increase deferred tax liabilities from £6,808,000 to £7,620,000 and to reduce Shareholders' funds from £65,447,000 to £60,624,000 with a minority interest reduction from £886,000 to £725,000. Notes 12, 19, 23, 26 and 27 show the restatements of goodwill, deferred revenue, deferred tax liabilities, shareholders' funds and minority interests respectively. The effect of these adjustments is to reduce profit on continuing activities before income tax for the year ended 30 June 2008 by £789,000 and to reduce profit on continuing activities after taxation by £814,000. Earnings per share and adjusted earnings per share from continuing operations for the year to June 2008 are reduced from 9.80p to 8.82p and 13.48p to 13.34p respectively.

d) Basis of consolidation

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

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. 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(k)). In the case of subsequent acquisitions of minority interests in subsidiaries, 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 costs required to settle put options held by minority shareholders over minority interest shares, should said put options be exercised (see Note 21).

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) Foreign currencies

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

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 recognised as a separate component of equity.

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

f) 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 on a straight line basis or weighted in accordance with the timing of the service provided. Event revenue is recognised in the month that the event takes place. Hard copy advertising revenue is recognised on publication. Online directory advertising revenue is recognised over the period that the advertisement remains online. Subscriptions and fees in advance are carried forward in trade and other payables as deferred revenue and recognised over the period the service is provided.

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

g) Segmental reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Company's Board of Directors.

h) Non-recurring items

Items which the Board consider to be of a one-off nature are shown as non-recurring items in the Group's income statement.

i) Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised directly in equity. In this case the tax is also recognised in equity.

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

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

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

j) Dividends

Dividend distribution to the Company's Shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's Shareholders.

1. **Statement of Accounting Policies** continued

k) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash generating units ("CGU's") for the purpose of impairment testing. The recoverable amount of goodwill is determined from value in use calculations for each CGU using pre-tax cash flow projections based on financial budgets and forecasts approved by management covering a three year period. Cash flows beyond the three year period are extrapolated using estimated long-term growth rates.

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.

l) Intangible assets

Publishing rights, titles and benefits 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 and amortised the income statement over its estimated useful life not exceeding three years.

m) Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation. 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 property	2 per cent per annum
Leasehold property	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.

n) Investments

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

o) 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.

p) Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the Balance Sheet.

q) Financial assets

The Group classifies its non-derivative financial assets as loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets 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. They are included in current assets, except for maturities over 12 months after the balance sheet date. The Group's loans and receivables comprise "trade and other receivables" and "cash and cash equivalents" in the Balance Sheet. 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 where 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 previous 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.

r) Derivative financial instruments and hedging

The Group uses derivative financial instruments including interest rate swaps and forward currency contracts to hedge its risks associated with interest rate fluctuations and foreign exchange exposure respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative financial instruments within a derivative contract is entered into and are subsequently remeasured at fair value determined by external valuations at each reporting date.

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 Group and Company designate derivatives as 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.

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.

Cash flow hedge

The effective portion of the fair value gain or loss on the hedging instrument is recognised directly in equity, while the ineffective portion is recognised immediately in the income statement. Amounts taken to equity are transferred to the income statement when the hedged transaction affects profit or loss. The gain or loss relating to the effective portion of the interest rate swaps hedging variable rate borrowing is recognised in the income statement within "finance costs".

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 the income statement.

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 remeasured at the year end based on the latest forecasts of profitability (as used in the impairment test on goodwill and discounted at a rate of 10% (2008: 10%) to reflect the time value of money) and assuming the put options are exercised at the first available opportunity. The unwinding of the discount on these provisions is reflected as a finance charge in the Income Statement over the discounting period. The remaining 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) Pension scheme arrangements

The Group does not operate a defined benefit scheme.

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

1. **Statement of Accounting Policies** continued

u) Share-based payments

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

v) Operating leases

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

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

w) Share capital

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

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

x) New standards and interpretations applied

IFRS 8 "Operating segments" which is effective for annual periods beginning on or after 1 January 2009 has been early adopted. IFRS 8 replaces IAS 14 "Segment reporting" and requires a "management approach" under which segment information is presented on the same basis as that used for internal reporting purposes.

The following new standards, amendments to standards or interpretations are mandatory for the first time for the financial year beginning 1 July 2008, but are not currently relevant for the Group:

- IFRIC 12 "Service concession arrangements".
- IFRIC 13 "Customer loyalty programmes".
- IFRIC 14 "IAS 19 – the limit on a defined benefit asset, minimum funding requirements and their interaction".
- IFRIC 15 "Agreement for the Construction of Real Estate".
- IFRIC 16 "Hedges of a Net Investment in a Foreign Operation".
- IFRIC 17 "Distribution of Non-cash Assets".
- IFRIC 18 "Transfers of Assets from Customers".

y) New standards and interpretations not applied

The following new standards, amendments to standards and interpretations have been issued, but are not effective for the financial year beginning 1 July 2008 and have not been early adopted:

- IAS 23 (revised) "Borrowing costs", effective for annual periods beginning on or after 1 January 2009. This amendment is not relevant to the Group as the Group does not have any qualifying assets on which borrowing costs would be incurred.

- IFRS 2 (revised) "Share-based payment", effective for annual periods beginning on or after 1 January 2009. Management is assessing the impact of the changes to vesting conditions and cancellations on the Group's share incentive schemes.

- IFRS 3 (amendment) "Business combinations" and consequential amendments to IAS 27 "Consolidated and separate financial statements", IAS 28 "Investments in associates" and IAS 31 "Interests in joint ventures", effective prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009. Management is assessing the impact of the new requirements regarding acquisition accounting, consolidation and associates on the Group. The Group does not have any joint ventures.

- IAS 1 (amendment) "Presentation of financial statements", effective for annual periods beginning on or after 1 January 2009. Management is in the process of developing pro forma accounts under the revised disclosure requirements of this standard.

- IAS 32 (amendment) "Financial instruments: presentation", effective for annual periods beginning on or after 1 January 2009. Management is currently assessing the impact on the Group of this amendment.

2. Segmental information

As explained in the Business Review, the Group has adjusted the presentation of its segmental results shown below. Prior period comparatives have been restated. In addition as explained in note 1(x), the Group has early adopted IFRS 8 "Operating Segments" and the analysis below is therefore on a "management approach" basis.

(a) Primary reporting format - business segments

Year ended 30 June 2009

	Professional Training & Events £'000	Professional Publishing & Information £'000	Total £'000
Revenue	47,701	38,567	86,268
Profit before amortisation and impairment	6,909	10,418	17,327
Amortisation and impairment	(5,261)	(2,446)	(7,707)
Profit after amortisation and impairment	1,648	7,972	9,620
Unallocated central overheads (includes amortisation of £77,000)			(2,847)
Profit from continuing operations before non-recurring items			6,773
Non-recurring items			(1,674)
Profit from continuing operations after non-recurring items			5,099
Net finance costs			(2,249)
Profit on continuing activities before taxation			2,850
Income tax expense			(1,911)
Profit on continuing activities after taxation			939
Loss from discontinued operations			(690)
Net profit for the year			249

Year ended 30 June 2008 (Restated note 1(c))

	Professional Training & Events £'000	Professional Publishing & Information £'000	Total £'000
Revenue	50,437	38,391	88,828
Profit before amortisation and impairment	9,034	11,457	20,491
Amortisation and impairment	(2,832)	(1,692)	(4,524)
Profit after amortisation and impairment	6,202	9,765	15,967
Unallocated central overheads (includes amortisation of £36,000)			(2,329)
Profit from continuing operations before non-recurring items			13,638
Non-recurring items			–
Profit from continuing operations after non-recurring items			13,638
Net finance costs			(1,775)
Profit on continuing activities before taxation			11,863
Income tax expense			(3,749)
Profit on continuing activities after taxation			8,114
Profit from discontinued operations			1,025
Net profit for the year			9,139

2. Segmental information continued

(b) Further segmental information by geography

The geographical analysis of revenue by destination is as follows:

	Year ended 30 June 2009 £'000	Year ended 30 June 2008 £'000 (Restated note 1(c))
United Kingdom	70,774	74,604
Overseas	15,494	14,224
	86,268	88,828

(c) Adjusted profit

Adjusted profit is defined as profit before taxation, amortisation and impairment, unwinding of the discount on the provision for future purchase of minority interests, share based payments and non-recurring items and reconciles to profit on continuing activities before taxation as follows:

	Year ended 30 June 2009 £'000	Year ended 30 June 2008 £'000 (Restated note 1(c))
Profit on continuing activities before taxation	2,850	11,863
Amortisation of intangible assets	5,034	4,560
Impairment of goodwill	2,750	–
Unwinding of the discount on the provision for future purchase of minority interests	927	625
Share based payments	80	177
Non-recurring items (see note 4)	1,674	–
Adjusted profit	13,315	17,225

3. Operating expenses

	Year ended 30 June 2009 £'000	Year ended 30 June 2008 £'000 (Restated note 1(c))
Distribution and selling costs	7,704	7,887
Administrative expenses (excluding amortisation and impairment of intangible assets and goodwill)	36,943	35,645
	44,647	43,532
Amortisation and impairment of intangible assets and goodwill (administrative expense)	7,784	4,560
Total operating expenses before non-recurring items	52,431	48,092

4. Operating profit from continuing operations – analysis of expenses by nature

Operating profit for the year from continuing operations is stated after charging/(crediting)

	Year ended 30 June 2009 £'000	Year ended 30 June 2008 £'000
Depreciation of property, plant and equipment (see note 14)	1,264	1,389
Amortisation of intangible assets (see note 13)	5,034	4,560
Impairment of goodwill (see note 12)	2,750	–
Loss/(profit) on sale of property, plant and equipment	122	(13)
Rentals under operating leases:		
– Plant and machinery	–	21
– Land and buildings	675	745
Non-recurring items (see below)	1,674	–
Share based payments	80	177
Foreign exchange (profit)	(6)	(4)
Fees payable to the Company's auditor for the audit of the Company and consolidated financial statements	85	–
Fees payable to the Company's auditor and its associates and its former auditor for other services:		
The audit of the Company's subsidiaries pursuant to legislation	125	141
Other services pursuant to legislation	15	13
Tax services	70	32
Other services	54	4
Fees payable to the Company's former auditor for the audit of the Company and consolidated financial statements	11	89

Non-recurring items:

The following items of an unusual nature, size or incidence have been charged to profit during the period and shown as non-recurring items.

	Year ended 30 June 2009 £'000	Year ended 30 June 2008 £'000
Restructuring costs	1,124	–
Abortive transaction costs	550	–
	1,674	–

Restructuring costs reflect specific reorganisation and redundancy costs arising as a result of the restructuring referred to in the Chairman's Statement.

On 28 July 2008, the Company announced that it had received an approach which may or may not have led to an offer. On 17 September 2008, the Company announced that it was no longer in discussion with any party regarding a potential offer for the Company. The abortive transaction costs relate to the investigation of this approach together with the due diligence costs of a potential acquisition which, had the approach led to a successful offer for the company, would have been subject to the same financing.

5. Finance income and costs

	Year ended 30 June 2009 £'000	Year ended 30 June 2008 £'000 (Restated note 1(c))
Finance income comprises:		
Bank interest receivable	175	331
Finance costs comprise:		
Interest payable on bank loans and overdrafts	(1,151)	(1,222)
Facility fees	(346)	(259)
Unwinding of the discount on the provision for future purchase of minority interests	(927)	(625)
	(2,424)	(2,106)

6. Income tax expense

	Year ended 30 June 2009 £'000	Year ended 30 June 2008 £'000 (Restated note 1(c))
The tax charge comprises:		
UK corporation tax at current rates	2,812	4,625
Adjustment to tax charge in respect of previous years	(397)	18
	2,415	4,643
Foreign tax	558	483
Total current tax	2,973	5,126
Deferred income tax credit	(1,062)	(1,377)
Income tax expense	1,911	3,749

Factors affecting the tax charge for the year:

The tax assessed for the year is higher than the effective rate of corporation tax in the UK of 28% (2008: 29.5%) for the year ended 30 June 2009.

The differences are explained below:

	Year ended 30 June 2009 £'000	Year ended 30 June 2008 £'000
Reconciliation of tax charge:		
Profit on ordinary activities before tax	2,850	11,863
Profit on ordinary activities multiplied by the 'effective' rate of corporation tax in the year of 28% (2008: 29.5%)	798	3,500
Effect of:		
Depreciation and amortisation in excess of capital allowances	254	76
Foreign tax rate differences	151	105
Adjustment to tax charge in respect of previous years	(397)	18
Impairment not subject to tax	770	–
Put option discount not subject to tax	260	184
Other items not subject to tax	75	(134)
Income tax expense	1,911	3,749

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

As referred to in Note 11, during the current year, the Group disposed off its interests in Muze Europe Limited, HPCi and Press Gazette.

The results of these businesses are treated as discontinued operations, their net results have been included in the Consolidated Income Statement as the loss on discontinued operations after taxation and the comparatives have been restated on a consistent basis.

	Year ended 30 June 2009 £'000	Year ended 30 June 2008 £'000
Revenue	1,071	6,348
Expenses	(1,466)	(6,376)
Loss before amortisation and taxation	(395)	(28)
Amortisation	(128)	(716)
Loss before taxation	(523)	(744)
Attributable tax credit	147	221
Net operating loss attributable to discontinued operations	(376)	(523)
(Loss)/profit on disposal of discontinued operations before taxation	(286)	2,160
Attributable tax charge	(28)	(612)
	(314)	1,548
(Loss)/profit on discontinued operations after taxation	(690)	1,025

8. Dividends

Amounts recognised as distributions to equity holders in the year:

	Year ended 30 June 2009 pence per share	Year ended 30 June 2008 pence per share	Year ended 30 June 2009 £'000	Year ended 30 June 2008 £'000
Final dividends recognised as distributions in the year	4.7	4.0	3,879	3,352
Interim dividends recognised as distributions in the year	2.3	2.3	1,900	1,905
Total dividends paid	7.0	6.3	5,779	5,257
Dividend proposed	4.7	4.7	3,883	3,879

9. Earnings/(loss) per share

To allow shareholders to gain a better understanding of the trading performance of the Group, adjusted earnings per ordinary share has been calculated using an adjusted profit after taxation and minority interests but before amortisation and impairment of intangible assets and goodwill, non-recurring costs, share-based payments and the unwinding of the discount on the provision for the future purchase of minority interests.

(a) From continuing operations

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

	Year ended 30 June 2009 £'000	Year ended 30 June 2008 £'000 (Restated note 1(c))
Earnings from continuing and discontinuing operations for the purpose of basic earnings per share	(311)	8,376
Add back loss/(profit) from discontinued operations	690	(1,025)
Earnings from continuing operations for the purpose of basic earnings per share	379	7,351
Add: Amortisation (net of minority interest effect)	5,021	4,544
Non-recurring items	1,674	–
Share based payments	80	177
Unwinding of the discount on the provision for the future purchase of minority interests	927	625
Tax effect of the above adjustments	(2,157)	(1,577)
Impairment	2,750	–
Adjusted earnings for the purposes of adjusted earnings per share	8,674	11,120
	Number	Number
Weighted average number of ordinary shares for the purposes of basic and adjusted earnings per share	82,590,096	83,356,950
Effect of dilutive potential ordinary shares:		
Exercise of share options	806,790	557,373
Weighted average number of ordinary shares for the purposes of diluted earnings per share	83,396,886	83,914,323
Basic earnings per share	0.46p	8.82p
Diluted earnings per share	0.45p	8.76p
Adjusted basic earnings per share	10.50p	13.34p
Adjusted diluted earnings per share	10.40p	13.25p

(b) From continuing and discontinued operations

	Year ended 30 June 2009 £'000	Year ended 30 June 2008 £'000 (Restated note 1(c))
Earnings from continuing and discontinuing operations for the purpose of basic earnings per share	(311)	8,376
Add: Amortisation (net of minority interest effect)	5,139	5,224
Non-recurring items	1,674	–
Share based payments	80	177
Unwinding of the discount on the provision for the future purchase of minority interests	927	625
Tax effect of the above adjustments	(2,190)	(1,778)
Impairment	2,750	–
Adjusted earnings for the purposes of adjusted earnings per share	8,069	12,624
Basic (loss)/earnings per share	(0.38)p	10.05p
Diluted (loss)/earnings per share	(0.38)p	9.98p
Adjusted basic earnings per share	9.77p	15.14p
Adjusted diluted earnings per share	9.68p	15.04p

9. Earnings/(loss) per share continued

(c) From discontinued operations

	Year ended 30 June 2009 £'000	Year ended 30 June 2008 £'000 (Restated note 1(c))
(Loss)/profit from discontinued operations for the purpose of basic earnings per share	(690)	1,025
Add: Amortisation (net of minority interest effect)	118	680
Tax effect of the above adjustment	(33)	(201)
Adjusted (loss)/profit for the purposes of adjusted earnings per share	(605)	1,504
Basic (loss)/earnings per share	(0.84)p	1.23p
Diluted (loss)/earnings per share	(0.84)p	1.22p
Adjusted (loss)/earnings per share	(0.73)p	1.80p
Adjusted (loss)/diluted earnings per share	(0.73)p	1.79p

10. Results of Wilmington Group plc

Of the results for the year, a loss of £1,475,000 (2008: profit of £7,857,000) relates to Wilmington Group plc, the Parent Company. Pursuant to Section 408 of the Companies Act 2006 the Company's own income statement is not included in these financial statements.

11. Acquisitions and disposals

Acquisitions

There were no new acquisitions of subsidiaries during the year. As a result of changes in deferred consideration for the acquisitions of The Matchett Group Limited, AP Information Services Limited and Aspire Publications Limited, the estimate of the goodwill arising on these acquisitions has been reduced by £164,000 (see note 12 below).

Minority Interest acquired

During the year the Group acquired an additional 5% of the issued share capital of Beechwood House Publishing Limited under the terms of a put agreement based on a predetermined multiple of the average prior two years' profits.

Disposals

During the year the Group disposed of its interests in Muze Europe Limited, a music information business, HPCi, a magazine publishing business and Press Gazette magazine. The consideration received for the Group's stake in Muze Europe Limited was £500,000, of which £250,000 was received on completion together with the repayment of an intercompany loan. The remaining £250,000 was received in May 2009. The consideration for HPCi is £500,000, of which £250,000 is receivable in October 2009 and the remainder in October 2010. The consideration received for the sale of Press Gazette magazine was £75,000.

12. Goodwill

	£'000 (Restated note 1(c))
Cost	
At 1 July 2007 as previously reported	52,941
Adjustment relating to the unwinding of the discount on the provision for future purchase of minority interests (see Note 1(c))	(841)
At 1 July 2007 as restated	52,100
Acquisitions	13,725
Change in provisions for future purchase of minority interests	2,542
Change in minority interest reserve	(398)
At 1 July 2008 as restated (previously £69,435,000)	67,969
Acquisitions (see note 11)	(164)
Disposals	(103)
Change in provisions for future purchase of minority interests	(2,551)
Change in minority interest reserve	–
At 30 June 2009	65,151
Impairment	
At 1 July 2007 and 1 July 2008	–
Charge for the year	2,750
At 30 June 2009	2,750
Net book amount	
At 30 June 2009	62,401
At 30 June 2008 as restated	67,969

Goodwill of £50,402,000 (2008: £55,378,000) relates to the Group's Professional Training & Events division . The remaining goodwill of £11,999,000 (2008: £12,488,000) relates to the Group's Professional Publishing & Information division. The major constituents of the Professional Training & Events division are £32,809,000 (2008: £33,475,000) in respect of the Group's Central Law Training cash generating unit, £5,869,000 (2008: £9,831,000) in respect of The Matchett Group, and £6,830,000 (2008: £6,830,000) in respect of Bond Solon. The major constituent of the Professional Publishing & Information division's goodwill is £4,712,000 (2008: £4,752,000) 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 for each cash generating unit ("CGU"). These calculations use pre-tax cash flow projections based on financial budgets and forecasts approved by management covering a three year period. Cash flows beyond the three year period are extrapolated using estimated long term growth rates.

Key assumptions for the value in use calculations are those regarding discount rates and long term growth rates. Management has used a pre-tax discount rate of 11.1% (2008: 10%) that reflect current market assessments for the time value of money and the risks associated with the cash generating units. As the Group manages its treasury function on a Group wide basis, the same discounted rate has been used for all CGU's as the Directors believe that the risks are the same for each CGU. The long term growth rates used are based on management's expectations of future changes in the markets for each cash generating unit and fall within the range 5% to 1.25%.

The impairment charge of £2,750,000 arose in relation to The Matchett Group which has been adversely impacted by the downturn in the investment banking sector.

Management has performed sensitivity analyses on the impairment calculations by reducing the growth rates by 1% and by increasing the pre-tax discount rate to 12.5%. This would result in the impairment charge in respect of The Matchett Group increasing to £797,000 and £929,000 respectively. No other impairment charge would be required.

13. Intangible assets

	Group			Company
	Publishing rights, titles and benefits £'000	Computer software £'000	Total £'000	Computer software £'000
Cost				
At 1 July 2007	38,483	1,170	39,653	77
Additions	–	924	924	221
Acquisitions	7,514	41	7,555	–
At 1 July 2008	45,997	2,135	48,132	298
Additions	–	558	558	177
Disposals	(3,132)	(398)	(3,530)	(33)
At 30 June 2009	42,865	2,295	45,160	442
Amortisation				
At 1 July 2007	7,512	526	8,038	56
Charge for year – continuing	4,140	420	4,560	36
– discontinued	716	–	716	–
At 1 July 2008	12,368	946	13,314	92
Charge for year – continuing	4,543	491	5,034	82
– discontinued	128	–	128	–
Disposals	(1,900)	(128)	(2,028)	(6)
At 30 June 2009	15,139	1,309	16,448	168
Net book amount				
At 30 June 2009	27,726	986	28,712	274
At 30 June 2008	33,629	1,189	34,818	206

14. Property, plant and equipment

Group

	Freehold land and 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 2007	3,581	3,914	169	3,407	4,036	328	15,435
Additions	–	21	98	635	568	153	1,475
Acquisitions of subsidiary undertakings	–	–	–	29	75	–	104
Disposals	–	–	–	(20)	(47)	(160)	(227)
Exchange translation differences	–	–	5	33	48	–	86
At 1 July 2008	3,581	3,935	272	4,084	4,680	321	16,873
Additions	95	9	31	288	480	133	1,036
Disposals	–	–	(120)	(389)	(134)	(132)	(775)
Disposal on sale of subsidiary undertakings	–	–	–	(32)	(177)	–	(209)
Exchange translation differences	–	–	5	11	30	–	46
At 30 June 2009	3,676	3,944	188	3,962	4,879	322	16,971
Depreciation							
At 1 July 2007	319	1,221	69	2,227	3,366	102	7,304
Charge for the year	58	179	26	490	549	87	1,389
Disposals	–	–	–	(8)	(10)	(122)	(140)
Exchange translation differences	–	–	–	8	49	–	57
At 1 July 2008	377	1,400	95	2,717	3,954	67	8,610
Charge for the year	60	181	35	508	391	89	1,264
Disposals	–	–	(58)	(327)	(74)	(96)	(555)
Disposal on sale of subsidiary undertakings	–	–	–	(32)	(114)	–	(146)
Exchange translation differences	–	–	–	(9)	28	–	19
At 30 June 2009	437	1,581	72	2,857	4,185	60	9,192
Net book amount							
At 30 June 2009	3,239	2,363	116	1,105	694	262	7,779
At 30 June 2008	3,204	2,535	177	1,367	726	254	8,263

Included in freehold property is £1,210,000 (2008: £1,210,000) of non-depreciated land.

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 2007	2,779	31	32	73	2,915
Additions	8	–	2	27	37
At 1 July 2008	2,787	31	34	100	2,952
Additions	2	–	–	46	48
At 30 June 2009	2,789	31	34	146	3,000
Depreciation					
At 1 July 2007	1,035	11	23	49	1,118
Charge for the year	152	3	7	17	179
At 1 July 2008	1,187	14	30	66	1,297
Charge for the year	152	3	2	19	176
At 30 June 2009	1,339	17	32	85	1,473
Net book amount					
At 30 June 2009	1,450	14	2	61	1,527
At 30 June 2008	1,600	17	4	34	1,655

15. Investments

Company

	Shares in subsidiary undertakings £'000
Cost less provision at 1 July 2007	44,959
Disposals (net of provision)	(3,674)
Cost at 30 June 2008 and 30 June 2009	41,285

15. Investments continued

At 30 June 2009 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.

Name of company	Business	Percentage owned
Training & Events		
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
International Compliance Training (Middle East) LLC* (incorporated and operates in UAE)	Training courses in international compliance and money laundering	100
La Touche Bond Solon Training Limited* (incorporated and operates in Ireland)	Witness and post-qualification legal training	100
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	83
Publishing & Information		
Wilmington Business Information Limited	Holding company	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
Beechwood House Publishing Limited*	Provision of reference information to the healthcare industry	80
Smee and Ford Limited*	Provision of legacy information	100
AP Information Services Limited*	Provision of information for professional markets	100
APM International SAS* (incorporated and operates in France)	News information services to the healthcare industry	100
Aspire Publications Limited	Provision of information for professional markets	100
APM Media SARL* (incorporated and operates in France)	News information services to the healthcare industry	100

15. Investments continued

Wilmington Business Information Limited owns 80% of Beechwood House Publishing Limited. Central Law Training Limited owns 80% of Central Law Training (Scotland) Limited. Waterlow Legal and Regulatory Limited owns 85% of Ark Group Limited. Ark Group Limited owns 100% of Ark Conferences Limited and Ark Group Australia Pty Limited. Central Law Training Limited owns 82.7% of Mercia Group Limited. Mercia Group Limited owns 100% of Practice Track Limited, 60% of Mercia NI Limited and Mercia Ireland Limited and 51% of Clientzone Limited.

The Matchett Group Limited, John Matchett Limited and Adkins & Matchett UK Limited have a non-coterminous year end of 31 December 2008 due to share option agreements.

16. Inventories

	Group	
	30 June 2009 £'000	30 June 2008 £'000
Raw materials	16	55
Work in progress	1,285	1,652
Books held for sale	41	62
	1,342	1,769

17. Trade and other receivables

	Group		Company	
	30 June 2009 £'000	30 June 2008 £'000	30 June 2009 £'000	30 June 2008 £'000
Amounts due within one year				
Trade receivables	13,940	19,402	–	–
Other receivables	813	1,829	38	66
Prepayments	3,654	2,182	430	290
	18,407	23,413	468	356
Amounts due after more than one year				
Amounts due from subsidiary undertakings	–	–	50,711	55,827
	18,407	23,413	51,179	56,183

Amounts due from subsidiary undertakings are interest free, unsecured and are not due for repayment within 12 months of the balance sheet date.

18. Derivative financial instruments

	Group		Company	
	30 June 2009 £'000	30 June 2008 £'000	30 June 2009 £'000	30 June 2008 £'000
Interest rate swap – cash flow hedge	(1,045)	409	(1,045)	409
Forward currency contract	25	4	–	4
	(1,020)	413	(1,045)	413

Details of these derivative financial instruments are set out in note 22.

19. Trade and other payables

	Group		Company	
	30 June 2009 £'000	30 June 2008 £'000 (Restated note 1(c))	30 June 2009 £'000	30 June 2008 £'000
Trade payables	3,098	6,117	–	–
Other payables	3,215	2,092	692	393
Other taxes and social security	2,327	3,240	52	61
Subscriptions and deferred revenue	13,913	15,081	–	–
Accruals	9,163	10,932	629	1,166
Amounts due to subsidiary undertakings	–	–	167	167
	31,716	37,462	1,540	1,787

Amounts due to subsidiary undertakings are interest free and unsecured.

20. Bank loans and overdrafts

	Group		Company	
	30 June 2009 £'000	30 June 2008 £'000	30 June 2009 £'000	30 June 2008 £'000
Current liability — bank overdraft	1,336	3,633	9,058	6,787
Non-current liability — bank loan	18,000	18,000	18,000	18,000

The Group has an unsecured committed 5 year revolving credit facility of £60m (2008: £60m) to March 2012, of which £18m was drawn down at 30 June 2009 (2008: £18m). 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.

The Group currently has a £5m overdraft facility and a £5m money market line.

The bank overdrafts are the subject of a Group set-off arrangement. Interest is charged on the overdraft at 2% over Barclays bank base rate. Interest is charged on the short term money market line at 1.55% over LIBOR.

21. Provisions for future purchase of minority interests

	Group	
	Current provisions £'000	Non-current provisions £'000
At 1 July 2007	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)	–
Unwinding of discount	–	626
Change in value of existing provisions	–	1,564
Non-current provisions becoming current	939	(939)
At 1 July 2008	939	9,268
Provisions utilised in respect of acquisitions of minority interests	(939)	–
Unwinding of discount	–	927
Change in value of existing provisions	–	(2,637)
Non-current provisions becoming current	2,148	(2,148)
At 30 June 2009	2,148	5,410

21. Provisions for future purchase of minority interests continued

Provisions represent the estimated future cost (discounted at a rate of 10% (2008: 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 dependent 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 and the classification between current and non-current, it has been assumed that put options are exercised at the first available opportunity being the Directors' best estimate of when the option will be exercised.

22. Financial Instruments

An explanation of the Group's Treasury policies is set out on pages 9 and 10.

Liquidity Risk

At 30 June 2009, the Group had undrawn committed borrowing facilities of £42m, 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 had available undrawn committed bank facilities as follows:

	30 June 2009 £'000	30 June 2008 £'000
Expiring within one year	–	–
After more than one year	42,000	42,000
	42,000	42,000

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 maturity profile of contractual maturity of its financial liabilities at 30 June 2009. 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 2009

	Within 1 Year £'000	1 – 2 Years £'000	2 – 5 Years £'000	More than 5 Years £'000	Total carrying amount £'000
Bank overdraft	1,336	–	–	–	1,336
Bank loans including interest	1,080	1,080	18,810	–	20,970
Trade payables and accruals	15,476	–	–	–	15,476
Provision for future purchase on minority interest	2,148	4,973	1,354	–	8,475
	20,040	6,053	20,164	–	46,257

At 30 June 2008

	Within 1 Year £'000	1 – 2 Years £'000	2 – 5 Years £'000	More than 5 Years £'000	Total carrying amount £'000
Bank overdraft	3,633	–	–	–	3,633
Bank loans including interest	1,080	1,080	19,890	–	22,050
Trade payables and accruals	19,141	–	–	–	19,141
Provision for future purchase on minority interest	939	3,579	7,804	118	12,440
	24,793	4,659	27,694	118	57,264

22. Financial Instruments continued

Company

At 30 June 2009

	Within 1 Year £'000	1 – 2 Years £'000	2 – 5 Years £'000	More than 5 Years £'000	Total carrying amount £'000
Bank overdraft	9,058	–	–	–	9,058
Bank loans including interest	1,080	1,080	18,810	–	20,970
Trade payables and accruals	1,488	–	–	–	1,488
	11,626	1,080	18,810	–	31,516

At 30 June 2008

	Within 1 Year £'000	1 – 2 Years £'000	2 – 5 Years £'000	More than 5 Years £'000	Total carrying amount £'000
Bank overdraft	6,787	–	–	–	6,787
Bank loans including interest	1,080	1,080	19,890	–	22,050
Trade payables and accruals	1,726	–	–	–	1,726
	9,593	1,080	19,890	–	30,563

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

	Not due £'000	0 – 30 days £'000	30 – 60 days £'000	Over 60 days £'000	Total £'000	Allowances £'000	Net £'000
At 30 June 2009	7,609	3,050	1,654	2,396	14,709	(769)	13,940
At 30 June 2008	10,707	4,128	2,042	3,243	20,120	(718)	19,402

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

	30 June 2009 £'000	30 June 2008 £'000
Allowances at 1 July 2008	718	977
Additions charged to income statement	418	159
Allowances used	(199)	(115)
Allowances reversed	(168)	(303)
Allowances at 30 June 2009	769	718

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 two years has made purchases of its own shares from time to time (see note 24) and in the light of the availability of credit. Details of the Group's banking arrangements are set out under Liquidity Risk above. The Group monitors capital on the basis of total Shareholder's equity.

22. Financial Instruments continued

Analysis of total financial liabilities and financial assets

The table below sets out the Group's IAS 39 classification of each of its financial assets and liabilities at 30 June 2009. All amounts are stated at their carrying value.

Group

At 30 June 2009

	Fair value through profit and loss £'000	Available for sale £'000	Loans and receivables £'000	Derivatives used for hedging £'000	Amortised cost £'000	Total £'000
Cash and cash equivalents	–	–	1,506	–	–	1,506
Bank overdraft	–	–	–	–	(1,336)	(1,336)
Borrowings due after more than one year	–	–	–	–	(18,000)	(18,000)
Derivative financial assets	25	–	–	–	–	25
Derivative financial liabilities	–	–	–	(1,045)	(7,558)	(8,603)
Other financial assets	–	–	14,753	–	–	14,753
Other financial liabilities	–	–	–	–	(15,476)	(15,476)
	25	–	16,259	(1,045)	(42,370)	(27,131)

At 30 June 2008

	Fair value through profit and loss £'000	Available for sale £'000	Loans and receivables £'000	Derivatives used for hedging £'000	Amortised cost £'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 financial assets	4	–	–	409	–	413
Derivative financial liabilities	–	–	–	–	(10,207)	(10,207)
Other financial assets	–	–	21,231	–	–	21,231
Other financial liabilities	–	–	–	–	(19,141)	(19,141)
	4	–	24,928	409	(50,981)	(25,640)

Company

At 30 June 2009

	Fair value through profit and loss £'000	Available for sale £'000	Loans and receivables £'000	Derivatives used for hedging £'000	Amortised cost £'000	Total £'000
Bank overdraft	–	–	–	–	(9,058)	(9,058)
Borrowings due after more than one year	–	–	–	–	(18,000)	(18,000)
Derivative financial assets	–	–	–	–	–	–
Derivative financial liabilities	–	–	–	(1,045)	–	(1,045)
Other financial assets	–	–	50,749	–	–	50,749
Other financial liabilities	–	–	–	–	(1,488)	(1,488)
	–	–	50,749	(1,045)	(28,546)	21,158

22. Financial Instruments continued

At 30 June 2008

	Fair value through profit and loss £'000	Available for sale £'000	Loans and receivables £'000	Derivatives used for hedging £'000	Amortised cost £'000	Total £'000
Bank overdraft	–	–	–	–	(6,787)	(6,787)
Borrowings due after more than one year	–	–	–	–	(18,000)	(18,000)
Derivative financial assets	4	–	–	409	–	413
Derivative financial liabilities	–	–	–	–	–	–
Other financial assets	–	–	55,893	–	–	55,893
Other financial liabilities	–	–	–	–	(1,726)	(1,726)
	4	–	55,893	409	(26,513)	29,793

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

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.

Derivative financial instruments

Cash Flow Hedges

In November 2006, the Group entered into a five year £15m interest rate swap whereby it receives interest based on three 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 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 fair value movement on the hedge of £1,454,000 (2008: £150,000) has been recognised in equity, following the Directors' assessment of the hedge's effectiveness.

Other derivative financial instruments

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. The loss of £83,000 is recognised in the Income Statement for the year ended 30 June 2009.

On 14 May 2009, the Group sold forward to 5 October 2009, US$500,000 at a rate of 1.5155. This approximates to the US dollar after tax profits of Matchett Group, the Group's principal operation in the US. The Group does not apply hedge accounting to these transactions and 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		Fair value	
	30 June 2009 £'000	30 June 2008 £'000	30 June 2009 £'000	30 June 2008 £'000
Cash and cash equivalents	1,506	3,697	1,506	3,697
Derivative financial assets	–	413	–	413
Other financial assets	14,753	21,231	14,753	21,231
	16,259	25,341	16,259	25,341
Financial liabilities				
Bank overdraft	(1,336)	(3,633)	(1,336)	(3,633)
Bank loans	(18,000)	(18,000)	(18,000)	(18,000)
Derivative financial liabilities	(7,558)	(10,207)	(7,558)	(10,207)
Derivative financial instruments	(1,045)	–	(1,045)	–
Other financial liabilities	(15,476)	(19,141)	(15,476)	(19,141)
	(43,415)	(50,981)	(43,415)	(50,981)

22. Financial Instruments continued

Company

	Book value		Fair value	
	30 June 2009 £'000	30 June 2008 £'000	30 June 2009 £'000	30 June 2008 £'000
Cash and cash equivalents	1,506	3,697	1,506	3,697
Derivative financial assets	–	413	–	413
Other financial assets	50,907	55,893	50,907	55,893
	52,413	60,003	52,413	60,003
Financial liabilities				
Bank overdraft	(9,058)	(6,787)	(9,058)	(6,787)
Bank loans	(18,000)	(18,000)	(18,000)	(18,000)
Derivative financial instruments	(1,045)	–	(1,045)	–
Other financial liabilities	(1,448)	(1,726)	(1,448)	(1,726)
	(29,551)	(26,513)	(29,551)	(26,513)

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 2009 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
Variable rate instruments	(55)	55	(55)	55
Interest rate swap	–	–	294	(294)
	(55)	55	239	(239)

Currency risk

	Income Statement		Equity (before tax)	
	+10% £'000	-10% £'000	+10% £'000	-10% £'000
Cash and cash equivalents	(26)	26	(133)	133
Trade receivables	–	–	(251)	251
Trade payables	–	–	356	(356)
Foreign exchange impact on profit	(136)	136	(136)	136
	(162)	162	(164)	164

23. Deferred tax

Movements on deferred tax are as follows:

	Group £'000 (Restated note 1(c))	Company £'000
Asset at 1 July 2007	228	1
Deferred tax credit in the income statement for the year	80	–
Reduction in deferred tax asset arising on disposals	(63)	–
Asset at 1 July 2008	245	1
Deferred tax (charge)/credit in the income statement for the year	(52)	9
Deferred tax credit taken directly in equity for the year	293	293
Asset at 30 June 2009	486	303
Provision at 1 July 2007 as previously reported	5,188	223
Adjustment relating to write off of deferred tax asset (see note 1 (c))	2,463	–
Provision at 1 July 2007 as restated	7,651	223
Deferred tax liabilities arising on acquisitions	2,092	–
Deferred tax (credit) in the income statement for the year	(1,307)	(48)
Deferred tax (credit) taken directly in equity for the year	(42)	(42)
Reduction in deferred tax liability arising on disposals	(774)	–
Provision at 1 July 2008	7,620	133
Deferred tax liabilities arising on acquisitions	–	–
Deferred tax (credit) in the income statement for the year	(1,062)	(5)
Deferred tax (credit) taken directly in equity for the year	(114)	(114)
Reduction in deferred tax liability arising on disposals	241	–
Provision at 30 June 2009	6,685	14

24. Share capital

	Number of ordinary shares of 5p each	Ordinary shares £'000	Share premium £'000	Treasury shares £'000	Total £'000
Authorised					
As at 1 July 2008	110,000,000	5,500	–	–	–
As at 30 June 2009	110,000,000	5,500	–	–	–
Allotted, called-up and fully paid ordinary shares					
Opening balance as at 1 July 2008	84,486,679	4,224	43,413	(3,968)	43,669
Proceeds from shares issued:					
Employee share option scheme	71,000	4	57	–	61
Purchase of treasury shares	–	–	–	(40)	(40)
At 30 June 2009	84,557,679	4,228	43,470	(4,008)	43,690

During the year 71,000 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 2009, the Company had purchased 1,942,000 shares at a value of £4,008,000 (2008: 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 2008	Options exercised during year	Options lapsed during year	Number of shares for which options outstanding at 30 June 2009
2004	118.5p	Mar 2007–Mar 2011	166,000	(26,000)	–	140,000

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 2008	Options exercised during year	Options lapsed during year	Number of shares for which options outstanding at 30 June 2009
1999	285p	Nov 2002–Nov 2009	124,500	–	–	124,500
2000	384.5p	June 2003–June 2010	23,400	–	–	23,400
2000	316.5p	Nov 2003–Nov 2010	58,750	–	–	58,750
2001	217.5p	June 2004–June 2011	48,210	–	–	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	91,500	(4,000)	–	87,500

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 seven years from the date of the grant the option expires. Furthermore, options are forfeited if the employee leaves the Group before the options vest.

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

25. Share based payments continued

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 2009		Year ended 30 June 2008	
	Number	Weighted average exercise price	Number	Weighted average exercise price
Outstanding at 1 July	570,960	191.93	1,128,250	186.14
Granted	–	–	–	–
Lapsed	–	–	(226,790)	254.29
Exercised	(71,000)	85.58	(330,500)	129.71
Outstanding at 30 June	499,960	207.04	570,960	191.93
Exercisable at 30 June	499,960	207.04	570,960	191.93

	Year ended 30 June 2009			Year ended 30 June 2008		
Range of exercise prices	Weighted average excercise 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
100p – 199p	122.2	245,100	2.90	121.8	275,100	3.82
200p – 299p	266.2	172,710	0.86	266.2	172,710	1.86
300p – 399p	335.9	82,150	1.30	335.9	82,150	2.29

c) Under the Wilmington Group plc 2007 Performance Share Plan

Year of Grant	Option price per share	Date of vesting	No. of shares for which options outstanding at 30 June 2008	Options granted during year	No. of shares for which options outstanding at 30 June 2009
2007	Nil	Dec 2010	540,401	–	540,401
2008	Nil	Oct 2011	–	323,634	323,634

Details of the Performance Share Plan are set out in the Report on Directors' Remuneration on pages 24 to 27.

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

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

26. Statement of Changes in Equity

	Share capital (Note 24) £'000	Capital Reserve £'000	Share option Reserve £'000	Translation Reserve £'000	Retained earnings £'000 (Restated note 1 (c))	Total £'000	Net minority interest £'000 (note 27)	Total £'000
Group								
Balance at 1 July 2007 as previously reported	47,214	949	125	(11)	18,677	66,954	796	67,750
Adjustment relating to discount on provision for acquisition of minority interests (see Note 1 (c))	–	–	–	–	(841)	(841)	–	(841)
Adjustment relating to change in revenue recognition policy (net of tax) (see Note 1 (c))	–	–	–	–	(2,447)	(2,447)	(139)	(2,586)
Adjustment relating to write off of deferred tax asset (see Note 1 (c))	–	–	–	–	(2,463)	(2,463)	–	(2,463)
Balance at 1 July 2007 as restated	47,214	949	125	(11)	12,926	61,203	657	61,860
Profit for the year	–	–	–	–	8,376	8,376	6	8,382
Exchange translation difference	–	–	–	63	–	63	–	63
Interest rate swap gain taken directly to equity	–	–	–	–	(150)	(150)	–	(150)
Capital Reserve taken directly to equity	–	(949)	–	–	949	–	–	–
Tax on Capital reserve taken directly to equity	-	-	-	-	(285)	(285)	-	(285)
Tax on interest rate swap taken directly to equity	-	-	-	-	42	42	-	42
	47,214	-	125	52	21,858	69,249	663	69,912
Dividends paid	–	–	–	–	(5,257)	(5,257)	–	(5,257)
Share option reserve	–	–	177	–	–	177	–	177
Issue of share capital during the year	423	–	–	–	–	423	–	423
Acquisitions during the period	–	–	–	–	–	–	120	120
Acquisition of minorities during the period	–	–	–	–	–	–	(58)	(58)
Movements arising from company sold during the year with minorities	–	–	–	–	–	–	–	–
Share buy-back	(3,968)	–	–	–	–	(3,968)	–	(3,968)
Balance at 1 July 2008 as restated	43,669	–	302	52	16,601	60,624	725	61,349
Loss for the year	–	–	–	–	(311)	(311)	236	(75)
Exchange translation difference	–	–	–	(7)	–	(7)	–	(7)
Interest rate swap loss taken directly to equity	–	–	–	–	(1,454)	(1,454)	–	(1,454)
Tax on interest rate swap taken directly to equity	–	–	–	–	407	407	–	407
	43,669	–	302	45	15,243	59,259	961	60,220
Dividends paid	–	–	–	–	(5,779)	(5,779)	–	(5,779)
Share option reserve	–	–	80	–	–	80	–	80
Issue of share capital during the year	61	–	–	–	–	61	–	61
Acquisition of minorities during the year	–	–	–	–	–	–	–	–
Movements arising from company sold during the year with minorities	–	–	–	–	–	–	(725)	(725)
Share buy-back	(40)	–	–	–	–	(40)	–	(40)
Balance at 30 June 2009	43,690	–	382	45	9,464	53,581	236	53,817

26. Reconciliation of movements in Shareholders' funds continued

	Share Capital £'000	Share Premium £'000	Treasury Shares £'000	Share Option Reserve £'000	Retained Earnings £'000	Total £'000
Company						
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 1 July 2008	4,224	43,413	(3,968)	120	29,247	73,036
(Loss) for the year	–	–	–	–	(1,475)	(1,475)
Interest rate swap (loss) taken directly to equity	–	–	–	–	(1,454)	(1,454)
Tax on items taken directly to equity	–	–	–	–	407	407
	4,224	43,413	(3,968)	120	26,725	70,514
Dividends paid	–	–	–	–	(5,779)	(5,779)
Share option reserve	–	–	–	34	–	34
Issue of share capital during the year	4	57	–	–	–	61
Share buy-back	–	–	(40)	–	–	(40)
Balance at 30 June 2009	**4,228**	**43,470**	**(4,008)**	**154**	**20,946**	**64,790**

There are no restrictions on distributions of any reserves other than the normal Companies Act restrictions on the distribution of the Share Premium account.

27. Minority Interests

	Minority interest – share of results and funds £'000 (Restated see Note 1 (c))	Minority interest – provision for future acquisition £'000	Net Minority interest £'000
At 1 July 2007 as previously reported	2,154	(1,358)	796
Adjustment relating to change in revenue recognition policy (see Note 1 (c))	(139)	–	(139)
At 1 July 2007 as restated	2,015	(1,358)	657
Profit for the year	762	(756)	6
	2,777	(2,114)	663
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)
At 1 July 2008	3,274	(2,549)	725
Profit for the year	560	(324)	236
	3,834	(2,873)	961
Dividends paid	(529)	529	–
Movement in minorities due to company sold during the year	(725)	–	(725)
Acquisition of minorities during the year	(170)	170	–
	2,410	(2,174)	236

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 £5m overdraft facilities extended to certain of the Company's subsidiaries. At 30 June 2009 the Company's gross contingent liability in respect of this facility was £2,879,000 (2008: £11,477,000).

Commitments

a) The Group had capital commitments at 30 June 2009 contracted but not provided for of £Nil (2008: £147,000).

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

	Group				Company	
	Property		Other operating leases		Property	
	30 June 2009 £'000	30 June 2008 £'000	30 June 2009 £'000	30 June 2008 £'000	30 June 2009 £'000	30 June 2008 £'000
One year	368	673	–	7	50	50
Between two and five years	945	647	–	6	162	212
After five years	17	51	–	–	–	–
	1,330	1,371	–	13	212	262

29. 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 (2008: £2,500,000) to two of its subsidiaries in respect of management services. In addition, certain administrative expenses totalling £290,000 (2008: £273,000) 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 £39,000 (2008: £72,000). In addition, the Company has provided finance to one of its subsidiaries at commercial rates of interest for the year totalling £350,000 (2008: £259,000).

30. Staff and their pay and benefits

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

	Year ended 30 June 2009 £'000	Year ended 30 June 2008 £'000
Wages and salaries	30,875	29,883
Social security costs	3,574	2,968
Pension costs	600	909
Share based payments	80	177
	35,129	33,937

The details of each Directors' remuneration and share options are in the Report on Directors' Remuneration on pages 24 to 27. In addition, employee costs of £496,000 (2008: £1,153,000), pension costs of £19,000 (2008: £17,000) and share based payments of £14,000 (2008: £48,000) were paid in respect of other key management personnel.

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

	Year ended 30 June 2009 Number	Year ended 30 June 2008 Number
Selling and distribution	178	217
Production	180	211
Administration	539	570
	897	998

c) Retirement benefits

The Group contributes to defined contribution pension schemes. Total contributions to the schemes during the year were £600,000 (2008: £909,000).

31. Net cash flow from operating activities

	Group		Company	
	Year ended 30 June 2009 £'000	Year ended 30 June 2008 £'000 (Restated note 1(c))	Year ended 30 June 2009 £'000	Year ended 30 June 2008 £'000
Profit from operations before non-recurring items	6,773	13,638	(234)	6,802
Non-recurring items	(1,674)	–	(554)	–
Profit after non-recurring items	5,099	13,638	(788)	6,802
Operating (loss) from discontinued operations	(523)	(744)	–	–
Depreciation of property, plant and equipment	1,264	1,389	176	179
Amortisation of intangible assets	5,162	5,276	82	36
Impairment of goodwill	2,750	–	–	–
Loss/(profit) on disposal of property, plant and equipment	25	(13)	–	–
Share based payments	80	177	34	1
	13,857	19,723	(496)	7,018
Operating cash flows before movements in working capital				
Decrease/(increase) in inventories	427	(433)	–	–
Decrease/(increase) in receivables	4,748	(1,103)	8,884	(13,222)
(Decrease)/increase in payables	(5,105)	404	(316)	(927)
Cash generated by operations	13,927	18,591	8,072	(7,131)
Tax paid	(4,704)	(4,866)	(3,307)	(3,851)
Interest paid	(1,365)	(1,434)	(1,119)	(1,431)
Interest received	175	331	39	257
Net cash flow from operating activities	8,033	12,622	3,685	(12,156)

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 2009 was an outflow of £395,000 (2008: inflow of £194,000). Investing activities of the discontinued operations for the year ended 30 June 2009 were a net cash inflow of £Nil (2008: £Nil). 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 2009 of £Nil (2008: £Nil).

Pro forma Five Year Financial Summary (Unaudited)

	2005 £m	2006 £m	2007 £m	2008 £m	2009 £m
Consolidated Income Statements					
Revenue	80.5	65.8	81.5	88.8	**86.3**
Cost of sales	(27.5)	(21.2)	(27.1)	(27.1)	**(27.1)**
Gross profit	53.0	44.6	54.4	61.7	**59.2**
Operating expenses	(40.0)	(31.4)	(37.9)	(43.5)	**(44.6)**
Operating profit before amortisation and impairment of goodwill and intangible assets and exceptional items	13.0	13.2	16.5	18.2	**14.6**
Non-recurring items	(0.9)	(1.2)	1.2	–	**(1.7)**
Operating profit before amortisation and impairment of goodwill and intangible assets	12.1	12.0	17.7	18.2	**12.9**
Amortisation and impairment of goodwill and intangible assets	(3.4)	(2.5)	(3.9)	(4.6)	**(7.8)**
Profit from operations	8.7	9.5	13.8	13.6	**5.1**
Finance costs	(0.9)	(1.0)	(1.3)	(1.8)	**(2.2)**
Profit on ordinary activities before taxation	7.8	8.5	12.5	11.8	**2.9**
Income tax expense	(2.3)	(2.1)	(3.3)	(3.7)	**(1.9)**
Profit on ordinary activities after taxation	5.5	6.4	9.2	8.1	**1.0**
Operating cash inflows	14.6	16.9	19.0	18.6	**13.9**
Earnings/(loss) per ordinary share (pence) — continuing and discontinued operations	5.37	7.69	11.01	10.50	**(0.38)**
Diluted earnings/(loss) per ordinary share (pence) — continuing and discontinued operations	5.35	7.64	10.97	9.98	**(0.38)**
Adjusted earnings per ordinary share (pence) — continuing and discontinued operations	9.30	11.47	13.87	15.20	**9.77**
Earnings per ordinary share (pence) — continuing operations	5.71	6.80	10.18	8.82	**0.46**
Adjusted earnings per ordinary share (pence) — continuing operations	9.43	9.84	12.41	13.34	**10.50**
Dividend per share (pence)	3.60	4.00	6.00	7.00	**7.00**

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

The results for 2008 and 2009 are for continuing operations only. It has not been practicable to restate earlier years to exclude the now discontinued operations, hence results for these years are stated without amendment from those previously reported.

The results for 2008 and 2009 reflect the changes in accounting policies adopted by the Group for 2009. It has not been practicable to restate earlier years for these changes.

Shareholder Notes

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