Wilmington plc

Turning knowledge into advantage

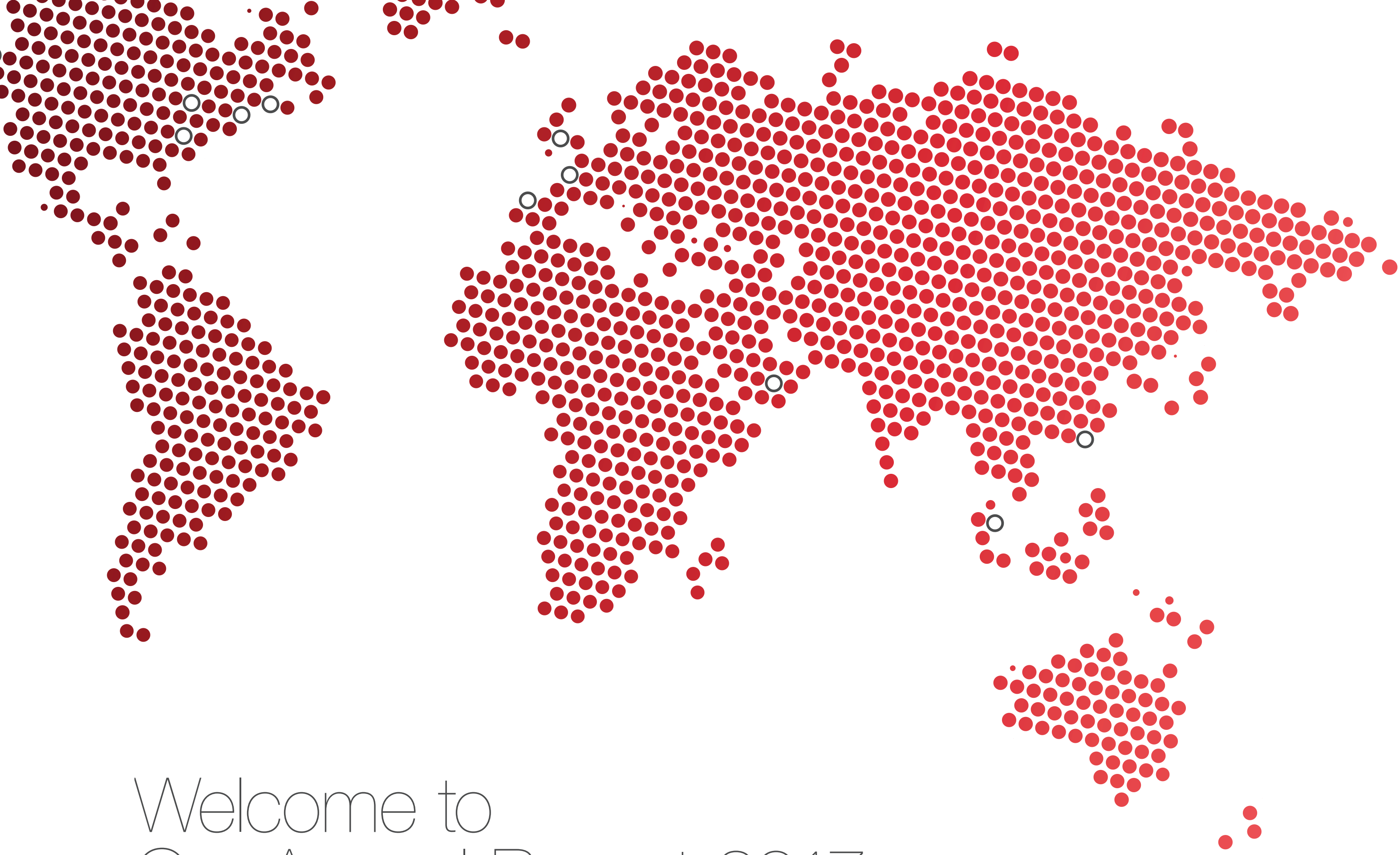
2017

Wilmington plc

Annual Report and Financial Statements

for the year ended 30 June 2017

Stock Code: WIL



Welcome to Our Annual Report 2017

Wilmington operates in three key knowledge areas, Risk & Compliance, Healthcare and Professional

Wilmington's vision:

To be the recognised knowledge leader and partner of choice for information, education and networking in Risk & Compliance, Professional and Healthcare.

Wilmington Risk & Compliance Wilmington Professional Wilmington Healthcare

Reasons to invest:

- Clear vision and focus
- Emphasis on organic growth
- Increasing international opportunities
- Strong positions in well-funded professional markets
- High conversion of operating profits into free cash flows
- High proportion of subscription and repeatable revenues

Read more in our Chairman's Statement **page 06**

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INVESTOR WEBSITE

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

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

Getting around this report

Read more in this report

Read more online

Financial and Operational Highlights

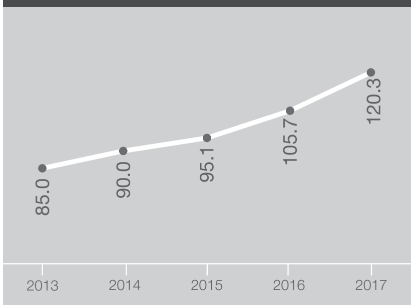
Financial Results for the twelve months ended 30 June 2017

Financial highlights

Group Revenue £m

120.3 +14%

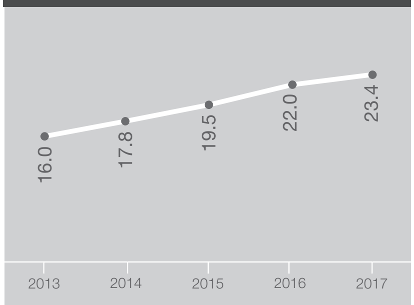
(2016: £105.7m)



Adjusted EBITA[1] £m

23.4 +6%

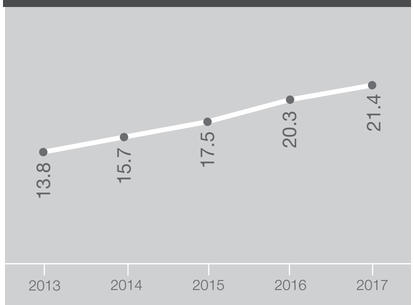
(2016: £22.0m)



Adjusted Profit before Tax[2] £m

21.4 +5%

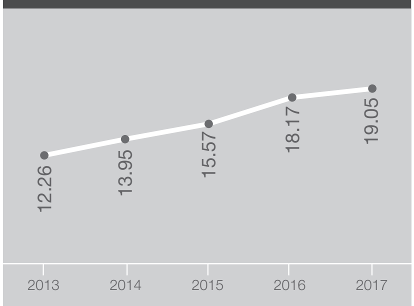
(2016: £20.3m)



Adjusted Earnings per Share[3]

19.05p +5%

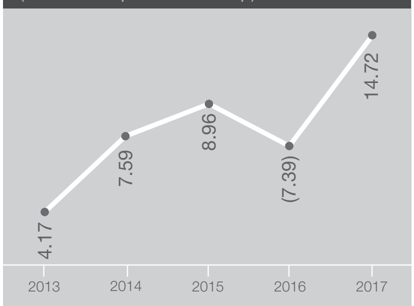
(2016: £18.17p)



Basic Earnings per Share

14.72p

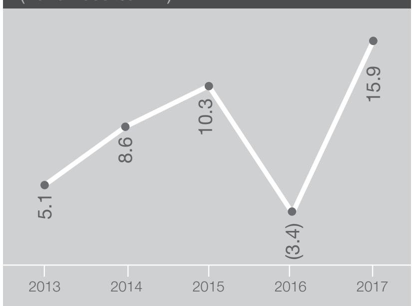
(2016: Loss per share 7.39p)



Profit before tax £m

15.9

(2015: loss £3.4m)



Adjusted EBITA margins

19.4%

(2016: 20.8%)

Final dividend increased

7.0% to 4.6p

(2016: 4.3p)
Total dividends up **5.0% to 8.5p** (2016: 8.1p)

Cash flow conversion[4] at

114%

(2016: 108%)

Revenues also up

9%

on a constant currency basis[5]

Organic revenue[6] down

(0.8%)

Adjusted measures

£0.6m

now stated inclusive of share based payments cost (2016: £0.6m)

1 Adjusted EBITA – see note 3
2 Adjusted Profit before Tax – see note 3
3 Adjusted Earnings per Share – see note 9
4 Cash conversion represents the Operating Cash Flow for the year as a percentage of adjusted operating profit before interest and amortisation.
5 Constant currency – eliminating the effects of exchange rate fluctuation
6 Organic revenue – eliminating the effects of exchange rate fluctuation and the impact of acquisitions

PEDRO ROS
Chief Executive Officer

"Wilmington continues to make good strategic progress as we focus the business on key areas of growth. With three logical divisions in place and an ongoing commitment to investing in the digitisation of our business, we are confident in our prospects for the future."

Operational Highlights

- Good growth from Risk & Compliance with revenue up 9%, driven by demand for compliance offerings
- Strong growth from Healthcare division overall revenue up 28%, supported by acquisitions and UK healthcare business delivering organic revenue growth of 9%
- Acquisition of Health Service Journal ("HSJ") on 31 January 2017 creates unparalleled insight into UK healthcare market, and adds scale to Healthcare division
- Professional division revenue up 7% driven by the maiden contribution from SWAT Group Limited ("SWAT") which adds scale to the Professional division
- Exiting legal practice support market with planned closure of Ark businesses
- Project Sixth gear progressing well on the consolidation of the London offices, marketing best practice, procurement and key account management
- London leasehold premises sold for £7.3m and new central London leasehold headquarters acquired
- Subscription and repeatable revenue at 77% of total revenue (2016: 75%)
- International revenues increased to 43% of total revenue (2016: 42%)

Outlook and Current Trading

- Satisfactory albeit slow start for first two months of the year but revenue up 7% over the same period in 2016 driven by HSJ contribution
- Exit from legal practice support market will reduce unprofitable revenue and help restore stability to Professional division
- Increased operating costs of £0.75m across the Group to capitalise on opportunities from changing customer demands
- Increased annual operating costs from London property move of £0.9m p.a.
- Expecting continued momentum from Risk & Compliance and Healthcare businesses

At a Glance

At Wilmington plc, we transform knowledge into advantage, keeping our clients at the centre of everything we do. In today's knowledge economy, where differentiation using traditional criteria is often difficult, we help our clients to better understand their challenges and to use information to improve their businesses.

We aspire to treat every client as we would treat our only client; we equip our businesses accordingly and provide best-in-class support and infrastructure. We are innovative, adopting new technologies and embracing the digital environment; we understand that today's organisations are as concerned with sustaining the pace of change in business generally as they are with competition. Throughout Wilmington plc, we are fortunate to have highly talented people working in our businesses. People whose energy and shared commitment to success drives exceptional performance. Wherever in Wilmington plc you look, the power of our people, working towards common objectives, is immense; we set ourselves demanding goals and we achieve them. Consequently, we deliver consistent growth – both personal and financial – and aim to deliver increased stakeholder value for clients, employees and shareholders alike.

Effective from 23 February 2017 our business has been further simplified into three divisions:

Risk & Compliance

Revenue

£42.3m

(2016: £38.8m)

This division provides in depth accredited regulatory and compliance training and information, market intelligence, and analysis. It focuses on the international financial services and international insurance markets as well as the UK pensions industry. The main communities that use our offerings are risk and compliance officers globally.

Professional

Revenue

£39.5m

(2016: £36.7m)

This division includes Wilmington's financial training businesses, financial networking events and our repositioned legal product lines. The Professional division provides expert and technical training as well as support services to professionals in corporate finance and capital markets and to qualified lawyers and accountants in the UK in both the profession and in industry. This division serves primarily tier 1 banks, the international financial services industry, US Capital Markets and small to medium sized professional accountancy and law firms.

Healthcare

Revenue

£38.6m

(2016: £30.2m)

The Healthcare division provides analysis and clarity to customer-focused organisations predominantly in the Healthcare and Life Science markets, enabling them to better understand and connect with their markets. This division includes our UK healthcare information businesses, our Paris based European healthcare news agency, healthcare networking events and our legacy non-healthcare data suppression and charity information businesses. The main communities that use our offerings are healthcare professionals on an increasingly global basis.

The Group has offices in the following locations (UK unless otherwise stated):

- Barcelona, Spain
- Birmingham
- Boston, US
- Bristol
- Charlotte, US
- Chicago, US
- Dubai, UAE
- Dublin, Ireland
- Essex
- Glasgow
- Hong Kong
- Leicester
- London (Head Office)
- Madrid, Spain
- New York, US
- Newry, Northern Ireland
- Paris, France
- Plymouth
- Santa Cruz, US
- Singapore
- West Yorkshire

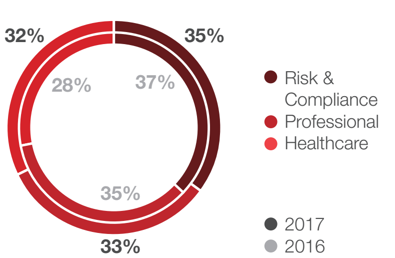
The Group's largest revenue generating countries are:

- UK
- US
- France
- Singapore
- Spain
- Republic of Ireland
- Germany
- Hong Kong
- Switzerland
- United Arab Emirates
- Channel Islands
- Malaysia
- Bermuda
- Canada
- Poland
- Belgium
- India
- Turkey
- Bahamas
- Sweden

Revenue analysis

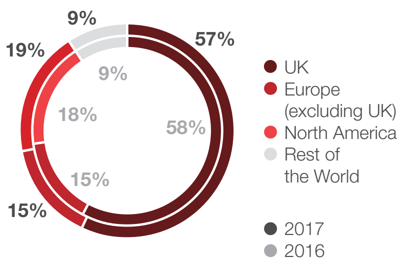
Revenue can be analysed by segment as follows:

Total Revenue
% of Group revenue



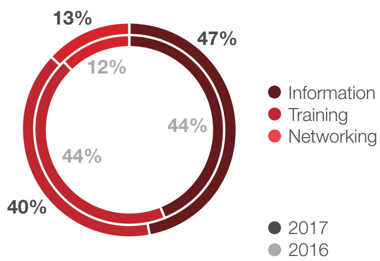
Revenue can be analysed by geography as follows:

Total Revenue
% of Group revenue



Revenue can be analysed by type as follows:

Total Revenue
% of Group revenue



Chairman's Statement

"This year has been a positive one for Wilmington, with overall solid financial performance delivered in the context of accelerating change in our end-markets. Wilmington is well positioned to benefit from this change, and we continue to see significant demand for our products and services from our customers.

We enter the new financial year anticipating continued momentum, particularly in our Risk & Compliance and Healthcare divisions. We are also excited about the prospects for our newly created Professional division, which promises to benefit in the medium term from the convergence in education requirements across the professional services."

MARK ASPLIN
Non-Executive Chairman

I am pleased to present my report on Wilmington's results for the twelve months ended 30 June 2017. Overall It has been a positive financial performance as we move towards our objective of becoming a single integrated international business. Wilmington has continued to meet the challenges that necessary change inevitably brings; a balance of growing revenue and profits whilst making material investments in new products, systems, offices, personnel and in new businesses.

Wilmington delivered revenue growth of 14% (up 9% on a constant currency) led by excellent contributions from the acquisitions made during the year and supported by organic growth from our core offerings. We have seen strong growth from Healthcare up 28% and good growth from Risk & Compliance up 9% as well as growth from Professional which increased its revenue by 7% albeit benefiting from the acquisition of SWAT.

Adjusted profit before tax (which now for the first time includes share based payment costs of £0.6m (2016: £0.6m)) increased 5% to £21.4m (2016: £20.3m).

Business strategy

Wilmington's strategy is to further develop its business into a knowledge based model and structure focussing on serving the needs of chosen communities with an overall objective of becoming a single integrated international business. This business structure will maximise Wilmington's opportunities to help its clients and communities meet their information, education and networking requirements as well as drive operational efficiencies. As part of its evolution, Wilmington has and is continuing to be more focussed on its core communities that provide a higher quality of earnings.

Vision

The vision which acts as our guide and underpins our strategy is:

"To be the recognised knowledge leader and partner of choice for information, education and networking in Risk & Compliance, Professional and Healthcare."

By achieving our vision we aim to turn knowledge into competitive advantage for our clients.

Project Sixth Gear

On 23 February 2017, we announced project Sixth Gear which is the next stage in our strategic development. This project builds upon the first stage which focussed on the simplification of group structure and the selective acquisition of businesses to fill gaps in our product offerings. The prime objective of Sixth Gear is to accelerate the move to a single "One Wilmington" simplifying and integrating the business further, maximising client relationships and providing the basis for organic and acquisition-led growth and scale. The accelerated integration and pooling of resources will help to capitalise on growing economies of scale.

New Reporting Structure

As previously announced, to help simplify Wilmington still further we reorganised our business into three divisions; Risk & Compliance, Professional and Healthcare. The combination of the former divisions of Legal and Finance into one new division; Professional is a natural outcome from the restructuring, downsizing and refocusing of our Law for Lawyers business over the last few years. This combination which is facilitated by the decision to exit from the legal practice support market also brings greater clarity to this division.

Risk & Compliance division concentrates on servicing the strong organic global demand for our offerings supported by selective earnings enhancing acquisitions in the areas of risk & compliance as well as investments in new products, data services, offices and in new territories. The emphasis continues to be servicing the needs of risk managers and compliance officers globally.

Professional division provides information, education and networking support to professionals in the accountancy, financial services, and legal markets. This division focuses on supporting the post-qualification needs of individual professionals and SMEs with an increasing emphasis on exploiting international opportunities, and an accelerated move to expand our digital -learning solutions; areas where we feel the revenue growth opportunities are greatest. The emphasis in the short term will be on organic rather than acquisition led growth with capital allocated accordingly.

Healthcare division is the renamed Insight division recognising that well over 80% of its revenue following the HSJ acquisition comes from healthcare markets globally. We are replicating the successful model of providing information (particularly insight data and analytics), education and networking capabilities on a country by country basis. The emphasis will be to build on our existing market presence in the EU and in the US either organically or by acquisition.

In line with our strategy all three divisions offer information, networking and education capabilities servicing key defined communities, supported by best-in-class technology. The divisions will look to exploit international and, increasingly digital opportunities using and replicating expertise from their existing market positions. Each division will also act as our specialist knowledge expert and centre of excellence providing expertise and R&D to support the two other divisions.

Our people

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

Financial and operational targets

I am pleased to report progress in all but one of our key financial and operational targets. We have seen growth in Adjusted Profit before Tax, Adjusted Earnings per Share, and Return on Equity although we saw a drop in the level of Adjusted EBITA margins from 20.8% to 19.4% reflecting inter alia significant investment expenditure during the year. As you will read in the Chief Executive Officer's review in our compliance business alone we have invested an additional £1.0m in new initiatives which represents one percentage point off our overall margin. We see further necessary operational investment during 2017/18 offsetting the underlying improvement to margins that integration, previous investment projects and the impact of higher margin acquired businesses bring on our Adjusted EBITA margins. The four financial measures above form the basis of the Executive Directors incentive plans.

We closely monitor cash conversion which we expect to exceed 100% on an annual basis, and in 2017 that conversion rate was 114% (2016: 108%). This excellent cash conversion illustrates the strength of the business as well as the efficiency in our stewardship of working capital. The positive cashflow characteristics of Wilmington matched with clear fiscal discipline in turn help us attract and maintain significant finance from third party providers.

Chairman's Statement

We continue to generate a high proportion of our revenue derived from quality and sustainable income streams and in 2017 revenue from subscriptions and repeatable revenue was 77% of group revenue (2016: 75%). A high proportion of repeatable revenue provides a good degree of earnings visibility as well as security.

We continue to seek to increase each year our proportion of revenue generated outside the UK where we see good prospects for long term sustainable growth. Revenue outside the UK has grown again and was 43% of total revenue compared to 42% last year with the underlying relative growth in non-UK revenue from our portfolio mitigated by our acquisitions this year which were both focussed on the UK market.

These financial and operational performances are reflective of the quality of our portfolio of offerings which benefit from a significant proportion of revenues derived from subscriptions and from products which disseminate increasingly international content-rich, high-value information and, increasingly digitally along with certificated education and compliance programmes.

Acquisitions

In support of our growth strategy, we continue to seek selective earnings enhancing acquisition opportunities to add additional growth, scale and expertise in our chosen markets. In this context, we were delighted to announce two acquisitions during the year both of which were consistent with our strategy of acquiring complementary businesses with high repeat revenues in our chosen knowledge areas and communities. The acquisitions of SWAT in July 2016 and HSJ in January 2017 enhanced and added further scale to our offerings by providing information, education and, for HSJ networking capability in our Professional and Healthcare divisions respectively.

Cash and borrowings

Net debt, which includes cash and cash equivalents, bank loans (excluding capitalised facility fees) and bank overdrafts, was £40.0m (2016: £34.7m) an increase of £5.3m on last year during another period of considerable growth and change in which we spent £20.3m (including deferred consideration) on acquisitions offset by the proceeds of £7.3m from the disposal of the Underwood Street offices.

The Group continues to demonstrate excellent cash generative characteristics as mentioned above with consistently high levels of cash conversion. These characteristics were recognised by the continued support from our principal bank debt providers who extended the multi-currency £65m debt facility on 1 July 2015 until 1 July 2020. This facility was increased to £85m in support of the acquisition of HSJ in January 2017. The facility can be extended by a further £15m to £100m if required with majority lending bank consent.

Our ability to use third party debt finance remains a key component of our business development strategy and our debt capacity remains strong. As we increase our profits given the cash generative ability of our business this combines to provide increased capacity for selective earnings enhancing acquisitions and other capital investments.

Board changes

Anthony Foye has informed the Board of his intention to step down from his position as Chief Financial Officer in due course. Anthony will remain in his position until June 2018 while a successor is found and to ensure a smooth and orderly handover. The Board will initiate a search for his successor and an update in relation to a new Chief Financial Officer will be made in due course.

Dividend

I am proud of the Group's record of maintaining its dividend over recent years and the resumption in 2013/14 of a progressive dividend policy reflecting our improving financial performance. Our dividend payment policy remains the same and underpins our confidence in the strategy and vision and the resilience of our business models. I am pleased to confirm that the final dividend for this year will be increased again to 4.6p (2016: 4.3p) per share, an increase of 7% on last year. This together with an increased interim dividend makes a total dividend of 8.5p up 5% from 2016 (8.1p) reflective of confidence in our future. It is the Board's intention to maintain its progressive dividend policy whilst ensuring that suitable dividend cover of at least two times adjusted earnings per share is maintained.

The final dividend of 4.6p per share will be paid on 17 November 2017 to shareholders on the share register as at 20 October 2017, with an associated ex-dividend date of 19 October 2017.

Current trading and outlook

The first two months of the year have started satisfactorily albeit slowly across the Group with revenue up 7% against the same period last year supported by the acquisition of HSJ. In Risk & Compliance our compliance training businesses which make up the bulk of the compliance business have started in line with plan although down against a strong comparator period in 2016. The sales pipeline for compliance training remains strong, continuing the momentum we have seen over the last few years and in Risk we have also seen a good start from Axco which was up 6% on the same period in 2016.

The Professional division has started in line with the same period in 2016 with good early performance from Accountancy product lines offsetting slightly weaker performances mainly from the re positioned Legal product which currently includes Ark. Healthcare which has the benefit of HSJ has seen good growth overall as a consequence of the acquisition and that has more than offset a slower start across the division.

Relationships with our chosen communities and clients continue to evolve at an increasing pace with commensurate demand for more sophisticated interaction and bespoke products and services delivered instantly and efficiently. We see this evolution as an opportunity to increase our engagement with our markets, making us an even more essential business partner as well as creating barriers to our competitors. We need therefore to ensure our businesses are equipped with the appropriate extra resources, systems and support to capitalise on this opportunity.

The opportunity also comes at a cost and we expect to step up our operating expenditure in 2017/18 in addition to our increased annual London property costs of £0.9m by a further £0.75m across the business. The additional costs which are discussed in the Chief Executives report are in people, IT infrastructure, automated marketing and in the digitisation of up to 250 of our training programmes over the next 18 months predominantly in the Risk & Compliance and Professional divisions as part of our digital learning investment.

We continue to see tighter regulatory control and more complex legislation implemented in most of our key markets and we remain confident that these changes will continue to drive the demand for our products and services globally.

Wilmington has been acquisitive in the past and we will continue to review opportunities to enhance growth and to add expertise through selective earnings enhancing acquisitions consistent with our strategy. Our priority areas for capital allocation remain compliance, risk (insurance) and healthcare as we focus on adding further scale to our existing market positions.

The Board, our management team and our staff are excited and energised about the opportunities driving Wilmington in the next stage in its development. Wilmington will also benefit in 2017/18 from a full year of contribution from HSJ as well as the impact of the investments made during 2016/17.

MARK ASPLIN
Chairman

12 September 2017

Group Strategy

Our strategy is to further develop its business into a knowledge based model and structure focussing on serving the needs of chosen communities with an overall objective of becoming a single integrated international business. This business structure will maximise Wilmington's opportunities to help its clients and communities meet their information, education and networking requirements as well as drive operational efficiencies.

We set out below our strategic objectives that aim to achieve this and in so doing increased shareholder value.

Strategic Objective 1	To accelerate growth through our knowledge based model
2017 Progress	• Launched project Sixth Gear to accelerate the move to a single 'One Wilmington' providing the basis for organic and acquisition-led growth and scale • Reorganised our business into three divisions; Risk & Compliance, Professional and Healthcare, simplifying and integrating the business further • Made the decision to exit the legal practice support market allowing us to focus on our core business • The recent acquisition of Health Services Journal ('HSJ'). Creates unparalleled insight into the UK healthcare market and adds scale to the healthcare division • The acquisition of SWAT Group extends our presence in training and technical compliance support market adding scale to the professional division • Sold or assigned our existing London premises leases and signed a lease for a new Head Office building which will encourage greater collaboration, flexible working and the building of 'One Wilmington'
Focus 2018-2019	• To further unlock the potential across the knowledge centres • Connect our Wilmington brands enabling clients to better access our available and appropriate services • Acquiring new clients by identifying opportunities from greater collaboration and combined product offerings • Enhance our expertise in our information, education and networking • Selected earnings enhancing acquisitions that meet our strategic criteria • Our people are key to our success; create an improved environment for them to achieve • Leveraging our knowledge to support our client communities • Implement the move to our new London Head Office • Invest to benefit from evolving customer demands for more sophisticated interaction and bespoke products and services
Successful implementation will achieve	• Increased client satisfaction • Stronger and longer customer relations • Revenue and profit growth • Improved employee engagement

Strategic Objective 2	To build a truly international business
2017 Progress	• Further increased proportion of international revenues despite two UK acquisitions • Opened our new North American compliance office • Built strategic partnerships with our global clients to review expansion into Europe and Asia, bringing teams together to create hubs in our focused regions
Focus 2018-2019	• Continue to invest in the infrastructure of our North American and Asian operations to allow for continued expansion • Working closely with our clients globally following their expansion and work together across the geographical borders, growing partnerships further to expand in North America, Europe and Asia • To develop a global culture and attract talent to support these ambitions • Target acquisitions that meet our strategic criteria and fill strategic gaps • Cross-pollination of our recently acquired and existing businesses between knowledge centres and geographies
Successful implementation will achieve	• Growth in International revenue as a % of total revenue • Equip divisions with information, education and networking capabilities

Strategic Objective 3	To create a fully digital enterprise
2017 Progress	• Set up a dedicated digital learning team to bolster our existing programme of digital training products • Selected Totara© as our new learning management system to provide a platform for our ambitious roll out of new digital training courses • Selected Marketo©, cutting edge marketing technology, to streamline and enhance the way marketing teams personalise communications, qualify leads and generate revenues
Focus 2018-2019	• Continue our focus on digital learning • Keeping our digital delivery at the cutting edge of technology ensuring efficiency and flexibility for our clients • Develop a blended provision of knowledge which is flexible and meets the needs of our clients • Use technology such as our Client Relationship Management development with Salesforce.com© to better understand our client's needs to further assist them to create advantage for their business
Successful implementation will achieve	• Improving our clients experience • Improve efficiency for Wilmington and our clients • Increase web traffic and an enhanced visitor experience

CASE STUDY

HSJ ACQUISITION

Born in 1892 as 'the Poor Law Officers Journal', and after serving the leaders of the UK's health services for 125 years, the Health Services Journal (HSJ) was acquired by Wilmington in 2017.

In the mid-1980s, HSJ enjoyed a healthy period of growth, but at the turn of the decade it was suddenly in danger of joining many other B2B print titles which were in slow decline. Fortunately, the last five years have seen HSJ transformed into a highly successful digital intelligence service, an achievement which resulted in it being named the best B2B media brand in two out of the last three years.

HSJ's success can be attributed to a number of different factors. Firstly, its focus on digital delivery and engagement across a range of platforms. The weekly print magazine has been slowly phased out; July 2017 saw its last edition printed. Secondly, development of a range of new services, most notably the strategic targeting and insight tool, along with the best practice database – HSJ Solutions – has enabled HSJ it to serve the evolving needs of the healthcare suppliers. Each of these services won major industry launch awards in both 2015 and 2017.

Additionally, leaving behind its legacy of targeting individual subscribers, HSJ is now focusing on organisational deals with NHS trusts and the suppliers who trade with them, all along demonstrating unwavering commitment to excellence in editorial, sales and marketing.

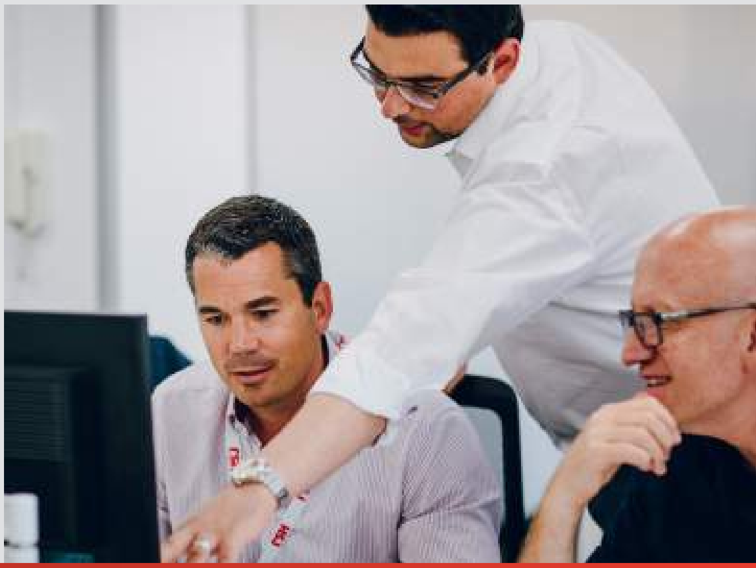
An interesting fact is that the HSJ content team, led by Editor Alastair McLellan, contains twice as many expert healthcare correspondents as employed by the BBC.

The sales team, led by the Commercial Director Will Johnston, with a mix of specialist new business leads, senior account managers and customer relationship executives, has powered the growth in HSJ's revenues, increasing subscription revenue by over 60% during the last three years.

The marketing team, led by Marketing Director Dan Gorringe, has been responsible for migrating subscribers from print to digital with the minimum impact on revenues and reach.

The HSJ events team, led by the Events Director Fiona Miller, holds an impressive portfolio which encompasses the 36-year-old HSJ Awards, the largest healthcare awards in the world, and the prestigious 'invitation-only' HSJ summits which are attended by the sector's leading figures, including Health Secretary Jeremy Hunt and NHS England chief executive Simon Stevens.

HSJ complements the existing Wilmington Healthcare business by providing an intelligence service to the leaders of UK healthcare including the NHS itself. Its integration will enable Wilmington to play a wider and more valuable role solving the challenges facing the numerous stakeholders striving to deliver highest quality healthcare outcomes in the most efficient way. HSJ's unparalleled brand heritage provides a level of credibility earned over many years of providing superlative information resources to customers and, together with Wilmington's other healthcare solutions, it positions the division to deliver unique value to this multi-billion pound sector.



Key Performance Indicators and Operational Measures

At a Group level, we have eight key financial and operational measures.

The first three measures referred to below (adjusted EBITA, adjusted Profit Before Tax, and adjusted Earnings per Share) are alternative performance measures which are also referred to elsewhere in the annual report. Where adjusted measures are used in this annual report they are clearly presented and chosen to provide a balanced view of the group. These measures, in the opinion of the Directors, can be useful to readers when they provide relevant information on our future or past performance and equivalent information cannot be presented by using financial measures defined under IFRS.

1 Adjusted EBITA

This measure presents trading profits of the Group before amortisation and impairment of intangible assets – excluding computer software, impairment of goodwill, gains on disposals of property plant and equipment (when they are material or of a significant nature) and adjusting items. Amortisation of intangible assets excluding computer software, and impairment, are non-cash technical accounting adjustments and therefore do not necessarily reflect the inherent value of assets, which can and often does appreciate. This is particularly the case where the value of assets has been enhanced as a consequence of management action. The group integrates acquired businesses into existing companies over time, and therefore the Board does not deem it appropriate or practical to identify income relating specifically to acquired intangible assets, so no adjustment is made in this respect.

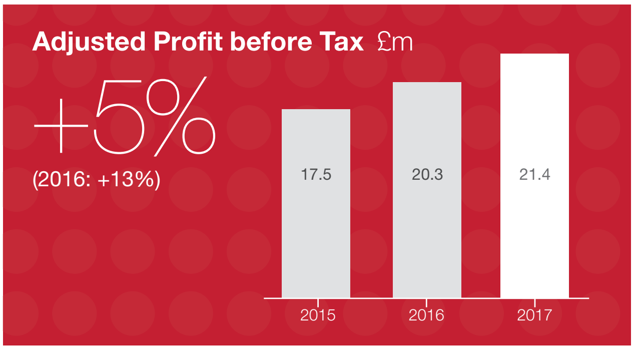
Each business unit in the group is assessed (and in many cases bonuses are calculated) on adjusted EBITA and margins. These adjusted performances are aggregated to produce the Group adjusted EBITA. We do not allocate the impairment of acquired goodwill or intangible assets, aborted or successful acquisition costs, material gains on disposals of fixed assets or the amortisation of acquired intangibles to our business units.

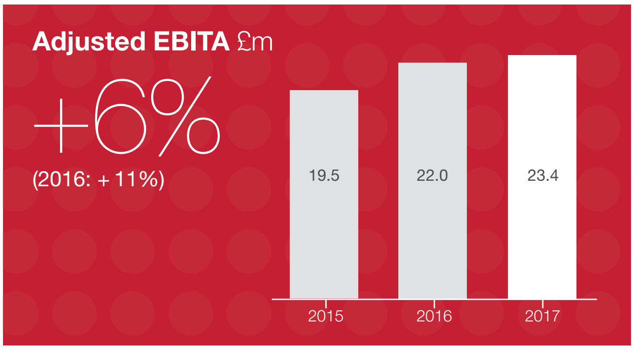
See note 1 for the group policy on adjusting items and note 2 for the calculation of Adjusted EBITA. In the year ended 30 June 2017, Adjusted EBITA increased by 6% to £23.4m (2016: £22.0m).

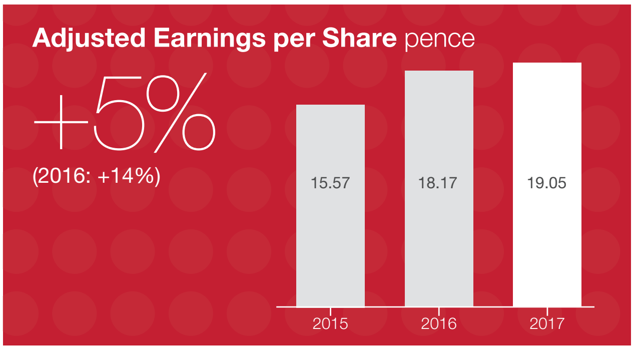
2 Adjusted Profit before Tax

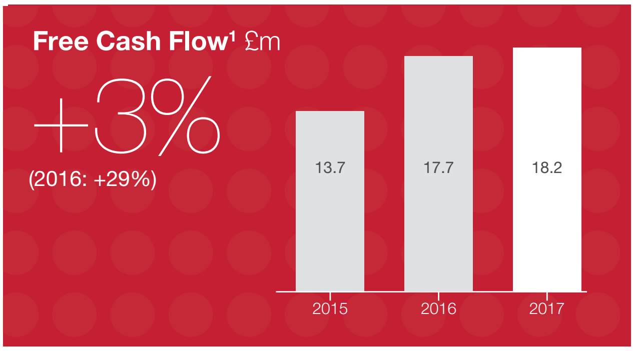
Adjusted Profit Before Tax is a product of Adjusted EBITA after charging finance costs. This again reflects the underlying performance of the business but includes finance charges associated with group debt. Adjusting finance costs such as write off of fees in relation to a refinancing of debt are excluded as Adjusting items.

See note 2 for the calculation of Adjusted Profit before Tax. In the year ended 30 June 2017, Adjusted Profit before Tax increased by 5% to £21.4m (2016: £20.3m).









3 Adjusted Earnings per Share

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

For the year ended 30 June 2017, Adjusted Earnings per Share increased by 5% to 19.05p per share (2016:18.17p). The increase was due to better overall financial performance achieved by the businesses, the efficient use of debt finance and falling UK tax rates.

4 Cash Conversion

Cash conversion represents the Operating Cash Flow for the year as a percentage of adjusted operating profit before interest and amortisation. This measure is used as an indicator of successful stewardship of cash resources as well as corroboration of the quality of the operating profits compared to the associated cash flow. The Group's business is strongly cash generative; Cash Conversion for the year ended 30 June 2017 was 114% (2016: 108%).

Cash Conversion

114%
(2016: 108%)

5 Free Cash Flow[1]

Free Cash Flow is an important indicator of resources available for payment of the equity dividend and for support of our acquisition strategy. Free Cash Flow, which is calculated after deduction from operating cash flow of capital expenditure, payment of corporation tax and payment of interest, increased by 3% to £18.2m (2016: £17.7m). We seek to maintain a cover of at least two times the equity dividend.

6 Adjusted EBITA margin ('Return on sales')

Adjusted EBITA margin or return on sales ('ROS') is defined as Adjusted EBITA (see note 2) expressed as a percentage of revenue. During the year ended 30 June 2017 ROS was 19.4% compared to 20.8% in the prior year. This is a measure of efficiency, albeit also a measure reflecting the mix of revenue streams and business units. We aim to maintain Adjusted EBITA margins at over 20.0%.

Adjusted operating margin ('Return on Sales')

19.4%
(2016: 20.8%)

7 Return on equity ('ROE')

ROE is defined as the Adjusted Profit before Tax (see note 2) divided by the average equity attributable to owners of the parent[2]. ROE was 46.2% for the year to 30 June 2017, compared to 41.5% in the prior year. ROE adjusted to remove all impairment of goodwill and intangible assets since 30 June 2012 from Equity was 31.6% for the year to 30 June 2017, compared to 33.2% in the prior year. This measure reflects our ability to maintain an efficient equity base and acts as an indicator of our stewardship of shareholder funds. When making investment decisions, we focus on the impact on our equity. One important measure is the ROE which we seek to maintain at over 30.0% pre tax.

Return on equity ('ROE')

46.2%
(2016: 41.5%)

8 Consistent and Sustainable Revenue Streams

The disposal of non-core, predominantly advertising based trade magazines and media brands, over recent years has allowed the Group to focus on a portfolio of assets based in key professional markets, with the emphasis on provision of information, education and networking to these markets. This push towards more robust and sustainable revenue streams has resulted in a strong portfolio of offerings, often sold on annual subscription, which includes:

- data, information, intelligence and solution sales;
- professional education, training, events and services;
- professional accreditation and assessment; and
- large, industry leading annual networking events.

The Group has continued to increase the availability and variety of its products and services online and digitally, but remains conscious of the needs of markets, which continue to prefer some products produced in hard copy format or in person. Our businesses are supported by management and delivery systems utilising appropriate technology. We have continued to invest considerable resources in the improvement of our operating systems and online services which will deliver benefits in the current year and beyond. Subscriptions and repeatable revenue represent 77% of Group turnover compared to 75% in the prior year.

Consistent and sustainable revenue streams

77%
(2016: 75%)

9 At Divisional level we have a number of measures

At Divisional level we maintain a number of Key Performance Indicators ('KPI's') specific to the performance of each business within the division. Each of the operating divisions monitors, and is in turn assessed on, their own key performance measures. This year we delivered an improved performance against the majority of our Divisional financial and operational targets. By continuing to focus on these benchmarks, we have been able to concentrate on mitigating the adverse effects of the downturn in some global markets and produce good results whilst establishing a more resilient and efficient platform to support future growth.

1 Free cash flow – see note 28 to the financial statements.
2 Average equity attributable to owners of the parent – the sum of opening and closing equity attributable to the parent divided by two.

Chief Executive Officer's Review

"This year we will sharpen our focus further still. We will continue the integration of our Professional division and accelerate the digital transition of our products. Later in the year we will also be bringing 300, nearly one third of our global workforce, of Wilmington's people under one roof, reinforcing our culture as 'One Wilmington', ensuring we can collaborate effectively and helping us to attract and retain the best talent in our industry."

PEDRO ROS
Chief Executive Officer

Group revenue up
14% to £120.3m

Adjusted EBITA up
6% to £23.4m

Adjusted profit before tax up
5% to £21.4m

I am pleased to present my report on Wilmington's performance for the 12 months to 30 June 2017. During the year revenue increased by 14% (£14.6m) and was up 9% in constant currency terms. Adjusted EBITA was also up increasing by 6% to £23.4m. We achieved good revenue growth from our Risk & Compliance division up 9% overall (£3.5m) and from our Healthcare division which was up 28% (£8.4m). The Professional division also recorded growth, up 7% (£2.8m) albeit supported by acquisition-led growth from SWAT (£4.7m). HSJ acquired on 31 January 2017 added £3.7m to Healthcare revenue.

Organic revenue growth (excluding currency and acquisitions) remains a priority but this year's overall organic growth was down 0.8%. Organic performance was impacted by the well-publicised issues around AMT and the law for lawyers' products. Adjusting for these two businesses, over 85% by value of the remainder of our businesses delivered on average organic growth in excess of 2%.

This represents an improvement over the performance for the first half year which showed an organic revenue decline of 2%.

The growth within Healthcare of 28% reflects excellent returns from acquisitions we have made since the beginning of 2016 and supported by 9% organic growth from our UK healthcare business. Overall the Healthcare division's organic growth was 3% in constant currency terms with overall growth in healthcare offset by the expected decline in our legacy non-healthcare assets. The Risk & Compliance increase of 9% (4% organic constant currency) continued its trend of strong organic growth led by the compliance training business which was up 8% despite some slippage into 2017/18. Whilst the Professional division recorded revenue growth up 7% this was due to the acquisition of SWAT and support from underlying growth from Accountancy which more than offset the issues with our law for lawyers' product lines and AMT our Investment bank training business.

Profit growth generally was constrained by the previously announced planned investments particularly in our compliance businesses, from the weaker performance from AMT and from our US operations; and some slippage of compliance training assignments. Recent acquisitions have however performed strongly in both revenue and profit contribution terms and these results have also benefited from favourable currency exchange effects on both revenue and on profits adding around £5.0m and £1.0m respectively.

Finance costs before adjusting items were up 16% (£0.3m) compared to 2015/16 reflecting inter alia £20.3m spent on acquisitions (net of cash acquired) and deferred consideration during the year which contributed to an increase in net debt of £5.3m to finish at £40.0m.

The growth in Adjusted EBITA offset by the increase in adjusted finance costs resulted in Adjusted Profit before Tax up £1.1m (5%) to £21.4m (2016: £20.3m).

Risk & Compliance

% of Group revenue **35%**

% of Group contribution[1] **44%**

This division provides in depth accredited regulatory and compliance training and information, market intelligence, and analysis. It focuses on the international financial services and international insurance markets as well as the UK pensions industry. The main communities that use our offerings are risk and compliance officers globally.

	2017 £'m	2016 £'m	Movement £'m	Movement %
Revenue	42.3	38.8	3.5	9
Contribution	12.3	12.7	(0.4)	(3)
Margin %	29	33		

Divisional revenue increased by 9% (£3.5m) and contribution was down slightly by 3% (£0.4m) reflecting investment within our compliance business in new products, the new North American compliance operation, and in additional support staff to expand our infrastructure and to help in the drive to boost ICA membership. We had also increased resources during the final quarter of 2017 on the back of our recent success in winning two large international training programmes which are now expected to be delivered during 2017/18. These additional resources and investments have impacted margins in the short term but are expected to benefit contribution in 2017/18 and indeed future years.

During the year, the net investment in our North American office amounted to £0.5m, and additional resources in terms of senior appointments, trainers, sales and administrative support staff together with digital learning capability and bespoke compliance programmes to expand our infrastructure were £0.5m.

Compliance

Our compliance business which accounts for just over 50% of the division's revenue grew by 10% compared to 2015/16 (4% constant currency). However, within this, our compliance training businesses which are the division's main engine of growth, grew by 12% (8% constant currency) slightly down on our expectations due to some slippage of assignments into 2017/18.

Compliance Week, our US Governance Risk and Compliance (GRC) events and information business reported revenue up 16% and on a constant currency basis revenue was flat. There is an ongoing programme of investment in new content and technology to reposition the business as a GRC resource centre and events business collaborating with other parts of Wilmington, in particular ICT and ICA but also FRA on joint events. The flagship event in Washington held in May 2017 enjoyed continued success and again attracted record delegates and sponsorship offsetting some decline in subscribers and sponsored events in the rest of the business. For 2017/18 continued investment is being made to strengthen the content offering and more topic areas will be added together with supporting databases.

Risk

Axco, the industry leading provider of insurance market intelligence, regulation and compliance information reported 8% revenue growth (3% constant currency) helped by the continued success of its digital subscription products and the insight products which enhance our analytical insurance offerings.

The remainder of the risk part of the division performed well recording 9% growth overall (3% constant currency). In August 2016, we successfully opened a new insurance events and training office in Barcelona in response to increasing localised demand for our insurance offerings.

Overall divisional contribution decreased by £0.4m (3%) to £12.3m (2016: £12.7m). Margins were down to 29% (2016: 33%) reflecting the investments outlined above which were predominantly in the compliance training businesses.

Professional

% of Group revenue	% of Group contribution
33%	21%

This division includes Wilmington's financial training businesses, financial networking events and our repositioned legal product lines. The Professional division provides expert and technical training as well as support services to professionals in corporate finance and capital markets and to qualified lawyers and accountants in the UK in both the profession and in industry. This division serves primarily tier 1 banks, the international financial services industry, US Capital Markets and small to medium sized professional accountancy and law firms.

	2017 £'m	2016 £'m	Movement £'m	Movement %
Revenue	**39.5**	36.7	2.8	7
Contribution	**5.9**	6.2	(0.3)	(5)
Margin %	**15**	17		

The division recorded overall revenue growth of 7% (£2.8m) attributed to the acquisition of SWAT which contributed £4.7m of revenue and to foreign currency benefits of £1.2m. The integration process for SWAT is progressing well and the business is performing in line with plan. Organic (constant currency) revenue which was down overall by 8% was reflective of the issues at AMT and our Law for Lawyers business.

Investment bank training as previously reported had a weak first half year which was mainly due to the competition issues previously highlighted but also due to some softening of training assignments in the Asia Pacific region. The second half year saw stabilisation of the business and we are now entering the busy summer training period with early indications of slow but more stable trading.

The division saw good underlying growth from accountancy training (adjusting for the benefit from the one off double UK Government fiscal budget in 2015/16) offset by previously reported challenging market conditions in the Law for Lawyers businesses following changes to the Legal CLE rules.

Divisional contribution was down 5% (£0.3m) on last year at £5.9m and margins, as we saw at the half year were particularly impacted by the issues at AMT.

The Professional division is being refocussed and integrated as an integral part of project Sixth Gear under the leadership of its new Divisional Director appointed on 1 July 2017.

Healthcare

% of Group revenue	% of Group contribution
32%	35%

The Healthcare division provides analysis and clarity to customer-focused organisations predominantly in the Healthcare and Life Science markets, enabling them to better understand and connect with their markets. This division includes our UK healthcare information businesses, our Paris based European healthcare news agency, healthcare networking events and our legacy non-healthcare data suppression and charity information businesses. The main communities that use our offerings are healthcare professionals on an increasingly global basis.

	2017 £'m	2016 £'m	Movement £'m	Movement %
Revenue	**38.6**	30.2	8.4	28
Contribution	**9.7**	7.3	2.4	33
Margin %	**25**	24		

Revenue was up 28% (£8.4m) and, adjusting for the impact of favourable currency movements, and the contribution from the acquisitions made over the prior 18 months underlying revenue was up 3% in organic terms compared to 2015/16.

[1] Group contribution of £27,834,000; see note 3

Chief Executive Officer's Review

Wilmington Healthcare business, which following the HSJ acquisition will represent over 80% of the division by revenue on a pro-forma basis, had a good year with organic revenue from the UK businesses up 9%. The legacy UK businesses and brands have been successfully supplemented by strategically relevant acquisitions and unified under the Wilmington Healthcare brand and a single management team. This performance was supported by good performances from APM and from our US healthcare networking events.

HSJ which was acquired on 31 January 2017 has had an excellent start and has been fully integrated with the employees transferred to our Underwood Street offices in March and all transactional processes and functions transferred onto Wilmington systems by 30 June 2017.

The legacy data suppression and charities businesses were marginally down (4%) as expected in revenue terms compared to last year and the focus continues to be on delivering higher margins through ongoing reorganisation and the review of marginal business operations.

Benefiting from profit contributions from acquisitions, overall contribution increased by 33% (£2.4m) to £9.7m. Contribution growth was 27% in constant currency terms.

Group overheads

Group overheads, which include board costs, head office salaries as well as unallocated central overheads, increased by £0.4m (11%) to £3.9m (2016: £3.5m).

Project Sixth Gear update

As outlined in the Chairman's section we are progressing well with project Sixth Gear which is a project to speed up the integration of Wilmington. Sixth gear is already well advanced in the achievement of many of its objectives including the consolidation of the London offices, the consolidation of all UK travel and subsistence, marketing best practice, procurement, key account management and centralised functions.

New London Head Office

A key objective of project Sixth Gear was the consolidation of the remaining London office locations into an appropriate single location bringing Wilmington businesses closer together. On 20 June 2017, we completed the sale of our Underwood Street lease and signed a 10-year lease for new premises in the Aldgate area of London. The Underwood Street premises has served Wilmington well for many years but given its modular structure arranged over 4 floors it was not consistent with our vision and strategic objective of encouraging greater collaboration, flexible working and the building of a "one Wilmington" team.

The investment and step change in our working conditions will undoubtedly lead to many benefits both financial and operational over time. Initially there will be an annual step up in operating costs of around £0.9m pa starting from occupation in January 2018. However, given the disposal proceeds from Underwood Street the cash outflow including fit out costs and associated tax will be neutral for the first 5 years. The Underwood Street sale produced a net profit of £6.3m which is shown on the face of the income statement.

We expect an adjusting operating expense in 2017/18 of £1.4m in respect of property costs. Included in this item is £0.4m in respect of the non-cash write off of the remaining property plant and equipment in use in existing properties and £1.0m of the double running costs covering part of the rent free period of the new Aldgate premises.

Exit from Legal practice support market

As previously announced and resulting from our decision to focus Wilmington around three divisional knowledge areas we decided to exit the legal practice support markets. We therefore looked to dispose of our Ark business which contributed £2.8m (£2.6m constant currency; 2016: £3.0m) to revenue and £0.1m to profit before central overhead allocations in 2016/17. The five-month sale process to find a new home for the Ark business ultimately proved unsuccessful so we are closing all operations except the US events business and some parts of the UK events businesses which remain profitable and are consistent with our strategy. We have entered into consultation with the staff affected and redundancy and other related costs are expected to come to £0.2m. We have also decided to impair the remaining associated goodwill and intangible fixed assets relating to this investment. This impairment is shown as a £2.4m impairment charge.

New learning management system (LMS)

Wilmington has already invested significant resource in setting up and developing an embryonic programme of next generation digital training products and learning support systems. During 2016/17 we set up a dedicated e-learning team and we selected Totara© as our new learning management system. Totara© integrates with other key systems such as SalesForce© and our new automated marketing system Marketo© and provides the end to end platform for our all products facilitating an ambitious roll out of new digital training courses. The market for bespoke digital training programmes and other allied products is evolving rapidly and we believe it is set to grow strongly over the next few years. Wilmington, like its larger competitors is positioning itself to take advantage and is investing in blended digital learning solutions taking an increasingly "digital first" approach to new training product launches. We have identified up to 250 existing training courses across the Group which can be repurposed and restructured as blended digital training products; learning and building from the established pioneering digital training programmes of SWAT and AMT and coordinated by the newly formed digital learning team. The cost of conversion of existing and the launch of new courses is likely to see an increase in operational costs and working capital as investment feeds through. We however expect to see many commercial advantages including higher adjusted EBITA margins in the medium term, greater ability to repurpose and repackage products across Wilmington communities and the exploitation of overseas market opportunities. As explained in the Chairman's statement the costs of this are included in the expected £0.75m of additional costs for 2017/18.

Acquisitions

In July 2016 Wilmington acquired SWAT Group Limited ('SWAT'), a leading provider of training, and technical compliance support to accountancy firms in London and the South West of England. SWAT sits inside the professional division offering training, and technical accounting services. The consideration paid was an initial cash payment of £2.5m and a deferred consideration payment of up to £3.0m payable in September 2018 in cash subject to SWAT achieving challenging profit targets over the two financial years ending 30 June 2018.

On 31 January 2017 Wilmington acquired HSJ for £16.9m after an adjustment for working capital. HSJ is one of the UK's leading health information, insight and networking business with a highly-trusted brand providing unparalleled penetration into the NHS and private vendor space through subscription information and data products, events and awards and marketing solutions. HSJ has a growing recurring revenue stream from subscriptions and annual events.

The HSJ business is integral to Wilmington's market leading healthcare business significantly enhancing the Group's presence across the UK healthcare market. Uniquely, Wilmington Healthcare now has a complete UK industry presence across both provider/payer and the private sector in Pharma and MedTech and other healthcare providers.

Executive team

To support our exciting growth strategy, we have continued to strengthen our executive team with the appointment of a senior executive with particular experience and a successful track record in designing and implementing large scale digital learning initiatives to head up our Professional division. The integration of the Professional division is a priority objective and consequence of project Sixth Gear which will particularly benefit from the key account management, common platforms and work flow processes which should in turn reflect in improving margins over the next few years.

Pedro Ros
Chief Executive Officer

12 September 2017

Case studies

Susana Pérez

Managing Director, Inese

"In 1993, it would have been difficult to predict how successful Semana del Seguro (Inese's Insurance Week conference) would become. Today, it attracts delegates from around the Spanish-speaking world."

If there's anything you need to know about the Spanish insurance market, you won't find anyone better qualified to tell you than Susana Pérez, Managing Director of Wilmington's flagship insurance business in Spain. In 1988, after completing a law degree at one of Spain's top universities, she started what was to become a single-company career with Inese, then a family-owned business in Madrid; grasping the opportunity, she advanced rapidly to become Director of Training and Studies.

In 2001, Inese was acquired by Reed Business Information, with Susana being appointed to the advisory board and subsequently becoming Inese's Managing Director in 2007. Under her leadership, the company has moved from strength to strength, and it joined Wilmington's Risk & Compliance division in 2013.

Inese provides training, information, communication and global marketing solutions for the insurance industry in Spanish-speaking countries. Refusing to conform to the industry's reputation for being dry and dull, Susana has driven the company to embrace the digital revolution in its own operations, and pushes the boundaries with unrelenting persistence at Inese's many industry events, including the highly successful Semana del Seguro (Insurance Week) conference.

"I have been part of every Semana del Seguro since its inception in 1993", she says. "Today, it attracts delegates from around the Spanish-speaking world. Last year there were nearly 4,000 registered visitors and more than 300 speakers."

Sometimes, it's hard for people to accept the degree of change that Inese is facing; Pérez' responses include an "innovation competition" for her staff, frequent in-house training on the use and benefits of new tools and resources, plus regular initiatives to 'retire' products and services that are no longer relevant. "If we focus only on introducing new offerings", she says, "we are at risk of confusing our customers. Moving them away from familiar but outdated products, and supporting the transition to new, digital alternatives is essential."

Alongside with growing business in Spain, Susana finds time to progress another of her key strategic tasks – expanding Inese's business into Latin America. "It's vital", she says, "that Inese is ready to help insurers in these Spanish-speaking countries to accelerate digital transformation and to expand market reach."

Susana accepts that the next decade will probably see even faster rates of change in the insurance sector than Inese has experienced in the past ten years. But it's clear that, under her leadership, Inese is ready for the challenge.

Nicola Hurley

Managing Director, Mercia Group Limited

"Lead with conviction, passion and purpose. Give people wings and let them fly, then recognise and reward success, while allowing room for error without blame."

Aged 21, Nicola Hurley already managed her own graphics studio, working primarily for London-based print consultancies. In 2006 she was working for Mercia Group – a leading provider of training support services to the accountancy profession in the UK and Ireland – and when that year Mercia was acquired by Wilmington, Nicola was the first non-accountant to be appointed a Director.

In 2014 Nicola was promoted to Managing Director, and since has been instrumental in the drive to move the company firmly into the digital era, developing and enhancing its online presence on all fronts. Mercia firmly employs technology as an enabler for its clients – accountancy businesses ranging in size from sole practitioners to top-ten firms. Keeping them competitive is as important as future-proofing Mercia itself.

Wilmington's core values feature prominently in Nicola's approach to managing her people. "They mean everything! If you lead by example and embed all four values within your team, your business can't help but grow", she says. "You develop an exciting environment, both to work within and to partner with. You become an employer and business partner of choice, providing products that clients need and which help their businesses to grow."

Nicola is adamant that Wilmington's values also encourage team members to grow and reach their potential. "Give people wings and let them fly" is her mantra – one that both shapes and exemplifies her leadership style.

In 2017, Mercia's overriding priority was to complete the integration of SWAT UK Limited, one of Wilmington's 2017 acquisitions. SWAT's business largely mirrors Mercia's, with complementary geographical coverage of the same target market. Nicola's objective is to exploit business opportunities and to realise efficiencies through a unified set of business tools, best-in-class processes and a shared, innovative culture.

"We have to become one team, selling an extensive portfolio of products that supports our clients through a period of major change in the sector", she insists.

Small wonder then, that her secondary objective is to improve Mercia's use of technology, enlarge its portfolio of online courses and broaden its range of publications. These are projects that mean recruiting new team members, highly capable people who thrive on responsibility, enjoy technical challenges and exceed demanding targets.

Quin Thong

Managing Director, Asia

"I often say that I am a doer, learning how to dream. Challenges give rise to opportunities to think differently and to provide insightful solutions."

Growing up in Malaysia, Quin quickly learned that girls are not expected to have careers; but rather than discouraging her, this realisation spurred her to believe ever more strongly in her potential.

In the early 1990s, backing herself to succeed in a heavily male-dominated profession, Quin applied for a junior role in PricewaterhouseCoopers' audit and business-advisory division. Selected from hundreds of candidates for one of only twenty positions, Quin seized her moment in the sun. "I carried as many hard-folder files as my male colleagues, worked at least as diligently and even won a gold medal in the national CPA exams", she recalls.

Quin's can-do attitude launched a successful accountancy career that saw her working in the world's leading financial centres, including Hong Kong, Shanghai, London and Melbourne. She gravitated into senior strategic roles that went beyond a typical CFO's remit, making her the ideal candidate when, in 2016, Wilmington sought a business leader to deliver the company's Asia strategy. Where others see challenges, Quin sees opportunities: "I often say that I am a doer, learning how to dream. Challenges give rise to opportunities to think differently and provide insightful solutions, sparking the doer in me into action.

"The most exciting challenge we face is expanding Wilmington in Asia, against the swelling tide of small players with varying qualities of services, with some resorting to price-war tactics. The key to winning is to provide unique, high-quality services, setting a consistently professional tone; this is Wilmington's hallmark, differentiating us from other players. We succeed by being innovative with our marketing programmes, by engaging actively with our clients and by being close to the heartbeat of the industry."

Ten years ago, Quin set herself a simple, but powerful aspiration – to create opportunities for people to develop their potential: "At that time, I did not have a clear plan how to go about doing that. However, what I did know was that I would need to be creative and innovative, and I must collaborate with others. Ten years on, I walked into Wilmington headquarters in London, and the words 'Collaborate, Innovate, Enhance and Enable' welcomed me. If felt like coming home." Since then, her greatest discovery is that all of us can do something to help, even something small, and that lives can be transformed as a result. "We all have the power to make that one phone call that costs us nothing, to lend a helping hand, or say a kind word of encouragement. It may go a long, long way for that person", she reminds colleagues frequently.

Loïc Lebrun

Managing Director, APM International

"We aim to own the information, education and intelligence space in healthcare in France and a few specific areas internationally."

Loïc Lebrun is a man for whom actions speak louder than words. Described by a former colleague as having "an outstanding ability to execute", Loïc is a finance professional who worked in the aerospace and defence industries, before moving in the early 2000s to what was then an emerging digital-insights sector for healthcare professionals. For the next decade, Loïc broadened his experience in financial, sales and general-management roles with a leading international healthcare-insight company. He soon recognised the potential of premium niche products as a means of attracting and retaining high-value subscribers who want to be part of special-interest communities – a realisation that has driven his work since then.

In 2014, he was appointed the Managing Director of Wilmington's first international acquisition, Agence de Presse Médicale (APM), an independent press agency specialising in the healthcare sector in France and across Europe. "Unlike many Wilmington businesses, which made the transition from print-based models, APM is a digital-native company – it embraced electronic formats from the day it was founded", Loïc explains.

APM plans to launch two or three new products – typically subscription-based niche websites – each year. "The healthcare landscape is evolving rapidly and this forces us to rethink our approaches continually – which is sometimes difficult, but always interesting", Loïc continues.

As you would expect from a proven early adopter, there is clear evidence of successful innovation at APM; in 2016, it launched APMjob.com, an online job board – and the company's first non-editorial product. "APM without innovation is unthinkable," says Loïc. "In fact, I'm very comfortable with all Wilmington's core values as they have been guiding my career for many years. My favourite? Without doubt, it's 'Enabling', as it's the key to developing our people."

APM's subscribers can continue to rely on the company to set the daily news agenda for the European healthcare markets, reflecting Loïc's deep understanding of the business drivers behind APM's financial outcomes. His keen sense of appreciation for his clients' requirements will surely continue to drive APM's success – or, to use his own words: "I'm just doing something I really enjoy and working very hard at it; the rest simply follows."

Corporate, Environment and Social Responsibility

Making a positive impact

Wilmington seeks to be socially responsible, having a positive impact on the communities within which it operates.

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

Our apprentice and intern programmes have also continued to grow over time, across different businesses and key geographical locations, developing still further the Group's community and people investment.

Wilmington plays an important role in supporting the charity community, for example www.charitychoice.co.uk, a website which supports charities and raises awareness of their fundraising activities. The online donation service coordinated donations during the year of £842,000 for various charities.

Environmental policies

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

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

Our policies are to:

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

Paper

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

Printers

All our major print suppliers are ISO14001 certified or encouraged to work towards a minimum of this standard. Many now also utilise Forest Stewardship Council or Programme for the Endorsement of Forest Certification. All our printers work in a digital environment, with the resultant reduction in transport, courier and energy utilising activities.

Packaging

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

Offices

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

During the year the Group has performed a comprehensive review of its London property portfolio, in order to maximise efficiency and reduce underutilised office space. One of the key outcomes of the review is the relocation of the head office from Underwood Street to new premises during the financial year ended 30 June 2018, which will facilitate increased pooling of resources and subsequently reduce energy and material consumption.

Travel

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

Greenhouse gas emissions reporting

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

Global CO2 emissions data	**30 June 2017 Thousand Tonnes of CO_2e**	30 June 2016 Thousand Tonnes of CO_2e
Emissions from		
Scope 1 – Direct CO_2 emissions	**79**	72
Scope 2 – Indirect CO_2 emissions	**553**	605
Total emissions	**632**	677
CO_2 ratio (thousand tonnes of CO_2 per employee)	**0.73**	0.83

Methodology

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

This assessment takes into account of all of the emission sources required under the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013.

Financial Review

ANTHONY FOYE
Chief Financial Officer

Adjusting items, measures and adjusted results

Reference is made in this financial review to adjusted results as well as the equivalent statutory measures. Adjusted results in the opinion of the Directors can provide additional relevant information on our future or past performance where equivalent information cannot be presented using financial measures under IFRS. Adjusted results exclude adjusting items, profit on disposal of property plant and equipment (to the extent it is material or significant in nature), goodwill and intangible impairment and intangible amortisation excluding computer software. Effective from 30 June 2017 Wilmington also includes share based payments costs within its definition of adjusted results. Share based payment costs amounted to £0.6m in 2016/17 and £0.6m in 2015/16.

	2017	2016	Movement	
	£'m	£'m	£'m	%
Revenue	**120.3**	105.7	14.6	14
Adjusted EBITA	**23.4**	22.0	1.4	6
Margin %	**19.4**	20.8		

Revenue

For the twelve months ended 30 June 2017 revenue increased by 14% (£14.6m) to £120.3m (2016: £105.7m). On a constant currency basis revenue was up 9%. Acquisitions and favourable exchange rates accounted for the reported revenue growth with organic revenue down 0.8% overall.

Operating expenses before adjusting items amortisation and impairment

Operating expenses before amortisation and impairment, excluding adjusting items, were £97.0m (2016: £83.7m) up 16% reflecting inter alia significant investment in staff and new premises in the period as well as costs associated with operating acquired businesses. For the first time share based payments of £0.6m (2016: £0.6m) are included within operating expenses before adjusting items, amortisation and impairment.

Amortisation excluding computer software

Amortisation of intangible assets (excluding computer software) was £6.0m, compared to £5.5m in the previous year. The increase reflects acquisitions made in the period.

Impairment of goodwill and intangible assets

A non-cash impairment of £2.4m has been made against the carrying values for goodwill and intangible assets in the Ark cash generating unit (CGU) following the failure to sell the business and the resultant decision to close operations. Ark was acquired by Wilmington plc in October 2005 and the original investment was impaired in 2015/16 by £1.0m. Further information is given in note 12.

The 2016 comparator figure of £15.7m relates to the impairment of CLT and the Ark CGU.

Adjusting items within operating expenses

Adjusting items within operating expenses were £3.5m (2016: £2.4m). These items include £1.6m relating to acquisition costs (2016: £1.7m), £0.5m in respect of project Sixth Gear, £0.3m in respect of the relocation of back office functions from London and £1.0m in respect of costs associated with the London move including the termination or disposal of property leases.

Other Income – gain on disposal of leasehold property

The gain of £6.3m is in respect of the disposal of the Underwood Street lease for £7.3m in cash less associated costs of the sale and the net book values of assets associated with the leasehold property.

Operating profit/(loss) ("EBITA")

Operating profit was £17.8m compared to an operating loss of £1.5m in 2016. The 2016 comparator loss was due inter alia to a non-cash impairment of £15.7m.

Adjusted EBITA

Adjusted EBITA was up £1.4m (6%) to £23.4m (2016: £22.0m). Adjusted EBITA margins (Adjusted EBITA expressed as a percentage of revenue were 19.4% (2016: 20.8%).

Finance costs

Finance costs before adjusting items which consist of interest payable and bank charges were up 16% to £2.0m from £1.7m reflecting an increase in net debt in the period. Net debt, which includes cash and cash equivalents, bank loans (excluding loan arrangement fees) and bank overdrafts, was £40.0m (30 June 2016: £34.7m) at the year-end an increase of £5.3m on last year. The increase in debt reflects £20.3m (including deferred consideration) spent on acquisitions offset by the proceeds of £7.3m from the disposal of the Underwood Street offices.

Finance costs including adjusting items were up 2% (£0.1m) on 2016. Adjusting items in 2016 relate to the previous loan facility written off.

Profit/(loss) before taxation

Profit before tax of £15.9m was up compared to a loss of £3.4m in 2016 principally due to the non-cash impairment of £15.7m in 2016 compared to increased trading profits in 2017 and the gain on the disposal of the leasehold property. Adjusted Profit before Tax increased by 5% (£1.1m) to £21.4m from £20.3m (note 2).

Taxation

Taxation increased by £0.2m (5%) to £3.0m from £2.8m. The increase in the taxation charge is due to an increase in profits before tax, adding back the impairment provisions of £2.4m (2017) and £15.7m (2016) offset by a reduction to UK corporation tax rates.

The effective tax rate is 16.4% (2016: 23.2%) which is calculated after adding back the impairment charge of £2.4m (2016: £15.7m). This charge is reduced compared to 2015/16 due to the relatively low effective tax rate associated with the leasehold property disposal.

The underlying tax rate which ignores the tax effects of adjusting items remained the same as 2016 at 22.4%. The underlying tax rate is calculated as the product of one minus the adjusted profit after tax per note 9 of £16.6m (2016: £15.8m) divided by the adjusted profit before tax of £21.4m (2016: £20.3m).

Earnings/(loss) per share

Adjusted Basic Earnings per Share increased by 5% to 19.05p (2016: 18.17p). Basic earnings per share was 14.72p compared to a basic loss per share of 7.39p in 2016.

Goodwill

Goodwill increased by £15.2m from £70.8m to £86.0m due to additions of £14.9m arising from businesses acquired in the period, the reallocation of £1.3m of assets between goodwill and intangibles (note 12) and exchange rate movements of £0.5m. These were offset by an impairment of £1.5m.

Intangible assets

Intangible assets increased by £2.9m from £29.0m to £31.9m due to acquisitions of £10.1m arising from businesses acquired in the period and exchange rate movements of £0.5m in the period, and other additions of computer software, of £1.6m. These were offset by amortisation of £7.2m, the reallocation of £1.3m of assets between goodwill and intangibles (note 13) and an impairment charge of £0.8m.

Property, plant and equipment

Property, plant and equipment decreased by £0.2m to £4.4m reflecting additions to tangible fixed assets of £1.3m (2016: £0.6m), additions from acquired businesses of £0.2m offset by depreciation of £1.1m and assets written off on disposal of the Underwood Street lease of £0.6m at net book value.

Trade and other receivables

Trade and other receivables increased by £2.3m reflecting acquisitions which added £2.8m, offset by more efficient cash collection from our new credit control processing following its relocation.

Financial Review

Trade and other payables

Total balances increased from £43.9m to £52.3m.

Trade and other payables increased by £3.8m to £25.4m (2016: £21.6m) reflecting, inter alia, acquisitions in the period which accounted for £1.1m. Trade and other payables also include £1.8m in respect of various lease surrender costs following the London property consolidation, reorganisation costs under project Sixth Gear and other London property professional costs and equipment.

Subscriptions and deferred revenue increased by £4.7m or 21% to £27.0m (2016: £22.3m). Acquisitions accounted for £3.9m of the increase, foreign exchange was £0.2m. Risk & Compliance division grew by £0.8m (8%), Professional division grew by 13% (£0.6m) of which acquisitions accounted for all the increase. Healthcare was up 43% (£3.3m) with acquisitions accounting for £3.2m of the overall increase. Within Risk & Compliance ICA membership deferred revenue is up 118% and Axco was up 12%.

Current tax liabilities

Current tax liabilities increased from £1.6m to £1.9m reflecting acquisitions in the period and higher tax associated with higher overall group profits.

Net debt

Net debt, which includes cash and cash equivalents, bank loans (excluding capitalised loan arrangement fees) and bank overdrafts, was £40.0m (30 June 2016: £34.7m.) an increase of £5.3m. Acquisition costs (including deferred consideration) of £20.3m were offset by cash conversion of 114% (2016: 108%). Net debt at 30 June 2017 represented 47% of our debt and overdraft facility of £85m. This facility was extended in January 2017 by a further £20m in support of the acquisition of HSJ from £65.0m and is repayable on 1 July 2020.

Deferred consideration (cash settled)

Deferred consideration in total was £2.5m down on 2016 total liability of £2.6m. Movements during the year included an increase of £1.1m from the acquisition of SWAT offset by payments of £1.3m in the year in respect of Evantage (£0.3m) and FRA (£1.0m).

Derivative financial instruments

The Group is exposed to foreign exchange risks, liquidity and capital risks and credit risks. The Group has policies that mitigate these risks. Total estimated liabilities were £0.7m down £1.3m compared to £2.0m at 30 June 2016. The main reason for the decrease was there were no forward foreign currency contracts obligations at the balance sheet date (2016 loss provision £0.9m).

On 3 July 2017 the Group entered into a number of foreign currency transactions to mitigate possible exchange rate fluctuations on its financial results. $10.0m US dollars were sold forward during 2017/18 at an average rate of $1.31 and €5.0m were sold at an average rate of €1.14m.

Share capital

During the year 0.3m new ordinary shares of £0.05 were issued in settlement of shares vesting under the Group's Performance Share Plan. This resulted in an increase to share capital of £13,112.

Dividend

It is the Board's intention to pay a progressive dividend whilst ensuring a cover of at least two times the Group's adjusted earnings per share over the dividend per share in respect of the year. A final dividend of 4.6p per share (2016: 4.3p) will be paid on 17 November 2017 to shareholders on the register as at 20 October 2017, with an associated ex-dividend date of 19 October 2017.

ANTHONY FOYE
Chief Financial Officer

12 September 2017

Risks and Uncertainties Facing the Business

Identifying and managing our risks

The Board is responsible for the Group's system of risk management and internal controls. Risk identification, assessment and management is one part of the Group's internal control environment and risk management is recognised as an integral part of the Group's activities.

The Board determines the Group's appetite for risk when considering strategic objectives, and the acceptable level of risk that can be taken on by the Group and its individual operating entities ('Wilmington risk appetite'). Wilmington's businesses worldwide are responsible for executing their activities in accordance with the local risk appetite set by the Board, complemented by the Wilmington Code of Conduct, Anti Bribery and Corruption ('ABC') guidelines, other Group policies, and values within delegated authority limits. The Risk Assessment covers a three year period consistent with the period of assessment used in the viability statement review.

Risk is assessed across the Group by the Wilmington Risk Committee (comprising members of the Executive Committee and the Group Company Secretary that report directly to the Board using a combination of structured formal interviews, monthly operational updates, site visits, 'bottom up' reporting and registers (the 'Risk Assessment'). The Risk Assessment covers both external and internal factors and the potential impact and likelihood of those risks occurring. Twice per annum the Audit Committee discusses the report received from the external auditors regarding their audit; which includes comments on their findings on internal control and risks.

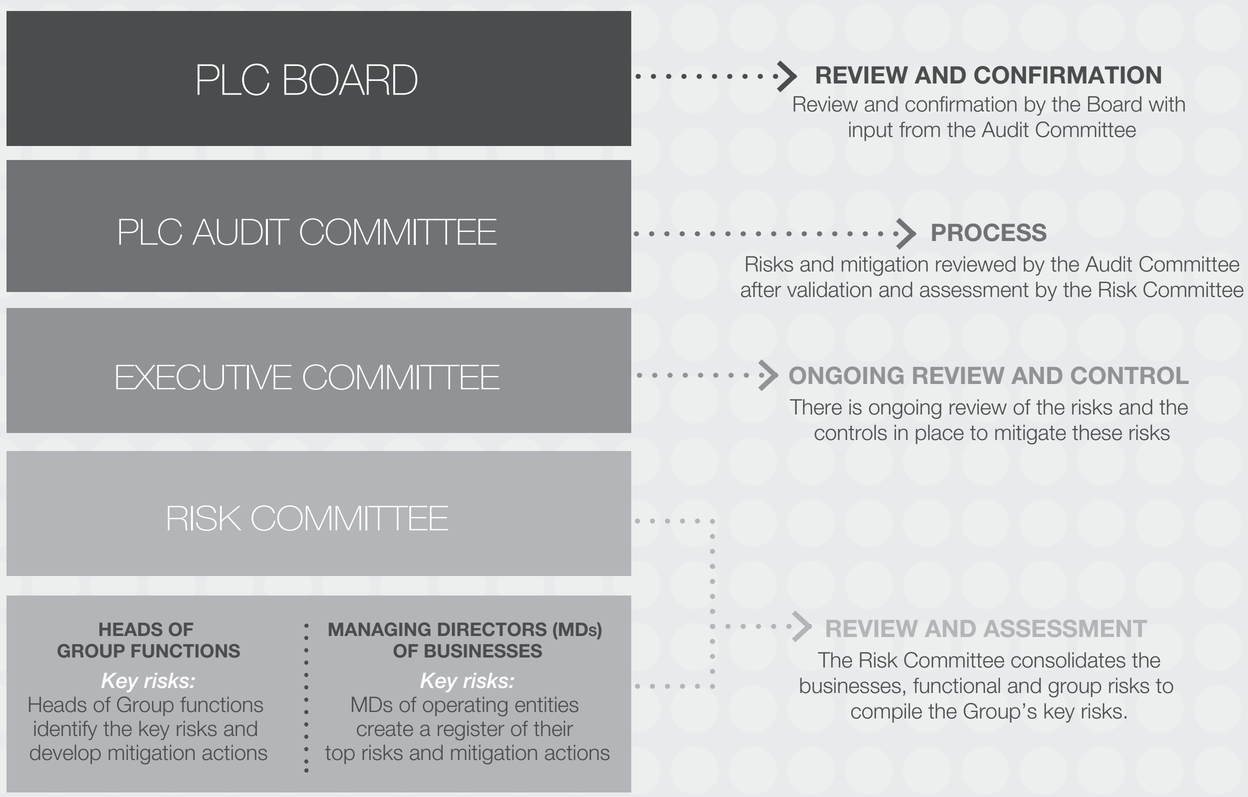
Risks once identified are reviewed and then incorporated into formal risk registers held at both a Group and at entity level, which evolve to reflect any reduction/increase in identified risks and the emergence of any new risks. Where it is considered that a risk can be mitigated further to the benefit of the business, responsibilities are assigned and action plans are agreed.

The Wilmington Risk Committee coordinates and facilitates the risk assessment process on behalf of the Board. Group policies and delegated authority levels which are set by the Board provide the means by which risks are reviewed and escalated to the appropriate level within the Group, up to and including the Board, for review and confirmation.

We have a clear framework for identifying and managing risk, both at an operational and strategic level. Our risk identification and mitigation processes have been designed to be appropriate to the ever-changing environments in which we operate.

The following chart summarises our business risk management structure.

Business risk management structure



Risks and Uncertainties Facing the Business

Roles and responsibilities

The Board regularly reviews the Group's key risks and is supported in the discharge of this responsibility by various committees, specifically the Audit Committee. The risk management roles and responsibilities of the Board, its Committees, and business management are set out below, and all of these responsibilities have been met during the year.

1 BOARD

Responsibilities

- Approve the Group's strategy and objectives
- Determine Group appetite for risk in achieving its strategic objectives
- Establish the Group's systems of risk management and internal control

2 AUDIT COMMITTEE

Responsibilities

The Audit Committee supports the Board by monitoring risk and reviewing the effectiveness of Group internal controls, including systems to identify, assess, manage and monitor risks.

Actions

- Receive regular reports on internal and external audit and other assurance activities
- Receive regular risk updates from the businesses
- Determine the nature and extent of the principal Group risks and assess the effectiveness of mitigating actions
- At least annually review the effectiveness of risk management and internal control systems
- Review the adequacy of the Group's whistleblowing and ABC policy
- Sets the internal audit plan and reviews internal audit reports

3 EXECUTIVE COMMITTEE AND RISK COMMITTEE

Responsibilities

- Strategic leadership of the Group's operations
- Ensure that the Group's risk management and other policies are implemented and embedded
- Monitor that appropriate actions are taken to manage strategic risks and key risks arising within the risk appetite of the Board
- Consider emerging risks in the context of the Group's strategic objectives
- Monitor the application of risk appetite and the effectiveness of risk management processes. The Risk Committee and Board also considers the Group's overall risk appetite in the context of the negative impact that the Group can sustain before it risks the Group's continued ability to trade
- Responsible for risk identification and management within their divisions/area of business responsibility
- Monitoring the discharge of their responsibilities by operating entities

Actions

- Review of risk management and assurance activities and processes
- Monthly/quarterly finance and performance reviews
- Review key risks and mitigation plans
- Review results of assurance activities
- Escalate key risks to Group management or PLC Boards

4 HEADS OF THE GROUP FUNCTIONS AND MDS OF BUSINESSES

Responsibilities

- Maintain an effective system of risk management and internal control within their function/operating company

Actions

- Regularly review operational, project, functional and strategic risks
- Review mitigation plans
- Plan, execute and report on assurance activities as required by entity, region or Group

Wilmington risk appetite

The Group's approach is to minimise exposure to reputational, financial and operational risk, whilst accepting and recognising a risk/reward trade off in the pursuit of its strategic and commercial objectives.

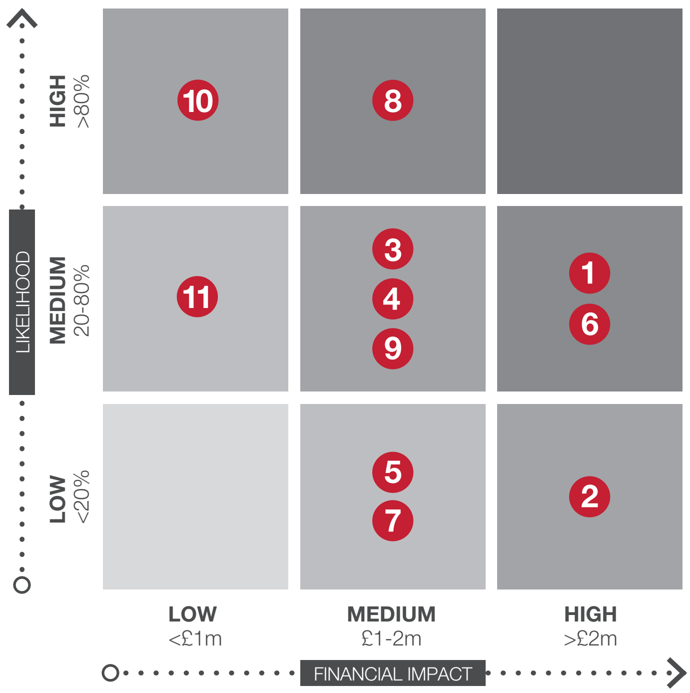
As an information, education and networking provider to certain professional and regulated markets the integrity of the business and its brands is crucial and cannot be put at risk. Consequently, it has a zero tolerance for risks relating to non-adherence to laws and regulations ('unacceptable risk'). The business, however, operates in a challenging and highly competitive market place that is constantly changing not just in regulation and legislation but also for new technology and process innovation.

It is therefore part of day to day planning to make certain financial and operational investments in pursuit of growth objectives, accepting the risk that the anticipated benefits from these investments may not always be fully realised. Its acceptance of risk is subject to ensuring that potential benefits and risks are fully understood and sensible measures to mitigate risk are established.

Principal risks

The PLC Directors have carried out an assessment of the principal risks facing the Group – including, in the year to 30 June 2017, those that would threaten its business model, future performance, solvency or reputation. The eleven key risks and uncertainties relating to the Group's operations, along with their potential impact and the mitigations in place, are set out below. There may be other risks and uncertainties besides those listed below which may also adversely affect the Group and its performance. More detail can be found in the Audit Committee Report on pages 44 to 45.

In summary, our principal risks in the context of the strategic goals and viability review are mapped over a three year period as follows:



1. Lack of organic growth
2. Lack of changes to regulations and legislation
3. Recruitment and retention of high-calibre staff
4. Intellectual property rights infringement
5. Poorly evaluated and integrated acquisitions
6. Failure or significant interruption to IT systems causing disruption to client service
7. Competition across the business
8. Technology and speed of change
9. Remoteness of operations and globalisation
10. Impact of General Data Protection Regulation
11. Disruption around the London Office move

Risks and Uncertainties Facing the Business

Summary of principal risk

Risk description	Trend	Mitigation
KEY RISK 1 **Lack of organic growth** *Strategic objective: 1 & 2* New products are critical to our organic growth and underpin our ability to maintain acceptable margins and best in class returns over the long term. Failure to invest in our businesses or for investments to not deliver an acceptable rate of return jeopardises the ability for the Group to grow.	›	New product development 'best practice' is shared between the entities in the Group and return on investment of past and future innovation projects is tracked. This ensures that the collective experience and expertise of the Group can be utilised to maximum effect. Large R&D projects, especially those which are capitalised, require Head Office approval, ensuring that the Group's significant projects are aligned to overall strategy. Such projects are overseen by the Chief Financial Officer and Chief Technology Officer. Workforce quality and retention is a central objective. This focus ensures that intangible resources stay and grow within the business. Operating businesses are actively encouraged to develop and protect know-how in local jurisdictions. Innovation is encouraged and fostered throughout the Group via the Senior Leadership Team and the Wilmington Awards. Wilmington's emphasis on efficient internal controls, high ethical standards, the deployment of high-quality management resources and the strong focus on quality control over products and processes in each operating business help protect us from product failure, litigation and contractual issues. Our strategy of diversifying our service offering, focusing on our client communities and geographic spread mitigates the impact on the business of economic downturns and weak market conditions in specific geographies, but these factors cannot entirely mitigate the overall risk to earnings. To manage these risks, we continually focus on our cost base and seek to improve operational efficiencies.
KEY RISK 2 **Lack of changes to regulations and legislation** *Strategic objective: 1 & 2* Wilmington's clients and customer's operations are subject to wide-ranging laws, regulations and legislation increasing operational complexity and heightening risk. Changes to the regulatory landscape (i.e. Brexit) offer opportunities for Wilmington to leverage its knowledge and expertise to assist clients and customers with the change. A lack of regulatory change would reduce new opportunities for growth and demand for existing products and services. This risk impacts on key risk 1.	›	We actively monitor government regulatory bodies and relevant committees to ensure that we understand the future landscape. This enables us to position both our existing and new products and services to help better deliver to our clients and customers. Local plans are updated as part of the internal strateic planning process to enable us to respond quickly to market information and economic trends. Continual monitoring of market conditions and market changes against our Group strategy, supported by the reforecasting and reporting in all of our businesses, are key to our ability to respond rapidly to changes in our operating environment. The strength of Wilmington's business and brands and the focus on client service. Our businesses enable professionals and their organisations to perform better by providing quality, relevant and reliable information, education and networking. Regulatory change following Brexit should increase demand for our product and service offerings in the short to medium term.
KEY RISK 3 **Recruitment and retention of high calibre staff** *Strategic objective: 1, 2 & 3* As a people business we recognise that the future success of our business is dependent on attracting, developing, motivating, improving and retaining talent.	›	The Group operates a competitive remuneration package that is enhanced by a share option plan for certain Senior Management. Just as importantly, the Group operates a meritocratic culture where everyone can maximise his or her potential. Management Development Programmes, enhance the skills of executives and managers needed in their current and future roles. The Group appointed a Group HR Director in 2016 who is a member of the Executive Committee and will provide leadership on succession planning and talent management. The continual development of the Senior Leadership Team to encourage motivation and engagement with the business.

Risk description	Trend	Mitigation
KEY RISK 4 **Intellectual property rights infringement** *Strategic objective: 1, 2 & 3* Protection of our intellectual property builds competitive advantage by strengthening barriers-to-entry. Our intangible resources include data, processes, technological know-how, branding and our workforce. Intellectual property rights are integral to the Group's success.	Same risk	We take a zero tolerance approach to any intellectual property infringement and will take all necessary action to enforce our rights. Wilmington's policy is to litigate against any infringement of our intellectual property rights.
KEY RISK 5 **Poorly evaluated and integrated acquisitions** *Strategic objective: 1 & 2* The identification and purchase of businesses which meet our demanding financial and growth criteria are an important part of our strategy for developing the Group, as is ensuring the new businesses are rapidly integrated into the Group.	Same risk	We acquire businesses whose technology and markets we know well. The Executive Committee together with individual Managing Directors are responsible for identifying acquisitions in their business sectors, subject to Board approval. We deploy detailed post-acquisition integration plans. Thorough due diligence is performed by a combination of in-house and, where needed, external experts to ensure that a comprehensive appraisal of the commercial, legal and financial position of every target is obtained. Incentives are aligned to encourage acquisitions which are value-enhancing from day one. The Chief Financial Officer, Anthony Foye, has concluded over 76 successful acquisitions in the UK and overseas. The Board receives a full investment plan and a post-acquisition integration plan well in advance of any transaction. The recent appointment of Quin Thong (Asia MD) helps with international acquisitions in specific territories.
KEY RISK 6 **Failure or significant interruption to IT systems causing disruption to client service** *Strategic objective: 1, 2 & 3* Major failures in our IT systems may result in client service being interrupted or data being lost/corrupted causing damage to our reputation and consequential client and/or revenue loss. There is a risk that a cyber attack on our infrastructure by a malicious individual or group could be successful and impact the availability of critical systems. This risk is heightened by the office moves described in risk 11.	Same risk	Specific back-up and resilience requirements are built into our systems and we are increasingly becoming more cloud based. Our critical infrastructure is set up so far as is reasonably practical to prevent unauthorised access and reduce the likelihood and impact of a successful attack. Business continuity and disaster recovery plans are in place and are assessed continually to ensure that they cover the residual risks that cannot be mitigated. We are constantly reviewing our resilience to cyber security attacks due to the increasing threat. During recent years, the Group has outsourced the hosting of all websites improving resiliency, efficiency and scalability. We have a central team, Wilmington Group Support, to provide day to day IT & Systems support for users. We provide and assist operating entities with strategic IT needs and to ensure adequate IT security policies are used across the Group. We carry out regular IT audits and we have comprehensive IT systems monitoring in place. We have a comprehensive IT induction for employees to ensure they are aware of security risks and how to combat them. As part of the London office move, we will be migrating our infrastructure to a third party's data centre rather than build our own in the new premises. This gives us greater flexibility in support and use of our internal systems. Testing will be carried out in advance of the migration to mitigate against disruption of business as usual activity.

KEY:

Reduced risk Increased risk Same risk

Risks and Uncertainties Facing the Business

Summary of principal risk

Risk description	Trend	Mitigation
KEY RISK 7 **Competition across the business** *Strategic objective: 1 & 2* The markets in which we operate are highly competitive. The competition constantly challenges the boundaries of technological advances, regulation and legislation in seeking to gain an advantage. Competition could lead to a reduction in market share and/or a decline in revenue.	›	Our focus is on retaining existing clients as well as engaging with new clients. Our service offering continuously evolves and improves to meet the changing needs of our clients. To remain competitive in all markets, we continue to promote and differentiate our strengths whilst focusing on providing the quality of service that our clients require. We continue to invest in the development of client relationships globally and associated systems to support our client service offering. By empowering and resourcing innovation in local operations to respond to changing market needs, the potential adverse effects of competition can be mitigated and growth can be maintained. The Group operates in specialised global niche markets offering high barriers to entry.
KEY RISK 8 **Technology and speed of change** *Strategic objective: 1, 2 & 3* Digital and technological transformation is now moving at a fast pace across the globe, disrupting value chains and transcending the traditional ways of conducting business. Digitalisation is compelling our clients and customers to revisit their business models increasingly shaped by the digital world. Although digital and technological transformation offers Wilmington boundless possibilities for growth and value creation, it comes with its own set of challenges and risks.	›	The continued development of the digital hub has helped to bring together the services and products offered by Wilmington so that clients can increasingly access these in a 'one-stop-shop'. Development of new products is key to our growth and investment is given in areas that promote high growth (i.e. compliance). Combining our former Finance and Legal divisions into one new division (Professional) with common processes and controls. This will bring greater clarity and refocus the offerings of the associated businesses. The Professional division will be led by a newly appointed divisional director.
KEY RISK 9 **Remoteness of operations and globalisation** *Strategic objective: 2 & 3* A key operational risk emanates from remoteness of operations from Head Office and the increasing global spread of our businesses. There is a currency risk from operating in a large number of countries.	›	Control is exercised locally in accordance with the Group's policy of autonomous management. We seek to employ local high quality experts. The Group's acquisition model ensures retention of management and staff in acquired businesses meaning that local expertise is maintained. Divisional Directors ensure that overall Group strategy is fulfilled through an ongoing review of the businesses. The right balance between autonomy and adherence to the overall objectives of the Group is a key function of the Divisional Directors. We manage currency risk in local operations through natural hedging, forward currency contracts and by matching revenue and costs in the same currency.

Risk description	Trend	Mitigation
KEY RISK 10 **Impact of General Data Protection Regulation** *Strategic objective: 3* The General Data Protection Regulation (GDPR) is the most significant revision of data privacy legislation ever seen in Europe introducing fines of up to €20.0m (or 5% of group revenue, whichever is greater). In an increasingly data-driven world, it places the individual at the heart of controlling their information and has a far reaching effect on how we manage and document our personal or contact data.	Increased risk	Wilmington's Data Protection Officer (DPO) is running a GDPR compliance programme to ensure that all businesses are prepared. There are six streams to the programme: Data Audit, Policies & Training, Contracts, HR, Marketing and Technology. We are engaging with legal and technology specialists on the relevant streams. Wilmington's Group Head of Marketing has been heavily involved with the DPO in an awareness and documentation project for our marketing teams. Progress and development of the compliance programme is reported to the Board on a regular basis.
KEY RISK 11 **Disruption around the London Office move** *Strategic objective: 1, 2 & 3* As announced on 4 May 2017 the head office will move from Underwood Street to a newly refurbished premises at The White Chapel Building near Aldgate. The new head office space will accommodate Wilmington's London based businesses. The fit out of the new premises is underway and the new building is expected to be operational in December 2017. There is a risk that the move will cause business disruption.	Increased risk	The Chief Executive Officer, Chief Financial Officer, Chief Technology Officer, Facilities Manager and Group Human Resource Director have formed a project team to manage the move. The project team have engaged with appropriate third party specialists to ensure that sufficient plans are in place to achieve the objective of moving on time and to promote a more unified business that reflects a modern working environment, encourages closer collaboration and emphasises our core values and culture. The project team is liaising directly with local management in each business affected to ensure that disruption is kept to a minimum.

KEY:

Reduced risk Increased risk Same risk

Risks and Uncertainties Facing the Business

Viability statement

In accordance with C2.2. of the 2014 revision of the Corporate Governance Code, the Directors have assessed the viability of the Group. The Directors assessment was over a three year period to 30 June 2020, taking account of the Group's current position and the potential impact of the principal risks documented in the Strategic Report on pages 28 to 31.

Each risk and associated risks have been quantified in terms of their potential cost impact and evaluated against three year financial forecasts. In all scenarios (including an aggregation of scenarios) the review indicates no breach of covenants or the need to refinance the existing revolving credit facility, the facility is due for renewal on 1 July 2020 and it is assumed this renewal will be successfully completed.

The Directors have determined that the three year period is an appropriate period over which to provide its viability statement, being consistent with the period covered by the Group's strategic planning process.

In making this statement the Directors have considered the resilience of the Group, taking account of its current position, the principal risks facing the business, the potential financial impact on market conditions and the effectiveness of any mitigating actions. The assessment considered the potential impacts of these identified principal risks on the business model, future performance, solvency and liquidity over the period.

The Board's assessment has been made with reference to the Group's current position and prospects, the Group's strategic plan, the Board's risk appetite and the Group's principal risks and how these are managed, as detailed in the Strategic Report on pages 28 to 31. The strategy and associated principal risks underpin the Group's three-year plan, which the Directors review at least annually. The three-year plan, including financing projections, is subject to sensitivity analysis which involves applying different assumptions to the underlying forecast both individually and in aggregate.

Based on this assessment, the Directors have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the next three years.

The Directors also considered it appropriate to prepare the financial statements on the going concern basis.

Internal control

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.

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

Further details of principal risks are given on pages 28 to 31 and details of financial risks such as interest rate risk, liquidity risk and foreign currency risk are given in the financial statements in note 20.

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

i) Financial reporting

The Board reviewed the Annual Report, together with the annual and half-year results announcements. The Board also reviews and approves the Interim Management Statements.

The Board considered the appropriateness of the Group's accounting policies, critical accounting estimates and key judgments. It reviewed accounting papers prepared by management on areas of financial reporting judgment. This included a consideration of the carrying value of goodwill based on executive management's expectations of future performance, the acquisition accounting and the accounting treatment of the office move.

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

ii) Management information systems

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

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

iii) Internal audit

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

iv) Acquisitions, disposals and treasury

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

Organisations

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

Other matters

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

The information forming the strategic report on pages 02 to 33 was approved and authorised for issue by the Board and signed on their behalf on 12 September 2017.

ANTHONY FOYE
Chief Financial Officer

Board of Directors

Ensuring we remain a great place to work

Mark Asplin

Non-Executive Chairman

Appointment to the Board:
April 2005

Committee membership:
Audit Committee, Nomination Committee and Remuneration Committee

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

Pedro Ros

Chief Executive Officer

Appointment to the Board:
July 2014

Committee membership:
Nomination Committee

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

Anthony Foye

Chief Financial Officer

Appointment to the Board:
September 2012

Committee membership:
None

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

Board composition at 30 June 2017

Executive 33%

Non-executive 67%

Paul Dollman

Non-Executive Director

Appointment to the Board:
September 2015

Committee membership:
Audit Committee (Chairman), Nomination Committee, Remuneration Committee

Key areas of prior experience:
Paul Dollman is a Chartered Accountant and enjoyed a successful career in finance as the Group Finance Director of John Menzies plc, a FTSE 250 company. Current roles include Non-Executive Director of Scottish Amicable, part of Prudential plc, Audit Committee Chairman of Verastar a Private Equity owned business which provides essential business services (telecoms, water and energy and insurance) to the small business market and a Member of the Audit Committee of The National Library of Scotland. Paul joined the Board on 16 September 2015 and was appointed Chairman of the Audit Committee on 5 November 2015.

Derek Carter

Non-Executive Director

Appointment to the Board:
December 2011

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

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

Nathalie Schwarz

Non-Executive Director

Appointment to the Board:
December 2011

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

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

Daniel Barton

Company Secretary

Appointment to the Board:
April 2016

Committee membership:
None

Key areas of prior experience:
Daniel Barton qualified as a Chartered Accountant in 2010, having worked at PwC in Manchester and London since 2005. He joined Wilmington in 2014 as Head of Corporate Reporting, and was recently promoted to Deputy CFO. Daniel was appointed as the Company Secretary on 29 April 2016.

Board Tenure at 30 June 2017

0–4 years
33%

4+ years
67%

Directors' Report

Communicating our plans and objectives

The Directors present their report together with the audited consolidated financial statements for the year ended 30 June 2017. The Directors' report comprises pages 36 to 37 and the sections of the annual report incorporated by reference are set out below which, taken together, contain the information to be included in the annual report, where applicable, under Listing Rule 9.8.4.

General information

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

Branches outside the UK

The Group operates one branch outside the UK in Singapore.

Future developments

Future developments have been incorporated in the Strategic Report on pages 02 to 33.

Dividends

The Directors recommend that a final dividend for the year of 4.6p per ordinary share be paid on 17 November 2017 to Shareholders on the register on 20 October 2017, which together with the interim dividend of 3.9p per ordinary share already paid makes a total dividend for the year of 8.5p (2016: 8.1p) an overall increase of 4.9% per ordinary share.

Research and development activities

The Group has designed and developed a range of information, education and networking services to professionals and businesses. The Group has successfully transitioned the vast majority of its traditional print business publications to feature rich, online digital information and analysis services. This transition has been facilitated through the novel use of technology. The Group looks to continue to research and develop in technological areas that support the Group's strategy. Initiatives included a cross divisional Massive Online Open Course system for a global client covering fundamental and advanced banking skills. For 2017/18 the Group is expanding its use of digital technology in its product development and utilising next generation marketing solutions.

Political donations

No political donations were made during the year (2016: nil).

Events after the reporting period

In July 2017 the Group purchased the remaining 20% shareholding in Central Law Training (Scotland) Limited for £335,000 making it a wholly owned subsidiary.

On 3 July 2017 the following forward contracts were entered into in order to provide certainty in Sterling terms of 80% of the Group's expected net US dollar and Euro income:

- The Group sold €5.0m at an average rate of 1.1358
- The Group sold $10.0m at an average rate of 1.3071

Directors and Directors' interests

The Directors who have served during the year and up to the date of this report are set out on pages 34 to 35 which include 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 47 to 62.

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

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

Details of the Directors' service contracts, letters of appointment and interests in the shares of the company are shown in the Directors' Remuneration Report on pages 47 to 62.

Directors' third-party indemnity provisions

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

Wilmington's people

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

The Group places a great deal of importance on communicating its plans and objectives to its entire staff and, where appropriate, consulting with them. Each of the Divisions is led by a Divisional Director, some of who are shareholders in the Company and whose remuneration is linked to revenue and profit targets.

Financial instruments

An explanation of the Group's treasury policies and existing financial instruments are set out in note 20 of the financial statements.

Purchase of own shares and sale of treasury shares

The Group has, in previous years, purchased its own shares and holds such shares in treasury. No shares have been purchased during the year to 30 June 2017. If a purchase of own shares is proposed by the Directors, the Company seeks authority from its shareholders at the Annual General Meeting to purchase its own shares.

On 19 October 2016 262,243 ordinary shares were issued in respect of the vesting of the 2013 PSP Share Awards to employees (including Executive Directors).

At 30 June 2017, 46,584 shares were held in Treasury (2016: 46,584), which represents 0.1% (2016: 0.1%) of the Called up Share Capital of the Company.

Contracts of significance with shareholders

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

Takeover directive disclosures

As at 30 June 2017, the Company had only one authorised class of share, namely ordinary shares of 5p each, of which there were in issue 87,247,974 (2016: 86,985,731). There are no special arrangements or restrictions relating to any of these shares, whether in terms of transfers, voting rights, or relating to changes in control of the Company. The Company does not have any special rules in place regarding the appointment and replacement of Directors, or regarding amendments to the Company's articles of association.

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

Except for share awards and 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 awards and 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 on page 43, there are no individuals or entities with significant holdings, either direct or indirect, in the Company.

Annual General Meeting

A separate notice convening the Annual General Meeting of the Company to be held at the offices of Canaccord Genuity, 88 Wood Street, London, EC2V 7QR on 2 November 2017 will be sent out with this Annual Report and financial statements.

Corporate governance

The Company's statement on corporate governance can be found in the Corporate Governance Report on pages 38 to 43 of these financial statements. The Corporate Governance Report forms part of this Directors' Report and is incorporated into it by cross-reference.

Going concern

As highlighted in note 20 to the financial statements, the Group meets its day-to-day working capital requirements through an overdraft facility and a revolving credit facility which were extended on 1 July 2015 and are next due for renewal on 1 July 2020.

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

- the level of demand for the Group's products; and
- the exchange rate between Sterling and the US Dollar and the Euro.

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

After reviewing the Group's budget, forecasts and three year plans for the next three years, 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.

ANTHONY FOYE
Chief Financial Officer

12 September 2017

Corporate Governance Report

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

MARK ASPLIN
Chairman

Chairman's introduction

Responsibility for good governance lies with the Board. As a Board we are committed to maintaining the highest standards of corporate governance and understand that an effective, challenging and diverse Board is essential to enable the Group to deliver its strategy and long-term shareholder value. Further information on our strategy and business model can be found on page 10.

The Board recognises the importance of setting the right tone at the top in order to guide our people's behaviour and ensure that we live by and demonstrate the right values which in turn enable entrepreneurial and prudent management to deliver long-term success for the Group and its stakeholders. During the year we have continued to promote a culture guided by four core values – enabling, enhancing, collaborating and innovating. We fully recognise that at the heart of every successful organisation is a strong and healthy culture supported by a robust governance structure. As the custodian of Wilmington's culture, the Board demands openness and transparency to maintain an environment in which our core values are practised by our people every day.

Our Code of Conduct is readily accessible to all staff to support their day to day decision making. We demand the highest professional standards from all of our people all of the time and we have a zero tolerance approach to breaches of the Code of Conduct.

Compliance with the UK Corporate Governance Code

In September 2014, the Financial Reporting Council ('FRC') published the latest edition of the Corporate Governance Code (the 'Code') which included a number of changes relating to risk management, internal controls and the longer term viability of companies. A viability statement is therefore included in this Annual Report and can be found within the Strategic Report on page 32.

The Main Principles of the Code provide the framework for the reporting model which we have used for the last two years. Our approach to: Leadership is described on pages 39 to 40; Effectiveness is described on pages 41 to 42; Risk management and internal controls is described on page 42; Remuneration is described on page 43 and Relations with shareholders is described on page 43.

Wilmington Plc has complied with all relevant provisions of the Code for the year ended 30 June 2017 and from that date up to the date of publication of this Annual Report and Accounts.

Composition and independence

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

The board consisted of a majority of independent non-executive Directors throughout the year.

Biographical details of all the current Directors are set out on pages 34 and 35.

In accordance with the UK Corporate Governance Code, the Directors will stand for re-election at the AGM in November 2017.

Diversity

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

As at 30 June 2017, the Wilmington Board had one female Non-Executive Director, Nathalie Schwarz, representing 17% of board membership. The Senior Leadership Team (which comprises of Executive Committee Members and Senior Management) is split between 11 (32%) female and 23 (68%) male. The Group's employees are split between 62% female and 38% male.

Board evaluation and re-election

The Board undertakes a formal annual evaluation of its own performance and that of each individual Director. As in previous years, and in accordance with the recommendations of the Code, the Directors will be offering themselves for re-election at the AGM in November 2017.

Shareholder engagement

The Board regards it as important to maintain an active dialogue with our shareholders. Further details regarding this engagement with our shareholders are set out on page 43.

Leadership

The Board

The company is controlled through the Board of Directors which, at 30 June 2017, comprised two executive and four Non-Executive Directors. Short biographies of each Director are set out on pages 34 and 35. The Board focuses on formulation of strategy, management of effective business controls and review of business performance.

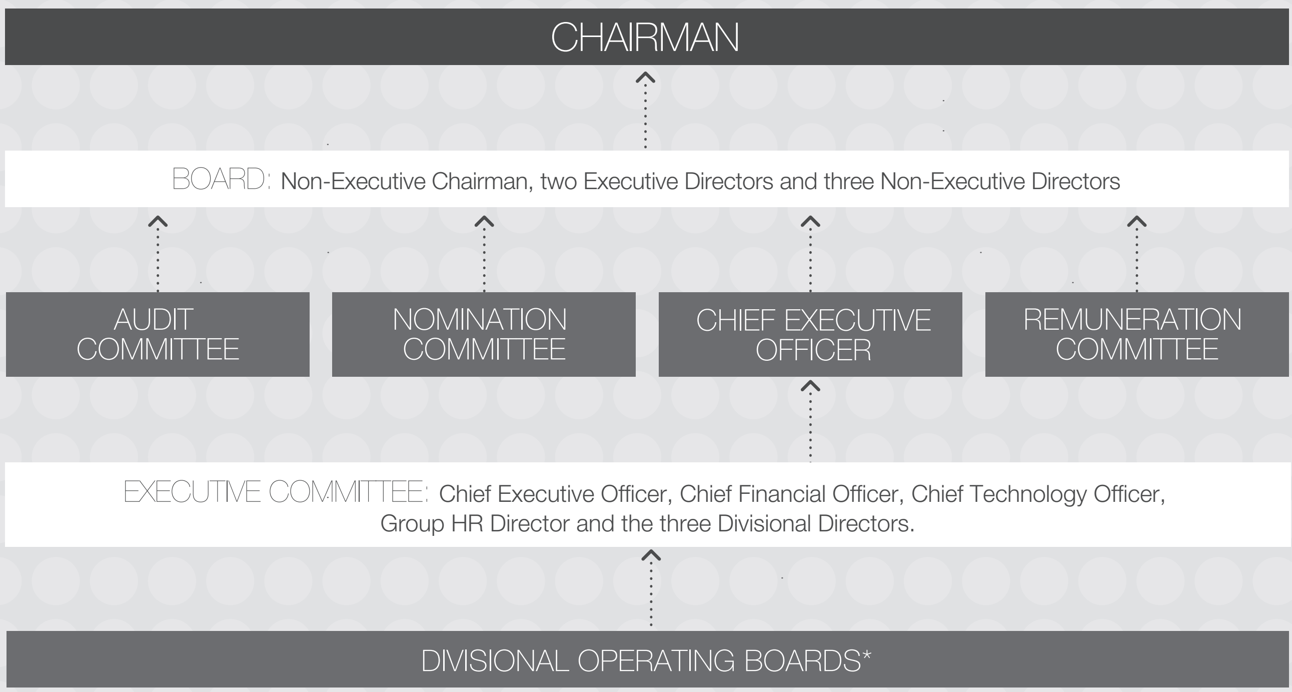
The Board may exercise all the powers of the company, subject to the company's Articles of Association (the 'Articles'), the Companies Act 2006 and any directions given by the shareholders by special resolution. The Articles may be amended by a special resolution of the company's shareholders.

The Board meets as often as necessary to discharge its duties effectively. In the financial year ended 30 June 2017, ten main Board meetings were scheduled and the Directors' attendance record is set out on page 41.

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.wilmingtonplc.com. The Audit Committee met three times during the year, the Remuneration Committee met three times during the year and the Nomination Committee met once during the year.

There is an Executive Committee 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 Officer and includes the Chief Financial Officer, Chief Technology Officer, Group HR Director and three Divisional Directors.

Governance framework 30 June 2017

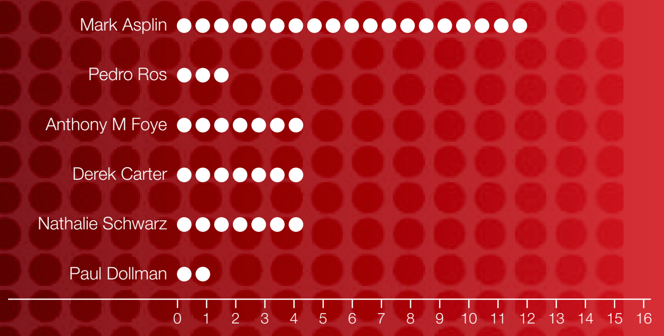


* Each division has at least one divisional operating board

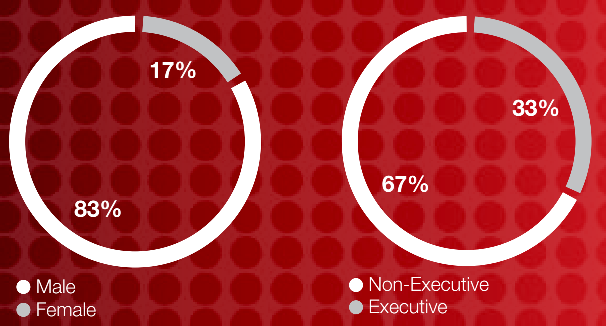
Corporate Governance Report

Length of tenure of Directors

Number of complete years of service as a Director:



Balance of Directors



The Directors

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

Non-Executive Chairman

Mark Asplin

Executive Directors

Pedro Ros
Anthony M Foye

Non-Executive Directors

Derek Carter (Senior Independent Director)
Nathalie Schwarz
Paul Dollman

Chairman and Chief Executive Officer

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

Non-Executive Directors

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

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

Except as disclosed in note 26 in the financial statements, no Director has, or had at any time during the year, any interest in any contract with any Group company, except for their service arrangements.

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

Senior Independent Director

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

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

Effectiveness

Meetings

There were ten meetings of the Board in the year. The Board has a formal schedule of matters specifically reserved to it for decision which it reviews periodically. This schedule includes approval of acquisitions and disposals and major capital expenditure. The Board also reviews the Group's Risk Register, wider Risk Assessment and Viability review. At each Board meeting the Chief Executive Officer provided a review of the business and how it was performing together with strategic issues arising. The Non-Executive Directors often meet separately from the Executive Directors, usually, either before or after Board meetings to discuss relevant matters. In the year the range of subjects discussed by the Board included:

- The strategy of the Group in response to changing economic conditions;
- Key business areas, including the combination of former Legal and Finance divisions into one new Professional division;
- The identification, execution and integration of acquisitions;
- The review of the scope and progress of Project Sixth Gear;
- The London property portfolio review;
- The Group's debt and capital structure, including the extension of the debt facility;
- The Group's financial results;
- Dividend policy;
- Regulatory and governance issues;
- The development of the Group's people;
- The Group's Risk Register; and
- Insurance Policy and Cover.

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

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

Attendance table

	Main Board meetings attended	Main Board meetings eligible to attend
Mark Asplin (Non-Executive Chairman)	10	10
Pedro Ros (Chief Executive Officer)	10	10
Anthony Foye (Chief Financial Officer)	10	10
Derek Carter (Non-Executive)	10	10
Nathalie Schwarz (Non-Executive)	10	10
Paul Dollman (Non-Executive)	10	10

Information flow

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

Time commitment

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

Induction and professional development

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

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

Corporate Governance Report

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

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

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

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

The Board and its Committees will monitor progress and continue their critical review of its effectiveness during the year ahead. In accordance with the prevailing recommendations of the Code, it is the current intention of the Board that an external facilitation of the Board evaluation will be carried out in 2018.

Re-election of Directors
Notwithstanding that the Company's articles of association require the Directors to offer themselves for re-election at least once every three years, in accordance with the recommendations of the Code the Directors will be offering themselves for re-election at the AGM in November 2017. In light of the performance evaluations summarised above and the provisions of the Company's articles of association, the Board recommends that all of the Directors be re-elected.

Nomination Committee
The Nomination Committee and the Board seek to maintain an appropriate balance between the Executive and Non-Executive Directors. The Committee is chaired by Derek Carter as SID and comprises all the Non-Executive Directors, including the Chairman, and the Chief Executive Officer. 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 Officer. The candidates are then put forward for consideration and appointment by the Board as a whole. The Committee has access to external professional advice at the Company's expense as and when required.

The Nomination Committee reviews on a continuing basis the composition of both the Board and the Executive Committee, making recommendations where appropriate. Further details of Nomination Committee's activities can be found in the Nomination Committee Report on page 46.

The terms and conditions of the appointment of Non-Executive Directors is made available at the Company's registered office during normal business hours and at the Annual General Meeting.

Audit Committee
The Audit Committee is composed of all the Non-Executive Directors including the Chairman. The Audit Committee Chairman is Paul Dollman.

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.wilmingtonplc.com/investors/corporate-governance/roles-board. Details of the Audit Committee's policies and activities can be found in the Audit Committee Report on pages 44 and 45.

Risk management and internal controls
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. Further details on the key features of the risk management and internal controls can be found in the risks and uncertainties facing the business on pages 25 to 33.

Remuneration

Remuneration Committee

The Remuneration Committee is chaired by Nathalie Schwarz and consists of all the Non-Executives and the Chairman. It is responsible for recommending to the Board the framework and policy for Executive Directors' remuneration. Given the small size of the Board, the Committee recognises the potential for conflicts of interest, and has taken appropriate measures to minimise the risk. The Committee meets not less than once a year, and takes advice from the Chief Executive Officer as appropriate. In carrying out its work, the Board itself determines the remuneration of the Non-Executive Directors. The Committee has the power to seek external advice, and to appoint consultants as and when required in respect of the remuneration of Executive Directors. Further details of the Group's policies on remuneration and service contracts can be found in the Directors' Remuneration Report on pages 47 to 62.

Relations with shareholders

Dialogue with institutional shareholders

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

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

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

Constructive use of the Annual General Meeting

A separate notice convening the Annual General Meeting is being sent out with this Report and financial statements. Separate votes are held for each proposed resolution. 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 2 November 2017 and an explanation of the items of special business can be found in the circular that contains the notice convening the Annual General Meeting.

Substantial shareholdings

As at 31 August 2017, the Company is aware of the following interests amounting to 3.0% or more in the Company's issued ordinary share capital:

	Number of ordinary shares	%
Aberdeen Standard Investments	9,377,898	10.75
Artemis Investment Management	6,040,792	6.93
GVQ Investment Management	4,834,179	5.54
Premier Asset Management	4,780,000	5.48
Columbia Threadneedle Investments	4,711,975	5.40
Schroder Investment Management	4,375,000	5.02
NFU Mutual	4,182,512	4.80
BlackRock	3,005,147	3.45
M&G Investment Management	3,851,950	4.42
Baillie Gifford	3,340,854	3.83
Herald Investment Management	3,286,501	3.77
Chelverton Asset Management	2,900,000	3.33
AXA Framlington Investment Managers	2,815,000	3.23
Mr Brian David Gilbert	2,735,000	3.14

Approved by order of the Board

MARK ASPLIN
Chairman

12 September 2017

Audit Committee Report

Dear Shareholder

It is my pleasure to present the Audit Committee report for the year ended 30 June 2017.

PAUL DOLLMAN
Chairman of the Audit Committee

Committee meetings

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

Roles and responsibilities

- Monitoring the integrity of the annual and interim financial statements, the accompanying reports to shareholders and corporate governance statements;
- Reporting to the Board on the appropriateness of our accounting policies and practices;
- In conjunction with the Board reviewing and monitoring the effectiveness of the Group's internal control and risk-management systems, including reviewing the process for identifying, assessing and reporting all key risks, see the risks and uncertainties facing the business on pages 25 to 33;
- Managing the limited internal audit process and approving their forward audit plan;
- To make recommendations to the Board in relation to the appointment and removal of the external auditors and to approve their remuneration and terms of engagement;
- To review and monitor the external auditor's independence, objectivity and the effectiveness of the audit process, taking into consideration, relevant UK professional and regulatory requirements;
- To develop and implement policy on the engagement of the external auditor to supply non-audit services, taking into account relevant ethical guidance regarding the provision of non-audit services by the external audit firm, and to report to the Board, identifying any matters in respect of which it considers that action or improvement is needed and making recommendations as the steps to be taken;
- To report to the Board on how it has discharged its responsibilities; and
- To oversee the whistle blowing provisions of the Group to ensure that they are operating effectively.

Activities of the Committee

- Reviewed and discussed with the external auditors the key accounting considerations and judgments reflected in the Group's results for the six month period ended 31 December 2016;
- Reviewed and agreed the external auditors' audit plan in advance of their audit for the year ended 30 June 2017;
- Discussed the report received from the external auditors regarding their audit in respect of the year ended 30 June 2017; which included comments on their findings on internal control and a statement on their independence and objectivity;
- Reviewed the Group's whistle blowing policy and satisfy themselves that this met FCA rules and good standards of corporate governance;
- Received reports from internal audit covering various aspects of the Group's operations, controls and processes;
- Reviewed and approved the non-audit assignments undertaken by the external auditors in the year ended 30 June 2017;
- Reviewed, together with the Board, the Risk Assessment and Viability Review;
- Reviewed and approved management's responses to queries raised by the FRC in respect of the 2016 Annual Report.

Significant areas

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

i) Goodwill and intangible asset impairment:

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

ii) Revenue recognition:

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

iii) Acquisition Accounting:

The committee reviewed the accounting regarding the acquisitions in the year and was satisfied there were no issues arising.

External audit

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

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

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

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

Following the adoption by the UK Financial Reporting Council of certain parts of the EU Regulation and Directive on Audit Reform, that govern permissible non-audit services provided by the auditor, the Audit Committee took the decision to discontinue using PwC to provide taxation advisory and compliance services for any work commencing after 1 July 2016 (including the tax services for the year to 30 June 2016). Following careful consideration by the Audit Committee it was agreed that these services shall be provided by Deloitte LLP.

PricewaterhouseCoopers LLP have remained in place as auditors for nine years following a tender process in 2009. As part of its review the Committee notes that the Group Audit Partner was rotated in 2013 and the current audit partner's five year term will end in 2018. The Committee will continue to monitor the appropriateness of the need to tender for audit services currently provided by PricewaterhouseCoopers LLP. During this year, £197,000 was paid by the Group to PricewaterhouseCoopers LLP for other assurance services.

Attendance table

	Committee meetings attended	Committee meetings eligible to attend
Mark Asplin (Non-Executive Chairman)	3	3
Paul Dollman (Non-Executive)	3	3
Derek Carter (Non-Executive)	3	3
Nathalie Schwarz (Non-Executive)	3	3

Approved on behalf of the Board by:

PAUL DOLLMAN
Chairman of the Audit Committee

12 September 2017

Nomination Committee Report

Dear Shareholder

On behalf of the Board it is my pleasure to present the Nomination Committee report for the year ended 30 June 2017.

DEREK CARTER
Chairman of the Nomination Committee

Key responsibilities

The key responsibilities of the Committee are to:

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

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

The Committee met once during the year to 30 June 2017. The key matters considered at these meetings were:

i) Board composition

The Committee reviewed the composition of the Board including the range of skills, level of experience and balance between executive and Non-Executive Directors. The Committee also reviewed the membership of the various Board Committees. The Committee concluded that the current membership of the Board and the Board Committees was appropriate for the needs of the business.

ii) Succession planning

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

Attendance table

	Committee meetings attended	Committee meetings eligible to attend
Mark Asplin (Non-Executive Chairman)	1	1
Pedro Ros (Chief Executive Officer)	1	1
Paul Dollman (Non-Executive)	1	1
Derek Carter (Non-Executive)	1	1
Nathalie Schwarz (Non-Executive)	1	1

Approved on behalf of the Board by:

DEREK CARTER
Chairman of the Nomination Committee

12 September 2017

Directors' Remuneration Report

Remuneration Committee Chairman's Annual Statement

Dear Shareholder

On behalf of the Board I am pleased to present the Remuneration report for the period ended 30 June 2017.

NATHALIE SCHWARZ
Chairman of the Remuneration Committee

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

The Annual Report on Remuneration provides details on the amounts earned in respect of the year ended 30 June 2017 and how the Directors' Remuneration Policy will be operated for the year commencing 1 July 2017. The Annual Report on Remuneration is subject to an advisory vote at the next Annual General Meeting due to be held on 2 November 2017.

The Directors' Remuneration Policy sets out the forward-looking remuneration policy. The Company's first Directors' Remuneration Policy was approved at the 2014 AGM, with over 99% of votes in favour of it, and took effect following the close of that meeting.

In accordance with the applicable legislation, the Company is required to seek shareholder approval for a new Directors' Remuneration Policy at the 2017 AGM. During the course of the 2016/17 financial year the Committee has reviewed the Policy approved in 2014 in the context of the Company's strategy, developments in best practice and the forthcoming expiration of the Company's Performance Share Plan.

The Committee strongly believes that the Policy as approved at the 2014 AGM continues effectively to support the Company's strategy. Accordingly, a radical overhaul of the Policy is not proposed (including that there are no changes to the overall structure of the remuneration package or the quantum of variable pay), but minor changes are proposed as follows:

- we have formally incorporated within the Policy our shareholding guidelines, in accordance with which Executive Directors must retain 50% of shares acquired on the vesting of PSP awards until a holding equal to 100% of base salary has been achieved;
- reflecting changes in corporate governance, we have formally incorporated within the Policy malus provisions on both the annual bonus and PSP awards; and
- the Policy reflects the proposal to operate a new PSP for awards in respect of the 2018/2019 financial year and future financial years.

Other minor amendments have been made to the Policy to aid its administration and to reflect changes in practice since the Policy was first approved in 2014.

Review of 2017

As described in the Strategic Report section of this Annual Report, Wilmington has performed well across all key financial and operational measures. The Group has made progress and consequently an annual bonus to Executive Directors of 61.7% of base salary is due for performance against targets set by the Committee for the 2017 financial year. Further information in relation to the assessment of the annual bonus performance measures is included on page 49. In addition, given the financial performance in the last three years; 84.13% of the 2014 PSP has vested based on performance to 30 June 2017.

Outlook for 2018

For the current financial year:

- An increase of 2.0% in annual salary is being awarded to the Executive Directors for the new financial year, in line with base salary increases for the wider employee population.
- The annual bonus potential for Executive Directors remains unchanged at up to a maximum of 100% of base salary dependent on key financial performance indicators. There are clear financial targets based on the achievement of adjusted profit, return on equity and return on sales. The Committee is satisfied that these are challenging and, for the maximum bonus to be earned, will demonstrate significant further improvement in the profit performance of the business;
- The Committee will continue to monitor the performance conditions for any future PSP awards to ensure that the conditions continue to be appropriate for the Company and the prevailing market and reflect the application of a 'pay for performance' philosophy in the best interests of the Company and shareholders. Accordingly, and following the intention of Anthony Foye to step down from his position as Chief Financial Officer, the Committee has decided not to award Anthony Foye any future share awards.
- PSP awards for Pedro Ros in 2017/18 will be made on a similar basis to the 2016/17 awards except that he will receive the equivalent of 100% of his salary (2016/17: 75%), consistent with discretion exercised previously by the Committee and following a review of the reward structure. This change is well within the limit set out in the Directors Remuneration Policy of PSP awards not exceeding 150% of salary.

Approved on behalf of the Board by:

NATHALIE SCHWARZ
Chairman of the Remuneration Committee

12 September 2017

Directors' Remuneration Report

Annual Report on Remuneration

Certain details set out on pages 47 to 62 of this report have been audited by PricewaterhouseCoopers LLP.

Introduction (unaudited information)

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

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

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

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

2017	Total salary and fees[1] £'000	Taxable benefits[2] £'000	Annual bonus[3] £'000	PSP[4] £'000	Pensions related benefits £'000	Total £'000
Executive Directors						
Pedro Ros	**360**	**33**	**223**	**186**	**36**	**838**
Anthony Foye	**266**	**29**	**152**	**126**	**—**	**573**
Non-Executive Directors						
Mark Asplin	**113**	**—**	**—**	**—**	**—**	**113**
Derek Carter	**46**	**—**	**—**	**—**	**—**	**46**
Nathalie Schwarz	**46**	**—**	**—**	**—**	**—**	**46**
Paul Dollman	**46**	**—**	**—**	**—**	**—**	**46**

2016	Total salary and fees[a] £'000	Taxable benefits[b] £'000	Annual bonus[c] £'000	PSP[d] £'000	Pensions related benefits £'000	Total £'000
Executive Directors						
Pedro Ros	353	30	259	—	35	677
Anthony M Foye	261	27	176	176	—	641
Charles J Brady	56	4	—	262	—	322
Non-Executive Directors						
Mark Asplin	110	—	—	—	—	110
Terence B Garthwaite	18	—	—	—	—	18
Derek Carter	45	—	—	—	—	45
Nathalie Schwarz	45	—	—	—	—	45
Paul Dollman	30	—	—	—	—	30

1. Total salary and fees — the amount of salary/fees received in the year.
2. Taxable benefits — the taxable value of benefits received in the year (i.e. car allowance and private medical insurance).
3. Annual bonus — the cash value of the bonus earned in respect of the year. A description of performance against the objectives which applied for the financial year is provided on page 49.
4. PSP – the value of performance related incentives vesting in respect of the financial year – further information as to the basis of the calculations is set out below.

For the year ended 30 June 2017:

- EPS growth in excess of RPI was 10.1%, ROE (for PSP)[1] was 32.3% and the Company's TSR was positioned 61st out of 149 comparator companies for the three year performance period ending 30 June 2017 and 84.13% of maximum LTIP award will vest (these amounts represent the Group's best estimates and are subject to final confirmation from the Committee's adviser Aon Hewitt Limited due to be finalised shortly after the finalisation of these financial statements);
- The value shown for PSP includes the value of dividends that would have accrued on vested shares during the performance period that will subsequently be paid to the participants; and
- The PSP awards will vest on the third anniversary of the date of grant (vesting date), the estimated value of the vested shares shown above is based on the three month average share price to 30 June 2017 (£2.54).

For the year ended 30 June 2016 comparative figures:

- EPS growth in excess of RPI was 12.6%, ROE (for PSP) was 29.1% and the Company's TSR was positioned 32nd out of 128 comparator companies for the three year performance period ending 30 June 2016 and 100.0% of maximum LTIP award vested;
- The value shown for PSP includes the value of dividends that would have accrued on vested shares during the performance period that were subsequently paid to the participants; and
- The PSP awards vested on 19 September 2016 (the third anniversary of the date of grant). The value of the vested shares shown above is based on the share price on 19 September 2016 of £2.56. In the 2016 directors' remuneration report the value included was an estimated value based on the three month average share price to 30 June 2016 (£2.54).

Total salary and fees

For the year ended 30 June 2017 (audited information)

Total salary and fees are based on the need to retain the skills and knowledge that the Executive and Non-Executive Directors bring to the Company. Executive Directors' salaries increased by 2% in 2016/17 compared to 2015/16. This increase was in line with base salary increases for the wider employee population.

For the year ended 30 June 2018 (unaudited information)

It is intended that the Executive Director salaries will be increased by 2.0% for 2017/18. This increase is in line with base salary increases for the wider employee population. The fees for the Non-Executive Directors are expected to increase by £2,500 per annum, except for Mark Asplin, the Non-Executive Chairman, whose fees are expected to increase by £12,500 per annum. These increases reflect the increased workloads and align with those with similar roles across the market.

Annual bonus

For the year ended 30 June 2017 (audited information)

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

- Up to 60% of salary for the adjusted profit measure;
- Up to 20% of salary for the ROE (for Annual bonus) measure;
- Up to 20% of salary for the ROS measure;
- Linear scales of bonus for each metric were set at the start of the financial year;
- Adjusted profit is profit before adjusting items, impairment of goodwill, amortisation of intangible assets excluding computer software, provision for the Executives' bonuses, share based payments and after deducting the interest of non-controlling shareholders in such profits;
- The profit element of ROE (for Annual bonus) is based on Adjusted Profit before Tax after adjusting items as described above; and
- The profit element of ROS is based on Adjusted EBITA excluding share based payment expense.

1. ROE (for PSP) – The three year average Adjusted EBITA less impairment divided by the average Equity attributable to the owners of the parent.

Directors' Remuneration Report

Annual Report on Remuneration

In assessing the 2017 annual bonus out-turn, the Committee has assessed ROE excluding the one-off gain of £6.33m relating to the property disposal (referred to in note 4). This is consistent with the decision taken in 2016 to exclude an impairment of CLT (£14.6m) and Ark (£1.0m) as a one-off adjustment in respect of legacy businesses acquired more than 21 and 12 years ago respectively.

The Committee believes that the above approach ensures that the bonus out-turn reflects the executive directors' contribution to the underlying performance of the business.

The following provides the adjusted profit, ROE (for Annual Bonus) (assessed as referred to above) and ROS target reference points together with the bonus pay-outs to the Executive Directors for 2016/17:

	Minimum target set	Maximum target set	Performance out-turn	Resulting pay out as a % of base salary
Adjusted profit (for Annual bonus)	£20,544,000	£23,625,000	£21,660,000	21.7%
ROE (for Annual bonus)	25.0%	27.0%	34.1%	20.0%
ROS	17.5%	19.5%	19.9%	20.0%
Total				61.7%

For the year ended 30 June 2018 (unaudited remuneration)

The Committee has agreed that the metrics used to determine the annual bonus for 2017/18 remain unchanged and the maximum bonus opportunity will remain at 100% of base salary. The bonus will be subject to stretching targets. The Committee believes that the targets for the financial measures for the forthcoming financial year are commercially sensitive and that to disclose them may damage the Company's competitive position. Targets will be published retrospectively in next year's Directors' Remuneration Report or at such point that the Remuneration Committee considers that the performance targets are no longer commercially sensitive.

PSP

Awards vesting in respect of the year ended 30 June 2017 (audited information)

The PSP awards granted on 19 September 2014 that are due to vest on 19 September 2017 were subject to EPS growth, ROE (for PSP) and relative TSR performance against the FTSE SmallCap over a three year period to 30 June 2017. The performance conditions for these awards were as shown in the table below:

One-third of award — Average annual EPS growth in excess of RPI	Percentage of Award Vesting
Less than 3% per annum	0.0%
3% per annum	25.0%
Between 3% per annum and 9% per annum	On a straight line basis between 25.0% and 100.0%
9% per annum or more	100.0%
One-third of award — ROE (for PSP)	**Percentage of Award Vesting**
Less than 25.0%	0.0%
25.0%	25.0%
Between 25.0% and 29.0%	On a straight line basis between 25.0% and 100.0%
29.0% or above	100.0%
One-third of award — TSR versus FTSE SmallCap	**Percentage of Award Vesting**
Below median	0.0%
Median	25.0%
Between median and upper quartile	On a straight line basis between 25.0% and 100.0%
Upper quartile or above	100.0%

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

Element	Target Range	Performance out-turn	Shares vested as a % of maximum
EPS Growth	3.0% – 9.0%	10.1%	33.33%
ROE (for PSP)	25.0% – 29.0%	32.3%	33.33%
TSR	Median or above	61 out 149[1]	17.47%
Total			84.13%

1. The performance out-turn for the TSR is based on 'all companies' data.

Awards granted during the year

In respect of the year ended 30 June 2017 the following PSP awards were granted on 15 September 2016:

Name	Type of award	Number of shares	Face value at grant £	% of award vesting at minimum threshold
Pedro Ros	PSP	110,355	270,425	25.0%
Anthony Foye	PSP	50,028	122,594	25.0%

The face value is based on a price of 245.05 pence being the average share price from the five business days immediately preceding the award being granted on 15 September 2016. The performance conditions for these awards are the same as the performance conditions detailed in the table above. The number of shares awarded represents 75% of Pedro Ros' salary and 50% of Anthony Foye's salary.

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

For the year ended 30 June 2018 (unaudited remuneration)

The Committee will continue to monitor the performance conditions for any future PSP awards to ensure that the conditions continue to be appropriate for the Company and the prevailing market and reflect the application of a 'pay for performance' philosophy in the best interests of the Company and shareholders. Accordingly, and following the intention of Anthony Foye to step down from his position as Chief Financial Officer, the Committee has decided not to award Anthony Foye any future share awards.

PSP awards for Pedro Ros in 2017/18 will be made on a similar basis to the 2016/17 awards except that he will receive the equivalent of 100% of his salary (2016/17: 75%), consistent with discretion exercised previously by the Committee and following a review of the reward structure. This change is well within the limit set out in the Directors Remuneration Policy of PSP awards not exceeding 150% of salary.

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

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

It should be noted that at 30 June 2017 Anthony Foye held shares worth significantly more than the shareholding guideline level. As at 30 June 2017 Pedro Ros held approximately the equivalent of 26.0% of his pre-tax base salary in shares, which has been acquired since his appointment in July 2014. In addition to his own acquisition of shares, 50% of any vested PSP shares (net of tax) will be retained in line with the policy above.

The holdings of the Directors and their families as at 30 June 2017 are as follows:

	Beneficial/ Non-Beneficial	At 1 July 2016 (or date of appointment)	Movement in year	**At 30 June 2017**	**At 30 June 2017 Percentage**
Pedro Ros	Beneficial	22,425	17,575	**40,000**	**0.05%**
Anthony M Foye	Beneficial	697,532	69,273	**766,805**	**0.88%**
Mark Asplin	Beneficial	41,390	—	**41,390**	**0.05%**
Derek Carter	Beneficial	10,000	—	**10,000**	**0.01%**
Paul Dollman	Beneficial	—	10,000	**10,000**	**0.01%**

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

As at 30 June 2017 the Company's share price was 235.00p and its highest and lowest share prices during the year ended 30 June 2017 were 287.75p and 230.25p respectively. Interests are shown as a percentage of shares in issue at 30 June 2017.

Executive Directors interests under share schemes (audited information)

Awards held under the PSP by each person who was a Director at 30 June 2017 are as follows:

	Award date	Number of shares at 1 July 2016	Granted during the year	Lapsed during the year	Exercised during the year	**Number of shares at 30 June 2017***	Date which awards vest
Pedro Ros	19 Sept 2014	79,542	—	—	—	**79,542**	19 Sept 2017
Pedro Ros	16 Sept 2015	100,136	—	—	—	**100,136**	16 Sept 2018
Pedro Ros	15 Sept 2016	—	110,355	—	—	**110,355**	15 Sept 2019
Anthony Foye	19 Sept 2013	63,722	—	—	(63,722)	**—**	19 Sept 2016
Anthony Foye	19 Sept 2014	54,089	—	—	—	**54,089**	19 Sept 2017
Anthony Foye	16 Sept 2015	45,395	—	—	—	**45,395**	16 Sept 2018
Anthony Foye	15 Sept 2016	—	50,028	—	—	**50,028**	15 Sept 2019

*unvested and subject to performance conditions

Dilution (unaudited information)

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

At 30 June 2017, the headroom under the Company's 5.0% and 10.0% limits was 2,906,031 and 4,000,840 shares respectively, out of an issued share capital of 87,247,974 shares.

Pensions related benefits

For the year ended 30 June 2017 (audited information)

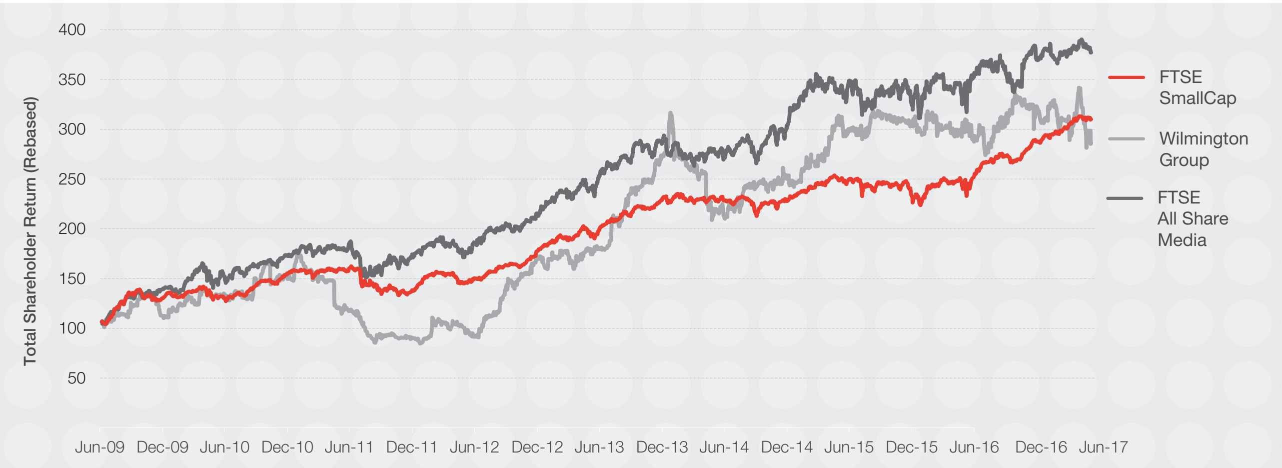
The Company made pension contributions totalling £36,005 (2016: £35,299) on behalf of Pedro Ros, reflective of 10% of his annual salary. Anthony Foye did not participate in a contribution scheme.

For the year ending 30 June 2018 (unaudited)

The Company expects to continue making pension contributions on behalf of Pedro Ros. These contributions are expected to remain at 10% of his annual salary. It is expected that the Anthony Foye will continue to not participate in a contribution scheme.

Performance graph and table (unaudited information)

The following graph shows, for the year ended 30 June 2017 and for each of the previous seven years, the total shareholder return (calculated in accordance with the Large and Medium-sized Company and Groups (Accounts and Reports) Regulations 2008, as amended) on a holding of the Company's ordinary shares compared with a hypothetical holding of shares of the same kind and number as those by reference to which the FTSE All – Share Media Index and the FTSE Small Cap Index are calculated. These indices have been chosen as the appropriate comparators because it is these indices within which the Company's shares are quoted.



Chief Executive Officer single figure (unaudited information)

	Total remuneration £'000	Annual Bonus as a % of maximum opportunity %	PSP as a % of maximum number of shares %
2016/17 Pedro Ros	838	61.7%	84.13%
2015/16 Pedro Ros	677	73.1%	—
2014/15 Pedro Ros	671	78.5%	—
2013/14 Charles J Brady	943	88.6%	91.84%
2012/13 Charles J Brady	935	80.0%	55.00%
2011/12 Charles J Brady	580	55.2%	—
2010/11 Charles J Brady	535	46.3%	—
2009/10 Charles J Brady	393	2.8%	—

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

The percentage change in salary, taxable benefits and annual bonus between 2015/16 and 2016/17 for the Chief Executive Officer and for all employees in the Group was:

	Salary	Taxable benefits	Annual bonus
Chief Executive Officer	2.0%	10.0%	(13.9%)
Employee population	2.0%	0.0%	5.0%

Relative importance of spend on pay (unaudited information)

The difference in actual expenditure between 2015/16 and 2016/17 on remuneration for all employees in comparison to distributions to shareholders by way of dividend are set out in the table below:

	2015/16 £'000	2016/17 £'000	Change (%)
Expenditure on remuneration for all employees	38,200	43,779	12.7%
Distributions to shareholders by way of a dividend	6,782	7,150	5.4%

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

Details of the Directors who were members of the Committee during the year are disclosed on pages 34 and 35. The Committee has also received assistance from the Chief Executive Officer with respect to the remuneration of the other Executive Director and on the Company's remuneration policy more generally. He is not in attendance when his own remuneration is discussed.

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

Committees advisors	2017/18 £'000
Aon Hewitt Limited provided advice to the Committee on market practice, governance and performance analysis.	6
Deloitte LLP provided advice to the Committee on executive remuneration, including annual bonus performance measures, and the drafting of the proposed new PSP for awards in respect of future years and the preparation of the Directors' Remuneration Report.	9

Deloitte LLP was appointed by the Committee in 2013; the Group also engages Deloitte LLP to provide tax advisory services. Aon Hewitt Limited was appointed by the Committee in previous years. The Committee took into account the Remuneration Consultants Group's Code of Conduct when reviewing the appointment of Aon Hewitt Limited and Deloitte LLP.

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

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

Committee member	Member since	Committee Meetings attended	Committee Meetings eligible to attend
Nathalie Schwarz (Committee chairman)	December 2011	3	3
Derek Carter	December 2011	3	3
Mark Asplin	April 2005	3	3
Paul Dollman	September 2015	3	3

Statement of voting at general meeting (unaudited information)

At the AGM held on 3 November 2016 the Annual Report on Remuneration received the following votes from shareholders:

Annual Report on Remuneration	Total number of votes	% of votes cast
For	66,495,872	99.09%
Against	608,215	0.91%
Total votes cast (for and against)	67,104,087	
Votes withheld	—	
Total votes (including withheld votes)	67,104,087	

At the AGM held on 6 November 2014 the Directors' Remuneration Policy received the following votes from shareholders:

Directors' Remuneration Policy	Total number of votes	% of votes cast
For	69,286,584	99.99%
Against	5,340	0.01%
Total votes cast (for and against)	69,291,924	
Votes withheld	2,000	
Total votes (including withheld votes)	69,293,924	

Directors' service agreements and letters of appointment

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

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

Executive Directors	Contract commencement date	Notice period
Pedro Ros	July 2014	12 months
Anthony Foye	Sept 2012	12 months
Non-Executive Directors	**Date of initial appointment**	**Notice period**
Mark Asplin	Apr 2005	6 months
Derek Carter	Dec 2011	3 months
Nathalie Schwarz	Dec 2011	3 months
Paul Dollman	Sept 2015	3 months

Directors' Remuneration Report

Directors' Remuneration Policy

The Committee strongly believes that the company's previous policy approved at the 2014 AGM continues effectively to support the Company's strategy. Accordingly, a radical overhaul of the policy is not proposed (including that there are no changes to the overall structure of the remuneration package or the quantum of variable pay), but minor changes are proposed as described in the Remuneration Committee Chairman's statement on page 47.

The table below sets out the Company's Directors' remuneration policy which, subject to shareholder approval at the 2017 Annual General Meeting, shall take binding effect from the close of that meeting.

	Base Salary
Purpose and link to strategy	Core element of fixed remuneration set at a market competitive level to reflect the individual's role, experience and performance.
Operation	The Committee ordinarily reviews base salaries annually taking into account: ● Performance of the Group and pay conditions elsewhere in the workforce; ● Performance of the individual; ● Changes in position or responsibility; and ● Market competitiveness. The Committee periodically takes external advice to benchmark salaries by reference to Executives with similar positions in comparator organisations. In considering relevant benchmarking the Committee is also aware of the risk of an upward pay ratchet through placing undue emphasis on comparator pay surveys. Base salary is the only pensionable element of remuneration.
Opportunity	While there is no maximum salary, increases will normally be in line with the typical level of salary increase awarded (in percentage of salary terms) to other employees in the Group. Salary increases above this level may be awarded in certain circumstances, such as: ● where an Executive Director has been promoted or has had a change in scope or responsibility; ● a new Executive Director being moved to market positioning over time; ● where there has been a significant change in market practice; ● where there has been a significant change in the size and/or complexity of the business. Such increases may be implemented over such time period as the Committee deems appropriate.
Performance metric	Although base salary is not subject to any formal performance condition, the individual's performance in role and overall Group performance is taken into account in determining any salary increase.
	Pension
Purpose and link to strategy	Rewards sustained contribution and commitment to the Group. Provides market competitive post-employment benefits.
Operation	Executive Directors are eligible to participate in the defined contribution pension scheme. The Committee has the discretion to pay cash supplements in lieu some or all pension contributions in appropriate circumstances. Executive Directors are entitled to elect to sacrifice part of their salary and bonus into a personal pension scheme.
Opportunity	The Company contributes an amount equal to 10% of salary to a pension scheme on behalf of the Executive Directors, and/or as a salary supplement in lieu of pension contributions where appropriate.
Performance metric	Not applicable.

	Taxable benefits
Purpose and link to strategy	Fixed element of remuneration set at a market competitive level with the aim to recruit, motivate and retain Directors of the calibre required.
Operation	Executive Directors receive benefits in line with market practice and principally include a fully expensed car or car allowance and private medical cover (for the Executive Directors and his or her family), and health assessment and permanent health insurance. Other benefits may be provided based on individual circumstances and response to market pressures.
Opportunity	Whilst the Committee has not set an absolute maximum on the level of benefits Executive Directors may receive, the value of the benefit is set at a level which the Committee considers to be appropriately positioned taking into account relevant market levels based on the nature and location of the role and individual circumstances.
Performance metric	Not applicable.
	Annual Bonus
Purpose and link to strategy	Rewards the achievement of financial and strategic targets aligned with the Group strategy.
Operation	Targets are reviewed annually and any pay-out is determined by the Committee after the year-end based on targets set for the financial period. The Committee has discretion to amend the bonus outturn if any formulaic output does not reflect its assessment of overall business performance. Any bonus opportunity may be reduced or cancelled before payment (i.e. a malus provision) in the event of a material misstatement of results, serious reputational damage to the Group or gross misconduct on the part of the Executive Director. The bonus plan rules contain provisions such that appropriate means of redress may be sought (i.e. claw back) if it transpires that a bonus was paid for performance in a year which later proves to have been materially misstated. There is no scope to make discretionary bonus payments outside of the scope of the bonus plan.
Opportunity	The maximum bonus is 100% of base salary.
Performance metric	Stretching targets are set each year reflecting the business priorities which underpin Group strategy and align to key performance indicators. The annual bonus is determined based on performance against a mix of targets. The majority will be determined by financial measures which may include one or more of adjusted profit, return on equity ('ROE') and Return on Sale ('ROS') targets. Vesting of financial metrics will apply on a sliding scale up to 100% of maximum potential for this element of the bonus based on the satisfaction of performance conditions. Vesting of non-financial or individual metrics (where applicable) will apply on a scale between 0% and 100% based on the Committee's assessment of the extent to which non-financial or individual performance metrics has been met.

	Performance share plan ('PSP')
Purpose and link to strategy	Incentivises Executive Directors to achieve returns for shareholders over a longer timeframe.
Operation	Awards in respect of the 2017/18 financial year will be made under the PSP approved in 2007. Awards in respect of future financial years are proposed to be made under the PSP for which approval will be sought at the 2017 AGM. Executive Directors may receive awards in the form of conditional awards of shares, options to acquire shares for nil or nominal cost or as cash settled equivalents. Share awards may be settled in cash at the election of the Committee. Vesting is dependent on the achievement of performance conditions normally over a period of three financial years. The Committee will determine performance conditions prior to each award, with no provision to re-test. At any time prior to its vesting, an award may be reduced or cancelled in the event of a material misstatement of results, serious reputational damage to the Company or gross misconduct on the part of the Executive Director. The Committee may operate claw back if, at any time before the later of (i) the second anniversary of the vesting of an award and (ii) the publication of the Company's second set of audited financial accounts following such vesting, there has been a material misstatement of the Company's financial accounts, an error occurred when assessing the number of shares over which a PSP award vests, or the participant has been guilty of gross misconduct. In these circumstances, there may be a proportionate reduction of future bonuses and/or share awards made under the PSP to reflect the overpayment of shares, or the participant may be required to repay the overpaid amounts from personal funds. An additional payment (in the form of cash or shares) may be made in respect of shares which vest under the PSP to reflect the value of dividends which would have been paid on those shares up to the date of vesting. The Committee shall determine the basis on which the value of such dividends shall be calculated, and may assume the reinvestment of dividends in the Company's shares on a cumulative basis.
Opportunity	The maximum award limit under the PSP scheme will be 150% of base salary.
Performance metric	The awards under the PSP will be based on a mix of key longer term metrics for the Group. These will be metrics which the Committee considers to be the most appropriate measures of longer term performance and could include TSR, EPS and ROE. The threshold pay-out level under the PSP is 25% of the maximum award. There will usually be straight line vesting between threshold and maximum performance.

Operation of the PSP

The Committee may amend the terms of awards under the PSP in accordance with the PSP rules in the event of a variation of the Company's share capital, demerger, special dividend or other relevant event. The Committee may operate the PSP (including that it may amend the rules of the PSP and awards granted under the PSP) in accordance with the PSP's rules as approved by shareholders.

Explanation of performance metrics chosen

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

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

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

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

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

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

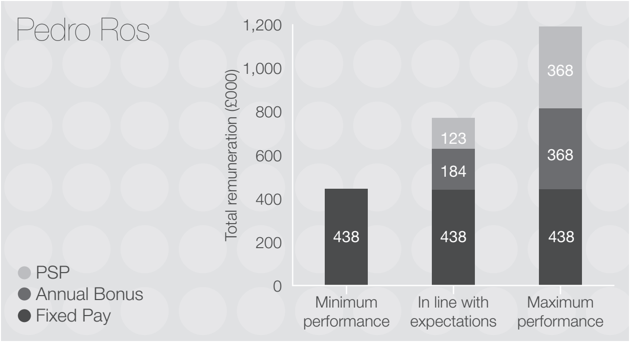
Shareholding guidelines

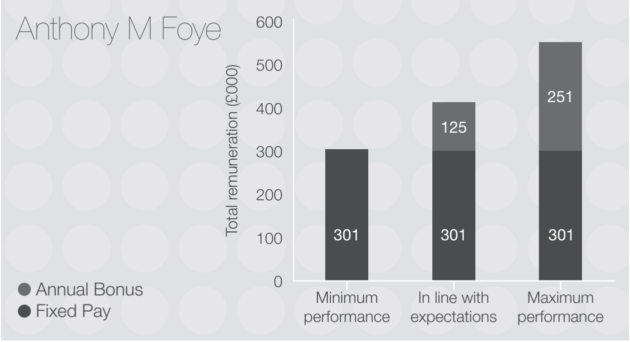
To further align the interests of Executive Directors with those of shareholders, we have adopted formal shareholding guidelines, in accordance with which Executive Directors must retain 50% of the after tax shares they acquire on the vesting of PSP awards until such time as a total personal shareholding equal to 100% of base salary has been achieved.

Illustration of the application of the remuneration policy

The following charts set out for each of the Executive Directors an illustration of the application for 2017/18 of the remuneration policy set out above. The charts show the split of remuneration between fixed pay and variable pay in the Policy for:

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





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

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

	Basic Performance	In line with expectations	Maximum performance
Fixed pay	Based on fixed pay effective as at 1 July 2017		
Annual bonus	No bonus	50% of salary	100% of salary
PSP – Pedro Ros	No PSP vesting	33% of the PSP awards (i.e.33% of salary)	100% of salary
PSP – Anthony Foye	N/A as Anthony Foye will not receive any PSP awards in 2017/18		

Non-Executive Directors

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

Differences in policy from the wider employee population

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

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

Recruitment remuneration policy

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

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

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

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

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

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

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

Payments for loss of office

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

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

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

Non-Executive Directors

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

Legacy matters

The Committee reserves the right to make any remuneration payment or payment for loss of office (including exercising discretions in respect of any such payment) notwithstanding that it is not in line with the Policy set out above where the terms of the payment were agreed:

- before the Policy came into effect (provided that in the case of any payments agreed on or after 6 November 2014 they are in line with the Policy approved at the Company's 2014 AGM); or
- at a time when the relevant individual was not a director of the Company and, in the opinion of the Committee the payment was not in consideration of the individual becoming a director of the Company.

For these purposes, "payment" includes the satisfaction of any award of variable remuneration and in relation to an award over shares the terms of the payment are "agreed" when the award is granted.

Statement of consideration of employment conditions elsewhere in the Company

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

Non-executive appointments at other companies

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

Statement of consideration of shareholder views

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

Statement of Directors' Responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

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

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and parent company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and parent company and enable them to ensure that the financial statements and the Directors' Remuneration Report comply with the Companies Act 2006 and, as regards the group financial statements, Article 4 of the IAS Regulation.

The directors are also responsible for safeguarding the assets of the Group and parent company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

Each of the directors, whose names and functions are listed on pages 34 and 35 confirm that, to the best of their knowledge:

- the parent company financial statements, which have been prepared in accordance with IFRSs as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit of the company;
- the Group financial statements, which have been prepared in accordance with IFRSs as adopted by the European Union, 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 and parent company, together with a description of the principal risks and uncertainties that it faces.

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the Group and parent company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Group and parent company's auditors are aware of that information.

Approved on behalf of the board by:

ANTHONY FOYE
Chief Financial Officer

12 September 2017

Independent Auditors' Report

to the members of Wilmington plc

Report on the financial statements

Opinion

In our opinion, Wilmington plc's group financial statements and parent company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the parent company's affairs as at 30 June 2017 and of the group's profit and the group's and the parent company's cash flows for the year then ended;
- 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
- 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.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the group and parent company Balance Sheets as at 30 June 2017; the Consolidated Income Statement and Consolidated Statement of Comprehensive Income; the group and parent company Cash Flow Statements, and the group and parent company Statements of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Our opinion is consistent with our reporting to the Audit Committee.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard as applicable to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided to the group or the parent company.

Other than those disclosed in note 4 to the financial statements, we have provided no non-audit services to the group or the parent company in the period from 1 July 2016 to 30 June 2017.

Our audit approach – Overview

Materiality

- £1.1 million (2016: £1.0 million) - Group financial statements.
- Based on 5% of Group adjusted profit before tax.
- £900,000 (2016: £900,000) - Parent company financial statements.
- Based on circa 1% of total assets.

Scope

- Each business segment comprises a number of legal entities or components. PwC UK performed audits of complete information for each of the Group's significant components, with specified and analytical procedures being performed over remaining material and immaterial financial statement line items, respectively.
- The full scope reporting units and group functions we conducted our work at accounted for 87% of the Group Adjusted Profit before Tax, and 80% of Group revenue.

Key audit matters

- Goodwill and intangible assets impairment assessment (Group).
- Revenue recognition (Group).
- Acquisition Accounting for Health Services Journal ('HSJ') (Group).

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

Key audit matters

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

Key audit matter	How our audit addressed the key audit matter
Goodwill and intangible assets impairment assessment (Group) Refer to pages 44 and 45 (Audit Committee Report), page 76 (Critical accounting judgements, estimates and assumptions) and pages 94 to 96 (notes 12 and 13). The goodwill and intangible assets (excluding computer software) balance of £115 million, allocated across multiple cash-generating units ('CGUs'), are subject to an annual impairment review. Directors used a 'Value in Use' model to compute the present value of forecast future cash flows for each CGU which was then compared to the carrying value of the net assets of each CGU (including Goodwill and Intangible assets) to determine if there was an impairment. These assessments involve significant judgement about the future results of the business as well as determining the discount and long term growth rates applied to future cash flow forecasts. Market conditions have remained challenging in the 'Law for lawyers' sub-division ('Ark' and 'CLT' CGUs) resulting from reduced advertising revenue and demand for face to face training, strong price competition and changes to the legal profession's Continual Professional Development (CPD) rules. As announced in the 31 December 2016 Interim statement and updates disclosed in this Annual Report, Management are in the processes of exiting from substantial parts of the "Ark" business within this segment. Management's impairment assessment showed a £2.3 million impairment of Goodwill in the 'Ark' CGU which has been recognised in the financial statements. Following a material impairment recorded in the 2016 Annual report in respect of the 'CLT' CGU, Management also determined that headroom in this business was sensitive to movements in the key assumptions. Further, as recorded in the 2015 and 2016 Annual report, the Compliance Week CGU continues to remain sensitive to changes in key assumptions. In light of the above we focused on the 'Ark', 'CLT' and the Compliance Week CGUs and the judgements applied by Management. We also focused on the related disclosures and checked that appropriate sensitivity analysis, arising from reasonably possible changes to the model's key assumptions, was provided in the financial statements to draw attention to the significant areas of judgement.	We evaluated the Directors' future cash flow projections for all relevant CGUs and the process by which they were drawn up, including comparing them to the latest Board approved budgets and forecasts, and tested the underlying calculations in the model. We found no material misstatements in the model calculations and found the cash-flow projections to be consistent with the approved budgets. For the Directors' key assumptions: • we compared the growth rates in the forecasts to historical results and economic forecasts; and • we assessed the discount rate by comparing the cost of capital for the Group with comparable organisations as well as using our own experts. We found the Directors' assumptions to be in line with our expectations. We performed sensitivity analysis around the key drivers of the cash flow projections including assumed profits, short and longer term growth rates and discount rates. In performing these sensitivities we considered the level of historical budgeting inaccuracies and how the assumptions compared to the actual values achieved in prior years. Having ascertained the extent of change in those assumptions that would be required for the goodwill or intangible assets to be impaired, we considered the likelihood of such a movement in those key assumptions arising. We determined that the sensitivities highlighted by Management in note 12 regarding the related assumptions in relation to the CLT and Compliance Week CGUs appropriately draw attention to the significant areas of judgement. As the carrying value of the 'Ark' CGU's intangible assets was fully impaired down there are no further sensitivities to be disclosed.

Independent Auditors' Report

to the members of Wilmington plc

Key audit matter	How our audit addressed the key audit matter
Revenue recognition (Group) Refer to pages 44 and 45 (Audit Committee Report), pages 76 to 83 (note 1 Statement of accounting policies) and page 86 (note 3). We focused on this area because the timing of revenue recognition and its presentation in the Income Statement has inherent complexities for Wilmington, some of which are industry related, in particular: • Significant or one-off contracts entered into near the year end which could contain multiple elements (such as the sale of publications accompanied by training) or for which revenue should be spread over the term of the contract rather than recognised immediately; and • Subscription revenues are partly managed in electronic worksheets and/or other legacy customer management systems, meaning that there is a higher risk of error or manipulation of the calculation of deferred revenue.	For revenue transactions close to the year end we tested that the revenue was recognised in the appropriate period. We selected a sample of transactions, including larger transactions near the year end, and agreed the details of these transactions to underlying contractual information or other supporting documents which demonstrated when obligations had been fulfilled by the parties to the transaction. No material exceptions were noted from our testing. We also tested a sample of deferred revenue worksheets and revenue transactions to check that the amount of deferred revenue was accurately calculated and appropriately recognised. This involved agreeing revenue to contractual information as well as supporting calculations. No material exceptions were noted from our testing. Further, as part of our other evidence obtained over the revenue recognised during the year, we also tested journal entries posted to revenue accounts to identify unusual or irregular items. In order to identify unexpected transaction flows we also used computer assisted auditing techniques on the accounting records held within the Group's principal accounting system. Our work did not identify any items that could not be substantiated.
Acquisition Accounting for Health Services Journal ('HSJ') (Group) Refer to pages 44 and 45 (Audit Committee Report) and page 93 (note 11.b). During the year the Group acquired the trade and certain of assets and liabilities of HSJ for a consideration of £16.9 million. Accounting for the HSJ acquisition required Management to separately identify and fair value the acquired assets and liabilities, including intangible assets and goodwill. Management identified £7.7 million of intangible assets in respect of HSJ's customer relationships and brand. The valuation of intangibles can be a particularly subjective and judgemental process as it requires Management assumptions including acquisition specific risk adjusted discount rates, customer attrition and growth rates as well as notional royalty rates used to value brands. We also focused on the related disclosures made by Management for consistency with applicable accounting standards.	We assessed the completeness and value of intangible assets identified by Management against our own expectations, formed from review of the reports prepared by Management during the acquisition, and disclosures surrounding the rationale for the transaction. Further, we assessed the analysis prepared by Management from these reports utilising our in-house expertise in order to evaluate the purchase price allocation. In doing so, we performed the following: • we compared assumptions made on renewal rates with historical patterns in the business to verify that assumptions were reasonable and we also tested these historical patterns; • we compared the ratio of goodwill to other separately identified intangibles arising in the acquisition against information publicly available from transactions in related markets; • we challenged Management on the completeness of separately identified intangibles and whether these existed in other areas of the business not included in the determined fair value; and • we sensitised the key inputs and assumptions used by Management to ascertain the extent of change that would be required for the fair value to be materially misstated. We discussed the results of this analysis with Management and the Audit Committee and ensured appropriate disclosure was included within the annual report which describes the nature of the arising goodwill. Based on the work performed in this area, we have determined that the relevant material intangible assets and goodwill had been identified and valued appropriately.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the group and the parent company, the accounting processes and controls, and the industry in which they operate.

The Group is structured into three business segments being Risk & Compliance, Professional and Healthcare. The Group financial statements are a consolidation of reporting units that make up the three business segments, spread across four geographic regions, being the United Kingdom, Europe (excluding the UK), North America and the Rest of the World, and the centralised functions. In establishing the overall approach to the Group audit, we determined the type of work that needed to be performed at the reporting units by us as the Group engagement team. Each business segment comprises a number of legal entities or components. PwC UK performed audits of complete information for each of the Group's significant components, with specified and analytical procedures being performed over remaining material and immaterial financial statement line items, respectively. The full scope reporting units and group functions we conducted our work at accounted for 87% of the Group Adjusted Profit before Tax, and 80% of Group revenue.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

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

	Group financial statements	Parent company financial statements
Overall materiality	£1.1 million (2016: £1.0 million).	£0.9 million (2016: £0.9 million).
How we determined it	5% of Group adjusted profit before tax.	Circa 1% of total gross assets reduced to a level that is below to our group materiality.
Rationale for benchmark applied	In arriving at this judgement we have had regard to the adjusted profit before tax, because, in our view, this represents the most appropriate measure of underlying performance.	As the parent company does not have trading activities in our view a balance sheet benchmark represents the most appropriate measure.

For each component in the scope of our group audit, we allocated a materiality that is less than our overall group materiality. The range of materiality allocated across components was between £0.1 million and £0.9 million. Certain components were audited to a local statutory audit materiality that was also less than our overall group materiality.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £50,000 (Group audit) (2016: £50,000) and £45,000 (Parent company audit) (2016: £45,000) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

Going concern

In accordance with ISAs (UK) we report as follows:

Reporting obligation	Outcome
We are required to report if we have anything material to add or draw attention to in respect of the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting in preparing the financial statements and the directors' identification of any material uncertainties to the group's and the parent company's ability to continue as a going concern over a period of at least twelve months from the date of approval of the financial statements.	We have nothing material to add or to draw attention to. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's and parent company's ability to continue as a going concern.
We are required to report if the directors' statement relating to Going Concern in accordance with Listing Rule 9.8.6R(3) is materially inconsistent with our knowledge obtained in the audit.	We have nothing to report.

Independent Auditors' Report

to the members of Wilmington plc

Reporting on other information

The other information comprises all of the information in the Annual Report and Financial Statements other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

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

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, the Companies Act 2006, (CA06), ISAs (UK) and the Listing Rules of the Financial Conduct Authority (FCA) require us also to report certain opinions and matters as described below (required by ISAs (UK) unless otherwise stated).

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 30 June 2017 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements. (CA06)

In light of the knowledge and understanding of the group and parent company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report. (CA06)

The directors' assessment of the prospects of the group and of the principal risks that would threaten the solvency or liquidity of the group

We have nothing material to add or draw attention to regarding:

- The directors' confirmation on pages 25 to 33 of the Annual Report that they have carried out a robust assessment of the principal risks facing the group, including those that would threaten its business model, future performance, solvency or liquidity.
- The disclosures in the Annual Report that describe those risks and explain how they are being managed or mitigated.
- The directors' explanation on page 32 of the Annual Report as to how they have assessed the prospects of the group, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the group will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

We have nothing to report having performed a review of the directors' statement that they have carried out a robust assessment of the principal risks facing the group and statement in relation to the longer-term viability of the group. Our review was substantially less in scope than an audit and only consisted of making inquiries and considering the directors' process supporting their statements; checking that the statements are in alignment with the relevant provisions of the UK Corporate Governance Code (the "Code"); and considering whether the statements are consistent with the knowledge and understanding of the group and parent company and their environment obtained in the course of the audit. (Listing Rules)

Other Code Provisions

We have nothing to report in respect of our responsibility to report when:

- The statement given by the directors, on page 63, that they consider the Annual Report taken as a whole to be fair, balanced and understandable, and provides the information necessary for the members to assess the group's and parent company's position and performance, business model and strategy is materially inconsistent with our knowledge of the group and parent company obtained in the course of performing our audit.
- The section of the Annual Report on pages 44 to 45 describing the work of the Audit Committee does not appropriately address matters communicated by us to the Audit Committee.
- The directors' statement relating to the parent company's compliance with the Code does not properly disclose a departure from a relevant provision of the Code specified, under the Listing Rules, for review by the auditors.

Directors' Remuneration

In our opinion, the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006. (CA06)

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities set out on page 63, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

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

Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.

Appointment

Following the recommendation of the audit committee, we were appointed by the members on 30 June 2009 to audit the financial statements for the year ended 30 June 2009 and subsequent financial periods. The period of total uninterrupted engagement is 9 years, covering the years ended 30 June 2009 to 30 June 2017.

DAVID SNELL
Senior Statutory Auditor

12 September 2017

For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors London

Consolidated Income Statement

for the year ended 30 June 2017

	Notes	June 2017 £'000	June 2016 £'000
Continuing operations			
Revenue	3	**120,329**	105,724
Operating expenses before amortisation of intangibles excluding computer software, impairment of goodwill and intangible assets and adjusting items		**(96,977)**	(83,682)
Amortisation of intangibles excluding computer software	4b	**(6,028)**	(5,545)
Impairment of goodwill and intangible assets	4b	**(2,366)**	(15,659)
Adjusting items	4b	**(3,468)**	(2,352)
Operating expenses	5	**(108,839)**	(107,238)
Other income – gain on sale of leasehold property	4c	**6,333**	–
Operating profit/(loss)		**17,823**	(1,514)
Finance costs before adjusting items		**(1,961)**	(1,695)
Adjusting items		**–**	(225)
Finance costs	6	**(1,961)**	(1,920)
Profit/(loss) before tax		**15,862**	(3,434)
Taxation	7	**(2,988)**	(2,841)
Profit/(loss) for the year		**12,874**	(6,275)
Attributable to:			
Owners of the parent		**12,836**	(6,418)
Non-controlling interests	24	**38**	143
		12,874	(6,275)
Earnings/(loss) per share attributable to the owners of the parent:			
Basic (p)	9	**14.72p**	(7.39p)
Diluted (p)	9	**14.62p**	(7.39p)
Adjusted earnings per share attributable to the owners of the parent:			
Basic (p)	9	**19.05p**	18.17p
Diluted (p)	9	**18.91p**	18.01p

The notes on pages 76 to 114 are an integral part of these consolidated financial statements.

Consolidated Statement of Comprehensive Income

for the year ended 30 June 2017

	Year ended 30 June 2017 £'000	Year ended 30 June 2016 £'000
Profit/(loss) for the year	**12,874**	(6,275)
Other comprehensive income/(expense):		
Items that may be reclassified subsequently to the income statement		
Fair value movements on interest rate swaps (net of tax)	**431**	(622)
Currency translation differences	**939**	2,966
Net investment hedges (net of tax)	**(395)**	(1,474)
Other comprehensive income for the year, net of tax	**975**	870
Total comprehensive income/(expense) for the year	**13,849**	(5,405)
Attributable to:		
– Owners of the parent	**13,811**	(5,548)
– Non-controlling interests	**38**	143
	13,849	(5,405)

Items in the statement above are disclosed net of tax. The income tax relating to each component of other comprehensive income is disclosed in note 7. The notes on pages 76 to 114 are an integral part of these financial statements.

Balance Sheets

as at 30 June 2017

	Notes	Group 2017 £'000	Group 2016 £'000	Company 2017 £'000	Company 2016 £'000
Non-current assets					
Goodwill	12	**86,028**	70,763	**–**	–
Intangible assets	13	**31,911**	29,038	**–**	–
Property, plant and equipment	14	**4,444**	4,628	**–**	674
Investments in subsidiaries	15	**–**	–	**49,420**	49,420
Deferred tax assets	21	**820**	942	**285**	384
		123,203	105,371	**49,705**	50,478
Current assets					
Trade and other receivables	16	**28,444**	26,121	**84,863**	65,972
Cash and cash equivalents		**10,687**	14,642	**70**	1,603
		39,131	40,763	**84,933**	67,575
Total assets		**162,334**	146,134	**134,638**	118,053
Current liabilities					
Trade and other payables	18	**(52,330)**	(43,896)	**(28,337)**	(18,422)
Current tax liabilities		**(1,932)**	(1,553)	**–**	–
Deferred consideration – cash settled		**(177)**	(1,272)	**–**	–
Derivative financial instruments	17	**–**	(1,013)	**–**	(1,013)
Borrowings	19	**(925)**	(2,204)	**(4,761)**	(583)
		(55,364)	(49,938)	**(33,098)**	(20,018)
Non-current liabilities					
Borrowings	19	**(49,353)**	(46,697)	**(14,572)**	(12,399)
Deferred consideration – cash settled		**(2,305)**	(1,370)	**–**	–
Derivative financial instruments	17	**(662)**	(1,037)	**(662)**	(1,037)
Deferred tax liabilities	21	**(4,585)**	(3,989)	**–**	–
Provisions for future purchase of non-controlling interests		**(100)**	(100)	**–**	–
		(57,005)	(53,193)	**(15,234)**	(13,436)
Total liabilities		**(112,369)**	(103,131)	**(48,332)**	(33,454)
Net assets		**49,965**	43,003	**86,306**	84,599
Equity					
Share capital	22	**4,362**	4,349	**4,362**	4,349
Share premium	22	**45,225**	45,225	**45,225**	45,225
Treasury shares	22	**(96)**	(96)	**(96)**	(96)
Share based payments reserve		**898**	886	**898**	886
Translation reserve		**3,541**	2,602	**–**	–
Retained (losses)/earnings		**(4,051)**	(10,116)	**35,917**	34,235
Equity attributable to owners of the parent		**49,879**	42,850	**86,306**	84,599
Non-controlling interests	24	**86**	153	**–**	–
Total equity		**49,965**	43,003	**86,306**	84,599

The notes on pages 76 to 114 are an integral part of these consolidated financial statements. The financial statements on pages 70 to 114 were approved and authorised for issue by the Board and signed on their behalf on 12 September 2017.

ANTHONY FOYE
Chief Financial Officer

PEDRO ROS
Chief Executive Officer

Registered number: 3015847

Statements of Changes in Equity

for the year ended 30 June 2017

	Share capital, share premium and treasury shares (note 22) £'000	Share based payments reserve £'000	Translation reserve £'000	Accumulated (losses)/retained earnings £'000	Total £'000	Non-controlling interests (note 24) £'000	Total equity £'000
Group							
At 30 June 2015	49,454	1,052	(364)	4,780	54,922	277	55,199
(Loss)/profit for the year	—	—	—	(6,418)	(6,418)	143	(6,275)
Other comprehensive income for the year	—	—	2,966	(2,096)	870	—	870
	49,454	1,052	2,602	(3,734)	49,374	420	49,794
Dividends	—	—	—	(6,782)	(6,782)	(141)	(6,923)
Issue of share capital	24	(636)	—	612	—	—	—
Share based payments	—	470	—	—	470	—	470
Tax on share based payments	—	—	—	(4)	(4)	—	(4)
Movements in non-controlling interests	—	—	—	(208)	(208)	(126)	(334)
At 30 June 2016	49,478	886	2,602	(10,116)	42,850	153	43,003
Profit for the year	—	—	—	12,836	12,836	38	12,874
Other comprehensive income for the year	—	—	939	36	975	—	975
	49,478	886	3,541	2,756	56,661	191	56,852
Dividends	—	—	—	(7,150)	(7,150)	(105)	(7,255)
Issue of share capital	13	(466)	—	453	—	—	—
Share based payments	—	478	—	—	478	—	478
Tax on share based payments	—	—	—	(110)	(110)	—	(110)
At 30 June 2017	**49,491**	**898**	**3,541**	**(4,051)**	**49,879**	**86**	**49,965**

The notes on pages 76 to 114 are an integral part of these consolidated financial statements.

Statements of Changes in Equity

for the year ended 30 June 2017

	Share capital, share premium and treasury shares (note 22) £'000	Share based payments reserve £'000	Retained earnings £'000	Total £'000
Company				
At 1 July 2015	49,454	1,052	31,593	82,099
Profit for the year	—	—	9,438	9,438
Other comprehensive income for the year	—	—	(622)	(622)
	49,454	1,052	40,409	90,915
Dividends to shareholders	—	—	(6,782)	(6,782)
Issue of share capital	24	(636)	612	—
Share based payments	—	470	—	470
Tax on share based payments	—	—	(4)	(4)
At 30 June 2016	49,478	886	34,235	84,599
Profit for the year	—	—	8,058	8,058
Other comprehensive income for the year	—	—	431	431
	49,478	886	42,724	93,088
Dividends to shareholders	—	—	(7,150)	(7,150)
Issue of share capital	13	(466)	453	—
Share based payments	—	478	—	478
Tax on share based payments	—	—	(110)	(110)
At 30 June 2017	**49,491**	**898**	**35,917**	**86,306**

The notes on pages 76 to 114 are an integral part of these consolidated financial statements.

Cash Flow Statements

for the year ended 30 June 2017

	Notes	Group Year ended 30 June 2017 £'000	Group Year ended 30 June 2016 £'000	Company Year ended 30 June 2017 £'000	Company Year ended 30 June 2016 £'000
Cash flows from operating activities					
Cash generated from operations before adjusting items	28	**26,653**	23,872	**(2,610)**	20,454
Cash flows for adjusting items - operating activities		**(1,510)**	(186)	**(1,253)**	(130)
Cash flows from share based payments		**(87)**	(180)	**(87)**	(180)
Cash generated/(used) from operations		**25,056**	23,506	**(3,950)**	20,144
Interest paid		**(1,656)**	(1,502)	**(914)**	(853)
Tax paid		**(3,905)**	(3,197)	**(2,034)**	(2,180)
Net cash generated/(used) from operating activities		**19,495**	18,807	**(6,898)**	17,111
Cash flows from investing activities					
Purchase of businesses net of cash acquired		**(19,005)**	(13,912)	**–**	–
Proceeds from disposal group held for sale		**–**	343	**–**	–
Deferred consideration paid		**(1,295)**	(330)	**–**	(330)
Purchase of non-controlling interests		**–**	(334)	**–**	–
Cash flows for adjusting items - investing activities		**(1,327)**	(540)	**(942)**	(274)
Purchase of property, plant and equipment		**(1,300)**	(641)	**–**	–
Cash flows from sale of leasehold property		**7,300**	–	**7,300**	–
Proceeds from disposal of property, plant and equipment		**43**	11	**–**	–
Purchase of intangible assets		**(1,599)**	(870)	**–**	–
Net cash (used)/generated in investing activities		**(17,183)**	(16,273)	**6,358**	(604)
Cash flows from financing activities					
Dividends paid to owners of the parent		**(7,150)**	(6,782)	**(7,150)**	(6,782)
Dividends paid to non-controlling interests		**(105)**	(141)	**–**	–
Share issuance costs		**(5)**	(5)	**(5)**	(5)
Fees relating to new and extended loan facility		**(146)**	(631)	**(146)**	(631)
Increase in bank loans		**27,702**	18,002	**27,984**	9,205
Decrease in bank loans		**(25,593)**	(10,306)	**(25,854)**	(10,484)
Net cash (used in)/generated from financing activities		**(5,297)**	137	**(5,171)**	(8,697)
Net (decrease)/increase in cash and cash equivalents, net of bank overdrafts		**(2,985)**	2,671	**(5,711)**	7,810
Cash and cash equivalents, net of bank overdrafts at beginning of the year		**12,438**	8,698	**1,020**	(6,790)
Exchange gains on cash and cash equivalents		**309**	1,069	**–**	–
Cash and cash equivalents, net of bank overdrafts at end of the year		**9,762**	12,438	**(4,691)**	1,020
Reconciliation of net debt					
Cash and cash equivalents at beginning of the year		**14,642**	9,194	**1,603**	62
Bank overdrafts at beginning of the year		**(2,204)**	(496)	**(583)**	(6,852)
Bank loans at beginning of the year	19	**(47,126)**	(37,306)	**(12,828)**	(14,000)
Net debt at beginning of the year		**(34,688)**	(28,608)	**(11,808)**	(20,790)
Net (decrease)/increase in cash and cash equivalents (net of bank overdrafts)		**(2,676)**	3,740	**(5,711)**	7,810
Net (drawdown)/repayment in bank loans		**(2,109)**	(7,696)	**(2,130)**	1,279
Exchange loss on bank loans		**(546)**	(2,124)	**(42)**	(107)
Cash and cash equivalents at end of the year		**10,687**	14,642	**70**	1,603
Bank overdrafts at end of the year		**(925)**	(2,204)	**(4,761)**	(583)
Bank loans at end of the year	19	**(49,781)**	(47,126)	**(15,000)**	(12,828)
Net debt at end of the year		**(40,019)**	(34,688)	**(19,691)**	(11,808)

The notes on pages 76 to 114 are an integral part of these consolidated financial statements.

Notes to the Financial Statements

General information

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

The Company is listed on the main market on the London Stock Exchange. The company is the provider of information, education and networking to the professional markets.

1. Statement of accounting policies

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

a) Basis of preparation

The Consolidated and Company financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRS'), including International Accounting Standards ('IAS') and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS, and as adopted in the EU, and in accordance with the Companies Act 2006 as applicable to Companies using IFRS.

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

The Group meets its day-to-day working capital requirements through its bank facilities. The current economic conditions continue to create uncertainty, particularly over the level of demand for the Group's products. The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group should be able to operate within the level of its current facilities. After making enquiries, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The Group therefore continues to adopt the going concern basis in preparing its consolidated financial statements. Further information on the Group's borrowings is given in note 19.

Pursuant to Section 408 of the Companies Act 2006 the company's own income statement and statement of other comprehensive income are not presented separately in the Company financial statements, but they have been approved by the Board.

b) Critical accounting judgments, estimates and assumptions

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

Business combinations

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

Goodwill

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

c) Basis of consolidation

The Group's consolidated financial statements incorporate the results and net assets of Wilmington plc and all its subsidiary undertakings made up to 30 June each year. Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group. All inter-group transactions, balances, income and expenses are eliminated on consolidation; however for the purposes of segmental reporting, internal arm's length recharges are included within the appropriate segments.

1. Statement of accounting policies continued

d) Business combinations

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

Where a business combination agreement provides for an adjustment to the cost of a business acquired contingent on future events, the Group accrues the fair value of the additional consideration payable as a liability at acquisition date. This amount is reassessed at each subsequent reporting date with any adjustments recognised in the Income Statement.

e) Impairment of non-financial assets

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

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

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

f) Foreign currencies

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

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

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

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

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

1. Statement of accounting policies continued

g) Revenue

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

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

h) Operating expenses

In accordance with IAS 1 paragraph 103, expenses are presented in the accounts based on their nature. Operating expenses comprise of cost of sales and administrative costs. Distribution costs are not separately identified due to the digital nature of our products as they are considered immaterial. Cost of sales are all direct costs, including third-party costs and staff costs, associated directly with the production of a product, event or service and are charged to the income statement as incurred. At each reporting date a prepayment is recognised for any third-party costs which are paid for in advance of the relevant event being run except in relation to marketing costs. Administrative costs are additional operational costs that are not directly associated with the production of a product, event or service. This includes expenses relating to central administrative and management functions and are expensed to the income statement as incurred.

i) Segmental reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Company's Board of Directors ('The Board') which is considered as the Group's chief operating decision maker and is responsible for allocating resources and assessing performance of the operating segments. The Board considers the business from both a geographic and product perspective. Geographically, management considers the performance of the Group between the UK, Europe (excluding the UK), North America and the Rest of the World. Following a strategic review in the year, the Group now reports its results in three segments as this more accurately reflects the way the Group is now managed.

j) Adjusting items

The Group's Income Statement separately identifies adjusting items. Such items are those that in the Directors' judgment are one-off in nature and need to be disclosed separately by virtue of their size and incidence. In determining whether an item or transaction should be classified as an adjusting item, the Directors consider quantitative as well as qualitative factors such as the frequency, predictability of occurrence, and significance.

This focus on quantitative and qualitative factors may result in the classification of an item as adjusting, where one of apparently similar nature is not. The Group distinguishes between restructuring costs that are recurring and those that relate to one-off or transformational group programmes that impact many operations. Recurring restructuring costs that are incurred in the normal course of business are recorded as part of the Group's underlying trading results within profit before tax. Restructuring costs that are one-off and individually material or relate to programmes linked to the Group's wider transformation and require approval at executive level are disclosed separately in the consolidated income statement. When these adjusting items relate to a transformational programme to the business, the cost may apply to multiple years.

This is consistent with the way that financial performance is measured by management and reported to the Board. Adjusting items may not be comparable to similarly titled measures used by other companies. Disclosing adjusted items separately provides additional understanding of the performance of the Group.

k) Current and deferred income tax

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

The tax effect of adjusting items is calculated by applying the relevant prevailing rate of taxation to the adjusting expense or income to the extent it is taxable or tax deductible.

1. Statement of accounting policies continued

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

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

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

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

l) Dividends

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

m) Intangible assets

Intangible assets are stated at historical cost less accumulated amortisation.

Intangible assets are recorded at cost and are amortised through the income statement on a straight line basis over their estimated useful lives. Their estimated useful lives depend on the classification of the assets as follows:

Computer software	20–33 per cent per annum
Databases	5–20 per cent per annum
Customer relationships	10–33 per cent per annum
Brands	5–20 per cent per annum
Publishing rights and titles	5–10 per cent per annum

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

n) Property, plant and equipment

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

Land, freehold and leasehold buildings (excluding freehold land)	2–10 per cent per annum
Fixtures and fittings	10–33 per cent per annum
Computer equipment	25–33 per cent per annum
Motor vehicles	25 per cent per annum

1. Statement of accounting policies continued

Leasehold improvements are included in Land, freehold and leasehold buildings.

Gains and losses arising on disposal are determined by comparing the proceeds with the carrying amount and are recognised within the Income Statement. When the gain or loss arising on disposal is significant or material, it is disclosed separately on the income statement within other income or expenses.

o) Investments in subsidiaries

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

p) Financial instruments

Financial assets

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

Loans and receivables

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

Loans and receivables are classified as current assets if they mature within 12 months of the reporting date, but are otherwise classified as non-current assets. The Group's 'loans and receivables' comprise 'trade and other receivables' and 'cash and cash equivalents', for which further information is provided below.

Trade and other receivables

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

Cash and cash equivalents

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

Impairment of financial assets

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

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

Financial liabilities

Trade and other payables

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

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

1. Statement of accounting policies continued

Loans and other borrowings

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

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

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

Financial instruments and hedge accounting

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

Financial instruments that do not qualify for hedge accounting:

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

Financial instruments that do qualify for hedge accounting:

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

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

q) Provisions for future purchase of non-controlling interests

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

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

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.

r) Retirement benefits

The Group does not operate a defined benefit pension scheme.

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

1. Statement of accounting policies continued

s) Share based payments

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

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

t) 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.

u) 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.

v) Assets held for sale or disposal groups

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

w) New standards and interpretations applied

The following new standards, amendments and interpretations have been adopted in the current year:

International Financial Reporting Standards (IFRS/IAS)		Effective for accounting periods starting after
IFRS 5, 7 IAS 19, 34	Annual improvements 2012-2014 cycle	1 January 2016
IFRS 10, 12 IAS 28	Investment Entities: Applying the Consolidation Exception	1 January 2016
IAS 1	Disclosure initiative (Amendments to IAS 1)	1 January 2016
IAS 16, 38	Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016

The adoption of these new standards, amendments and interpretations has not led to any changes to the Group's accounting policies or had any other material impact on the financial position or performance of the Group. Other amendments to IFRSs effective for the year starting 1 July 2016 have no impact on the Group.

x) New standards and interpretations not applied

The International Accounting Standards Board (IASB) and International Financial Reporting Interpretations Committee (IFRIC) have issued new standards and interpretations with an effective date after the year starting 1 July 2016. Those marked (*) have not been endorsed by the EU.

1. Statement of accounting policies continued

International Financial Reporting Standards (IFRS/IAS)		Effective for accounting periods starting after
IAS 7 *	Disclosure initiative – Amendments to IAS 7	1 January 2017
IAS 12 *	Recognition of Deferred Tax Assets for Unrealised Losses – Amendments to IAS 12	1 January 2017
IFRS 12 *	Annual improvements 2014-2016 cycle	1 January 2017
IFRS 2 *	Classification and Measurement of Share Based Payment Transactions – Amendments to IFRS 2	1 January 2018
IFRS 9	Financial Instruments	1 January 2018
IFRS 15	Revenue from Contracts with Customers	1 January 2018
IFRS 16 *	Leases	1 January 2019
IAS 28 *	Investments in Associates and Joint Ventures	

Management is currently assessing the impact of the above new standards. During the year to 30 June 2018 the Group will put in place necessary processes to capture all of the adjustments and additional disclosures required for those standards taking effect before this date. There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Group.

IFRS 15 Revenue from Contracts with Customers replaces IAS 18 Revenue and related interpretations, introducing a single, principles based approach to the recognition and measurement of revenue from all contracts with customers. The new approach requires identification of performance obligations in a contract and revenue to be recognised when or as those performance obligations are satisfied, as well as additional disclosure. The Group is currently in the process of completing its review of the potential impact of adopting IFRS 15. The necessary processes to capture all of the adjustments and any additional disclosures required under IFRS 15 will be put into place during 2017/18.

y) Financial Reporting Council review

In the year, the 2016 Annual Report was subject to review by the FRC in accordance with their routine statutory responsibilities. In response to the queries raised in this review, management liaised with the FRC to discuss and impartially evaluate the Annual Report and its compliance with IFRS and ESMA guidelines.

As a result of the review and subsequent discussions the 2017 Annual Report includes some enhanced disclosures which improve the quality of information presented. The main areas of enhanced disclosure are in the Strategic Review, in the definitions of Adjusting Items, a revised format for the Income Statement and a more detailed analysis of intangible assets together with a reallocation of the presentation between goodwill and intangible assets. It was also decided to include share based payment charges in our definition of adjusted measures.

On 14 June 2017 the FRC confirmed that their review into the 2016 Annual Report were closed, and that all matters raised had been satisfactorily concluded.

The FRC notes that their review provides no assurance that the 2016 report and accounts are correct in all material respects, and that the FRC's role is not to verify the information provided but to consider compliance with reporting requirements. The FRC noted that their review is based on our report and accounts and does not benefit from detailed knowledge of our business or an understanding of the underlying transactions entered into.

Notes to the Financial Statements

2. Measures of profit

(a) Reconciliation to profit on continuing activities before tax

To provide shareholders with additional understanding of the trading performance of the Group, Adjusted EBITA has been calculated as Profit before Tax after adding back:

- amortisation of intangible assets excluding computer software;
- impairment of goodwill and intangible assets;
- adjusting items (included in operating expenses);
- other income – gain on sale of leasehold property; and
- finance costs.

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

	Year ended 30 June 2017 £'000	Year ended 30 June 2016 £'000
Profit/(loss) before tax	**15,862**	(3,434)
Amortisation of intangible assets excluding computer software	**6,028**	5,545
Impairment of goodwill and intangibles	**2,366**	15,659
Adjusting items (included in operating expenses)	**3,468**	2,352
Other income - gain on sale of leasehold property	**(6,333)**	—
Finance costs	**1,961**	1,920
Adjusted operating profit ('Adjusted EBITA')	**23,352**	22,042
Depreciation of property, plant and equipment	**1,071**	911
Amortisation of intangible assets - computer software	**1,165**	1,050
Adjusted EBITA before depreciation ('Adjusted EBITDA')	**25,588**	24,003

Adjusted profit before tax reconciles to profit on continuing activities before tax as follows:

	Year ended 30 June 2017 £'000	Year ended 30 June 2016 £'000
Profit/(loss) before tax	**15,862**	(3,434)
Amortisation of intangible assets excluding computer software	**6,028**	5,545
Impairment of goodwill and intangibles	**2,366**	15,659
Adjusting items (included in operating expenses)	**3,468**	2,352
Other income - gain on sale of leasehold property	**(6,333)**	—
Adjusting items (included in finance costs)	**—**	225
Adjusted profit before tax	**21,391**	20,347

2. Measures of profit continued

(b) Reconciliation to adjusted profit before tax

	Adjusted results June 2017 £'000	Adjusting items June 2017 £'000	Statutory results June 2017 £'000	Adjusted results June 2016 £'000	Adjusting items June 2016 £'000	Statutory results June 2016 £'000
Revenue	120,329	—	120,329	105,724	—	105,724
Operating expenses before share based payments, amortisation of intangible assets excluding computer software and impairment	(96,425)	(3,468)	(99,893)	(83,119)	(2,352)	(85,471)
Share based payments	(552)	—	(552)	(563)	—	(563)
Operating expenses before amortisation of intangible assets excluding computer software and impairment	(96,977)	(3,468)	(100,445)	(83,682)	(2,352)	(86,034)
Amortisation of intangible assets excluding computer software	—	(6,028)	(6,028)	—	(5,545)	(5,545)
Impairment of goodwill and intangible assets	—	(2,366)	(2,366)	—	(15,659)	(15,659)
Gain on sale of leasehold property	—	6,333	6,333	—	—	—
Operating profit/(loss)	23,352	(5,529)	17,823	22,042	(23,556)	(1,514)
Finance costs	(1,961)	—	(1,961)	(1,695)	(225)	(1,920)
Profit/(loss) before tax	21,391	(5,529)	15,862	20,347	(23,781)	(3,434)

Notes to the Financial Statements

3. Segmental information

In accordance with IFRS 8 the Group's operating segments are based on the operating results reviewed by the Board, which represents the chief operating decision maker. Following a strategic review in the year, the Group now reports its results in three (previously 4) segments as this more accurately reflects the way the Group is managed. The comparatives have been restated to provide information on a consistent basis.

The Group's organisational structure reflects the main communities to which it provides information, education and networking. The three divisions (Risk & Compliance, Professional and Healthcare) are the Group's segments and generate all of the Group's revenue.

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

a) Business segments

	Revenue Year ended 30 June 2017 £'000	**Contribution Year ended 30 June 2017 £'000**	Revenue Year ended 30 June 2016	Contribution Year ended 30 June 2016
Risk & Compliance	**42,272**	**12,265**	38,802	12,678
Professional	**39,472**	**5,864**	36,743	6,159
Healthcare	**38,585**	**9,705**	30,179	7,316
Group contribution	**120,329**	**27,834**	105,724	26,153
Unallocated central overheads	**—**	**(3,930)**	—	(3,548)
Share based payments	**—**	**(552)**	—	(563)
	120,329	**23,352**	105,724	22,042
Amortisation of intangible assets excluding computer software		**(6,028)**		(5,545)
Impairment of goodwill and intangibles		**(2,366)**		(15,659)
Adjusting items (included in operating expenses)		**(3,468)**		(2,352)
Other income - gain on sale of leasehold property		**6,333**		—
Finance costs		**(1,961)**		(1,920)
Profit/(loss) before tax		**15,862**		(3,434)
Taxation		**(2,988)**		(2,841)
Profit/(loss) for the financial year		**12,874**		(6,275)

There are no intra-segmental revenues which are material for disclosure.

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

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

b) Segmental information by geography

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

	Year ended 30 June 2017 £'000	Year ended 30 June 2016 £'000
UK	**68,588**	61,321
Europe (excluding the UK)	**18,049**	15,859
North America	**22,863**	19,030
Rest of the World	**10,829**	9,514
Total revenue	**120,329**	105,724

4. Profit from continuing operations

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

	Year ended 30 June 2017 £'000	Year ended 30 June 2016 £'000
Depreciation of property, plant and equipment	**1,071**	911
Amortisation of intangible assets - computer software	**1,165**	1,050
Profit on disposal of property, plant and equipment	**(20)**	(4)
Rentals under operating leases	**1,568**	1,110
Share based payments (including social security costs)	**552**	563
Amortisation of intangible assets excluding computer software	**6,028**	5,545
Impairment of goodwill and intangibles	**2,366**	15,659
Adjusting items (included in operating expenses)	**3,468**	2,352
Gain on sale of leasehold property	**(6,333)**	—
Foreign exchange loss (including forward currency contracts)	**50**	202
Fees payable to the Auditors for the audit of the Company and consolidated financial statements	**110**	110
Fees payable to the Auditors and its associates for other services:		
– The audit of the Company's subsidiaries pursuant to legislation	**173**	280
– Audit-related and other assurance services	**142**	41
– Tax compliance services	**8**	54
– Other services	**47**	100

b) Adjusting items:

The following items have been charged/(credited) to the Income Statement during the year but are considered to be adjusting so are shown separately:

	Year ended 30 June 2017 £'000	Year ended 30 June 2016 £'000
Costs written off relating to both successful and aborted acquisitions	**1,569**	585
Increase in liability for deferred consideration	**54**	1,082
	1,623	1,667
Adjusting items relating to property portfolio review	**1,027**	—
Restructuring and rationalisation costs	**818**	612
Legal claim costs (net of settlement received)	**—**	73
Other adjusting items (included in operating expenses)	**3,468**	2,352
Amortisation of intangible assets excluding computer software	**6,028**	5,545
Impairment of goodwill and intangible assets	**2,366**	15,659
Costs relating to the extension of the loan facility	**—**	225
Total adjusting items (classified in profit before tax)	**11,862**	23,781

4. Profit from continuing operations continued

Successful and aborted acquisitions relate to the acquisition of SWAT Group Limited ('SWAT'), Health Service Journal ('HSJ') and other aborted acquisitions. The increase in the liability for deferred consideration relates to the purchase of SWAT Group Limited ('SWAT').

Restructuring and rationalisation costs comprise primarily of £500,000 of costs relating to the implementation of project Sixth Gear, and £300,000 of redundancy and property costs following the Group's decision to relocate part of the back office functions from its head offices in central London to our existing freehold premises in Basildon, Essex.

Included within operating expenses before depreciation, amortisation and impairment are £224,000 (2016: £122,000) of minor restructuring costs not considered to be adjusting items.

Costs associated with property portfolio review relate to a review of the London property portfolio, see note 4c for further details.

c) Property portfolio review

In the year Wilmington plc performed a review of its London property portfolio, on the back of this it sold the leasehold interest in its current Underwood Street London head office premises for a £7.3m cash consideration. At the same time as disposing of its leasehold interest, Wilmington entered into a new ten-year market rate lease for a London head office premises near Aldgate. The new head office space will accommodate Wilmington's London based businesses whilst retaining the training facility recently acquired with the acquisition of SWAT Group Limited. The new London premises will consolidate staff from a number of our current properties therefore in the year we have also accounted for the surrender of the leasehold of our London Old Broad Street property and the onerous lease of a leasehold property in Kent.

The items which have been credited/(charged) to profit or loss during the year in relation to this review are as follows:

Gain on sale of Underwood Street Leasehold property:

	Year ended 30 June 2017 £'000
Proceeds of sale of Underwood Street Leasehold property	7,300
Disposal of leasehold improvements	(579)
Legal and professional fees relating to the sale of Underwood Street Leasehold property	(293)
Agent fees relating to the sale of Underwood Street Leasehold property	(95)
Gain on sale of leasehold property	**6,333**

Operating expenses – Adjusting items relating to the property portfolio review:

	Year ended 30 June 2017 £'000
Rent, rates, and legal and professional fees relating to new Aldgate lease	(514)
Cost to surrender Old Broad Street lease	(231)
Onerous lease on property in Kent	(197)
Accelerated depreciation of computer hardware on sale of Underwood Street Leasehold property	(85)
Total adjusting items relating to property portfolio review	**(1,027)**

Note 25 Commitments includes the minimum lease commitments associated with the London property portfolio review.

The net tax charge on the property transaction included in corporation tax expense is £230,488.

5. Operating expenses

	Year ended 30 June 2017			Year ended 30 June 2016		
	Cost of sales £'000	**Administration £'000**	**Total £'000**	Cost of sales £'000	Administration £'000	Total £'000
Operating expenses before depreciation, amortisation and impairment	**90,906**	**3,835**	**94,741**	78,275	3,446	81,721
Depreciation of property plant and equipment	**976**	**95**	**1,071**	809	102	911
Amortisation of intangible assets - computer software	**1,165**	**—**	**1,165**	1,050	—	1,050
Operating expenses before amortisation of intangible assets excluding computer software and impairment	**93,047**	**3,930**	**96,977**	80,134	3,548	83,682
Amortisation of intangible assets - databases	**1,897**	**—**	**1,897**	1,643	—	1,643
Amortisation of intangible assets - customer relationships	**1,947**	**—**	**1,947**	1,647	—	1,647
Amortisation of intangible assets - brands	**893**	**—**	**893**	755	—	755
Amortisation of intangible assets - publishing rights and titles	**1,291**	**—**	**1,291**	1,500	—	1,500
Goodwill and intangibles impairment charge	**830**	**1,536**	**2,366**	—	15,659	15,659
Other adjusting items (note 4)	**—**	**3,468**	**3,468**	—	2,352	2,352
Operating expenses	**99,905**	**8,934**	**108,839**	85,679	21,559	107,238

6. Finance costs

	Year ended 30 June 2017 £'000	Year ended 30 June 2016 £'000
Finance costs comprise:		
Interest payable on bank loans and overdrafts	**1,814**	1,564
Amortisation of capitalised loan arrangement fees	**147**	131
	1,961	1,695
Adjusting items – extension of loan facility costs	**—**	225
	1,961	1,920

The extension of loan facility costs of £225,000 in the year ended 30 June 2016 comprises £147,000 of old capitalised loan arrangement fees written off and £78,000 of legal and professional costs connected to the extension.

Notes to the Financial Statements

7. Taxation

	Year ended 30 June 2017 £'000	Year ended 30 June 2016 £'000
Current tax:		
UK corporation tax at current rates on UK profits for the year	**3,225**	2,520
Adjustments in respect of previous years	**103**	125
	3,328	2,645
Foreign tax	**1,067**	1,272
Adjustment in respect of previous years	**(43)**	73
Total current tax	**4,352**	3,990
Deferred tax credit	**(1,247)**	(971)
Effect on deferred tax of change in corporation tax rate	**(117)**	(178)
Total deferred tax	**(1,364)**	(1,149)
Taxation	**2,988**	2,841

Factors affecting the tax charge for the year:

The effective tax rate is lower (2016: higher) than the average rate of corporation tax in the UK of 19.75% (2016: 20.00%). The differences are explained below:

	Year ended 30 June 2017 £'000	Year ended 30 June 2016 £'000
Profit/(loss) before tax	**15,862**	(3,434)
Profit/(loss) multiplied by the average rate of corporation tax in the year of 19.75% (2016: 20.00%)	**3,133**	(687)
Tax effects of:		
Impairment of goodwill not deductible for tax purposes	**303**	3,132
Foreign tax rate differences	**312**	233
Adjustment in respect of previous years	**59**	198
Reduced effective rate on gain on sale of leasehold property	**(817)**	—
Other items not subject to tax	**115**	143
Effect on deferred tax of change of corporation tax rate	**(117)**	(178)
Taxation	**2,988**	2,841

On 26 October 2015, the UK corporation tax rate was reduced from 20% to 19% from 1 April 2017 and a further change was announced on 23 November 2016 to reduce the rate from 19% to 17% from 1 April 2020. These changes have been substantively enacted at the balance sheet date and therefore are included in these financial statements. Deferred tax assets and liabilities are measured at the rates that are expected to apply in the periods of the reversal, deferred tax balances at 30 June 2017 have been calculated using the above rates giving rise to a reduction in the net deferred tax liability of £117,000 (2016: £178,000).

The Company's profits for this accounting year are taxed at an effective rate of 19.75%.

Included in other comprehensive income are a tax charge of £106,000 and a tax credit of £97,000 relating to the interest rate swaps and net investment hedges respectively.

The tax effect of adjusting items as disclosed in note 9 is a credit of £1,757,000 (2016: £1,579,000).

8. Dividends

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

	Year ended 30 June 2017 pence per share	Year ended 30 June 2016 pence per share	Year ended 30 June 2017 £'000	Year ended 30 June 2016 £'000
Final dividends recognised as distributions in the year	4.3	4.0	3,749	3,478
Interim dividends recognised as distributions in the year	3.9	3.8	3,401	3,304
Total dividends paid			7,150	6,782
Final dividend proposed	4.6	4.3	4,011	3,738

9. Earnings per share

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

- amortisation of intangible assets excluding computer software
- impairment of goodwill and intangible assets;
- adjusting items (included in operating expenses);
- other income - gain on sale of leasehold property; and
- adjusting items (included in finance costs).

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

	Year ended 30 June 2017 £'000	Year ended 30 June 2016 £'000
Earnings/loss from continuing operations for the purpose of basic earnings per share	12,836	(6,418)
Add/(remove):		
Amortisation of intangible assets excluding computer software	6,028	5,545
Impairment of goodwill and intangibles	2,366	15,659
Adjusting items (included in operating expenses)	3,468	2,352
Other income – gain on sale of leasehold property	(6,333)	—
Adjusting items (included in finance costs)	—	225
Tax effect of adjustments above	(1,757)	(1,579)
Adjusted earnings for the purposes of adjusted earnings per share	16,608	15,784

	Number	Number
Weighted average number of ordinary shares for the purposes of basic and adjusted earnings per share	87,193,340	86,846,236
Effect of dilutive potential ordinary shares:		
Future exercise of share awards and options	611,052	772,980
Weighted average number of ordinary shares for the purposes of diluted and adjusted diluted earnings per share	87,804,393	87,619,216
Basic earnings/(loss) per share	14.72p	(7.39p)
Diluted earnings/(loss) per share	14.62p	(7.39p)
Adjusted basic earnings per share ('Adjusted Earnings Per Share')	19.05p	18.17p
Adjusted diluted earnings per share	18.91p	18.01p

10. Results of Wilmington plc

Wilmington plc, the parent company, recorded a profit of £8,058,000 (2016: £9,438,000) during the year.

Notes to the Financial Statements

11. Acquisitions and disposals

All below acquisitions have been financed out of the extended £85.0m multi-currency revolving credit facility.

a) Acquisition – SWAT Group Limited – July 2016

On 19 July 2016 Mercia Group Limited, a subsidiary, acquired the entire issued share capital of SWAT Group Limited ('SWAT'), a provider of training and technical compliance support to accountancy firms in London and the South West of England.

SWAT was acquired for initial consideration of £2,870,000, of which £500,000 was withheld in relation to the Net Asset adjustment. Subsequently, this initial consideration was reduced by £387,538 in relation to the final Net Asset adjustment.

Deferred consideration of up to £3,000,000 is payable contingent on SWAT's future performance for the years ended 30 June 2017 and 2018 and will be paid in cash in one instalment. Management has estimated the expected value of these future payments to be £1,082,000 which has been recognised in the total consideration. Any future movements of this contingent consideration will be charged to the income statement as an adjusting item.

Acquisition related costs of £278,000 have been expensed as an adjusting item in the income statement (see note 4b).

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

	£'000
Purchase consideration:	
Initial consideration	2,870
Net asset adjustment	(388)
Deferred consideration – to be cash settled	1,082
Total consideration	**3,564**

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

	£'000
Intangible assets – Customer relationships	2,337
Total intangible assets	**2,337**
Property, plant & equipment	183
Computer software	13
Trade and other receivables (net of allowances)	365
Cash and cash equivalents	360
Trade and other payables	(598)
Subscriptions and deferred revenue	(579)
Current tax liabilities	(137)
Deferred tax liabilities	(444)
Net identifiable assets acquired	**1,500**
Goodwill	2,064
Net assets acquired	**3,564**

The estimated useful economic life of the intangibles is as follows:

Intangible assets – Customer Relationships-Subscribers	10 years

The acquired business contributed revenues of £4,659,359 and contribution of £658,559 to the Group for the period from the date of acquisition to 30 June 2017. Had SWAT been consolidated from 1 July 2016 the Group consolidated Income Statement would include pro forma revenue of £5,016,454 and contribution of £677,811.

At the year the deferred consideration due in respect of the SWAT acquisition was £1,136,000.

11. Acquisitions and disposals continued

b) Acquisitions – Health Service Journal – January 2017

On 31 January 2017 Wilmington Healthcare Limited, a subsidiary, acquired the trading assets and liabilities of Health Service Journal ('HSJ'), the UK's leading health information, insight and networking business from EMAP Publishing Limited (the 'Seller'). HSJ was acquired for initial consideration of £17,000,000 in cash with a subsequent adjustment in respect of final working capital of £250,000 which was due to Wilmington Healthcare Limited. There is no deferred or contingent consideration in relation to the HSJ acquisition.

Acquisition related costs of £1,106,000 have been expensed as an adjusting item in the income statement (see note 4b).

The acquisition adds further strength to the existing Wilmington Healthcare businesses, and will enable the combined group to provide unparalleled services into the NHS and private vendor space through subscription information and analytics products, events, awards, education, and marketing solutions.

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

	£'000
Purchase consideration:	
Initial cash paid	17,000
Final working capital adjustment	(250)
Settlement of liability on behalf of acquiree	133
Total consideration	**16,883**

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

	£'000
Intangible assets – Customer relationships – Subscribers	2,894
Intangible assets – Customer relationships – Sponsors	164
Intangible assets – Customer relationships – Delegates	78
Intangible assets – Customer relationships – Other	366
Intangible assets – Brand	4,240
Total intangible assets	**7,742**
Trade and other receivables (net of allowances)	814
Trade and other payables	(428)
Subscriptions and deferred revenue	(2,723)
Deferred tax liabilities	(1,389)
Net identifiable assets acquired	**4,016**
Goodwill	12,867
Net assets acquired	**16,883**

The goodwill is attributable to the unique HSJ content, established customer base, and the solid customer relationships held by the experienced and stable workforce. As well as, the synergies that will arise with the existing Wilmington Healthcare businesses and the ability to be able to provide a wider breadth of services and products, across both provider/payer and the private sector in Pharma and MedTech industries.

The estimated useful economic life of the intangibles is as follows:

Intangible assets – Customer relationships – Subscribers	8 years
Intangible assets – Customer relationships – Sponsors	3 years
Intangible assets – Customer relationships – Delegates	3 years
Intangible assets – Customer relationships – Other	3 years
Intangible assets – Brand	10 years

The acquired business contributed revenues of 3,695,000 and contribution of £794,000 to the Group for the period from the date of acquisition to 30 June 2017, which equates to a five months' revenue and contribution. Had HSJ been consolidated from 1 July 2016 the group consolidated Income Statement would include pro forma revenue of £8,868,000 and contribution of £1,906,000.

12. Goodwill

	£'000
Cost	
At 1 July 2015	84,028
Additions	7,958
Exchange translation differences	1,401
At 30 June 2016	93,387
Additions	14,931
Reallocation	1,281
Exchange translation differences	589
At 30 June 2017	**110,188**
Accumulated impairment	
At 1 July 2015	6,965
Impairment	15,659
At 30 June 2016	22,624
Impairment	1,536
At 30 June 2017	**24,160**
Net book amount	
At 30 June 2017	**86,028**
At 30 June 2016	70,763
At 30 June 2015	77,063

A review by management in the year concluded that the tax amortisation benefit acquired with FRA in 2016 should be reallocated across Goodwill and Intangibles. This resulted in a reallocation of £1,281,000 from Intangible Assets to Goodwill, with a nil net impact on non-current assets.

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

Key assumptions for the value in use calculations are those regarding discount rates, cash flow forecasts and long-term growth rates. Management has used a pre-tax discount rate of 12.3% (2016: 12.3%) across all CGUs in the UK except for the CLT CGU which had a pre-tax discount rate of 13.3% (2016: 13.3%) to reflect the greater market challenges and risks. A pre-tax discount rate of 13.5% (2016: 13.5%) has been used for Compliance Week and FRA that both operate in North America. These pre-tax discount rates reflect current market assessments for the time value of money and the risks associated with the CGUs as the Group manages its treasury function on a Group-wide basis.

The same discount rate has been used for all CGUs except CLT, Compliance Week and FRA as the Directors believe that the risks are the same for each other CGU. The long-term growth rates used are based on management's expectations of future changes in the markets for each CGU and are 2.0% (2016: 2.0%).

12. **Goodwill** continued

Management's impairment calculations based upon the above assumptions show ample headroom with the exception of CLT and Compliance Week.

Goodwill is allocated to significant CGUs as follows. A CGU is considered to be significant if the goodwill allocated to it is greater than 10% of the total goodwill net book value.

CGU	30 June 2017 £'000	30 June 2016 £'000
HSJ	**12,867**	–
Axco and Pendragon	**11,150**	11,150
CLT	**8,563**	8,563
ICT	**7,972**	7,972
Others	**45,476**	43,078
	86,028	70,763

CLT

For CLT, the value in use exceeds the carrying value by 63% (2016: 0%). The impairment review of CLT is sensitive to a reasonably possible change in the key assumptions used; most notably the projected cash flows and the pre-tax discount rate. The value in use exceeds the carrying value unless any of the assumptions are changed as follows:

– A decrease in the projected operating cash flows of 38.6% in each of the next three years; or

– An increase in the pre-tax discount from 12.4% to 18.8%.

Compliance week

For Compliance Week, the value in use exceeds the carrying value by 27% (2016: 15%). The impairment review of Compliance Week is sensitive to a reasonably possible change in the key assumptions used; most notably the projected cash flows and the pre-tax discount rate. The value in use exceeds the carrying value unless any of the assumptions are changed as follows:

– A decrease in the projected operating cash flows of 27.4% in each of the next three years; or

– An increase in the pre-tax discount from 13.5% to 19.0%.

Impairment of Ark

A non-cash impairment of £1.54m has been made against the carrying value for goodwill in Ark following the failure to sell the business and the Board's decision to close all but the events and reports businesses. This impairment further reflects the impact of structural changes in the legal information and training market. Ark was acquired by Wilmington plc in October 2005 and the original investment was impaired last year by £1.03m. It was also decided that the remaining assets held in the business should be written down to their recoverable value, resulting in an impairment of £0.83m against the intangible assets held in the business (see note 13). All remaining items on the balance sheet are held at their realisable value and are considered recoverable.

13. Intangible assets

	Group					
	Computer software £'000	Databases £'000	Customer relationships £'000	Brands £'000	Publishing rights and titles £'000	Total £'000
Cost						
At 1 July 2015	7,063	14,261	15,224	4,000	30,223	70,771
Additions	870	—	—	—	—	870
Acquisitions	191	1,695	2,001	6,086	—	9,973
Disposals	—	—	—	—	(304)	(304)
Exchange translation differences	78	160	798	629	—	1,665
At 30 June 2016	8,202	16,116	18,023	10,715	29,919	82,975
Additions	1,599	—	—	—	—	1,599
Acquisitions	128	—	5,839	4,240	—	10,207
Reallocation	—	—	391	(1,672)	—	(1,281)
Disposals	(15)	—	—	—	—	(15)
Exchange translation differences	32	27	102	58	370	589
At 30 June 2017	**9,946**	**16,143**	**24,355**	**13,341**	**30,289**	**94,074**
Accumulated amortisation						
At 1 July 2015	4,381	6,512	11,220	2,315	22,707	47,135
Charge for year	1,050	1,643	1,647	755	1,500	6,595
Acquisitions	167	—	—	—	—	167
Disposals	—	—	—	—	(304)	(304)
Exchange translation differences	38	42	68	72	124	344
At 30 June 2016	5,636	8,197	12,935	3,142	24,027	53,937
Charge for year	1,165	1,897	1,947	893	1,291	7,193
Acquisitions	115	—	—	—	—	115
Impairment	86	—	—	—	744	830
Disposals	(14)	—	—	—	—	(14)
Exchange translation differences	16	16	105	153	(188)	102
At 30 June 2017	**7,004**	**10,110**	**14,987**	**4,188**	**25,874**	**62,163**
Net book amount						
At 30 June 2017	**2,942**	**6,033**	**9,368**	**9,153**	**4,415**	**31,911**
At 30 June 2016	2,566	7,919	5,088	7,573	5,892	29,038
At 1 July 2015	2,682	7,749	4,004	1,685	7,516	23,636

Included within computer software are assets under construction that have not yet been amortised with a net book amount of £142,000 (2016: £44,000).

A review by management in the year concluded that the tax amortisation benefit acquired with FRA in 2016 should be reallocated across Goodwill and Intangibles. This resulted in a reallocation of £1,281,000 from Intangible Assets to Goodwill, with a nil net impact on non-current assets.

14. Property, plant and equipment

Group	Land, freehold and leasehold buildings £'000	Fixtures and fittings £'000	Computer equipment £'000	Motor Vehicles £'000	Total £'000
Cost	£'000				
At 1 July 2015	5,950	3,909	3,743	495	14,097
Additions	—	312	230	99	641
Acquisitions	—	40	28	—	68
Disposals	—	(189)	(42)	(107)	(338)
Exchange translation differences	—	45	73	—	118
At 30 June 2016	5,950	4,117	4,032	487	14,586
Additions	—	775	416	109	1,300
Acquisitions	—	341	340	87	768
Disposals	(2,789)	(10)	(520)	(149)	(3,468)
Exchange translation differences	—	16	24	—	40
At 30 June 2017	**3,161**	**5,239**	**4,292**	**534**	**13,226**
Accumulated depreciation					
At 1 July 2015	2,721	2,922	3,394	219	9,256
Charge for the year	158	394	270	89	911
Disposals	—	(189)	(42)	(91)	(322)
Acquisitions	—	26	—	—	26
Exchange translation differences	—	34	53	—	87
At 30 June 2016	2,879	3,187	3,675	217	9,958
Charge for the year	151	540	275	105	1,071
Disposals	(2,210)	(10)	(520)	(126)	(2,866)
Acquisitions	—	227	315	43	585
Exchange translation differences	—	12	22	—	34
At 30 June 2017	**820**	**3,956**	**3,767**	**239**	**8,782**
Net book amount					
At 30 June 2017	**2,341**	**1,283**	**525**	**295**	**4,444**
At 30 June 2016	3,071	930	357	270	4,628
At 30 June 2015	3,229	987	349	276	4,841

Included in land, freehold and leasehold buildings is £970,000 (2016: £970,000) of non-depreciated land.

Depreciation of property, plant and equipment is charged to operating expenses within the Income Statement.

The disposal of land, freehold and leasehold buildings is the sale of a leasehold property from which a gain on sale of £6,333,000 arose (note 4c).

14. Property, plant and equipment continued

Company	Leasehold buildings £'000
Cost	
At 1 July 2014, 1 July 2015 and 1 July 2016	2,789
Disposals	(2,789)
At 30 June 2017	**–**
Accumulated depreciation	
At 30 June 2015	2,013
Charge for the year	102
At 30 June 2016	2,115
Charge for the year	95
Disposals	(2,210)
At 30 June 2017	**–**
Net book amount	
At 30 June 2017	**–**
At 30 June 2016	674
At 30 June 2015	776

The disposal of land, freehold and leasehold buildings is the sale of a leasehold property.

15. Investments in subsidiaries

Company	Shares in subsidiary undertakings £'000
Cost less provision at 1 July 2015	49,193
Share based payments made on behalf of subsidiaries	227
Cost less provision at 1 July 2016 and 30 June 2017	**49,420**

The following table gives brief details of the entities controlled and included in the consolidated financial statements of the Group at 30 June 2017. Except where indicated, all of the entities are incorporated in and principally operated in the UK. Subsidiaries marked (*) are directly owned by Wilmington plc, all other subsidiaries are indirectly owned. Subsidiaries marked (**) are companies limited by guarantee, have no ordinary shares and are controlled indirectly by Wilmington plc. Subsidiaries marked (+) have claimed audit exemptions for the year to 30 June 2017 under section 479A of the Companies Act 2006.

15. Investments in subsidiaries continued

Name of company	UK company number	Registered address	Business	Percentage owned
Adkins, Matchett & Toy (Hong Kong) Limited (incorporated and operates in Hong Kong)	n/a	HAL	Provision of professional training	100
Adkins & Matchett (UK) Limited+	03402949	UWS	Provision of professional training	100
Adkins, Matchett & Toy Limited (incorporated and operates in the US)	n/a	WES	Provision of professional training	100
APM International SAS (incorporated and operates in France)	n/a	AVE	News information services to the healthcare industry	100
APM Media SARL (incorporated and operates in France)	n/a	AVE	News information services to the healthcare industry	100
Ark Conferences Limited	02931372	UWS	Provision of information and events for professional practice management	100
Ark Group Inc. (incorporated and operates in the US)	n/a	WNA	Provision of information and events for professional practice management	100
Ark Group Limited	03023875	UWS	Holding company	100
Applied Research & Knowledge (ARK) PTE Limited (incorporated and operates in Singapore)	n/a	ROB	Provision of information and events for professional practice management	100
Axco Insurance Information Services Limited+	03073807	UWS	Provision of international compliance and regulatory information for the global insurance industry	100
Bond Solon Training Limited+	02271977	UWS	Witness training and conferences	100
CLT International Limited	06309789	UWS	Certified professional training	100
Central Law Training Limited+	02158821	UWS	Professional education, post qualification training and legal conferences	100
Evantage Consulting Limited	04297858	UWS	Consultancy to the pharmaceutical industry	100
International Company Profile FZ LLC (Middle East) (incorporated and operates in Dubai)	n/a	ATT	Provision of financial information	100
International Compliance Training Limited+	04363296	UWS	Training courses in international compliance and money laundering	100
International Compliance Training Academy PTE Limited (incorporated and operates in Singapore)	n/a	ROB	Training courses in international compliance and money laundering	100
JMH Publishing Limited	04097904	UWS	Provider of specialist and accredited online education for the healthcare industry	100
International Compliance Training (Middle East) LLC (incorporated and operates in UAE)	n/a	IND	Training courses in international compliance and money laundering	100
La Touche Bond Solon Training Limited (incorporated and operates in Ireland)	n/a	CAP	Witness and post qualification legal training	100
Mercia Group Limited+	01464141	UWS	Training and support services to the accountancy profession	100
Mercia Ireland Limited (incorporated and operates in Ireland)	n/a	CAP	Training and support services to the accountancy profession	100
Mercia NI Limited+	NI038498	CLO	Training and support services to the accountancy profession	100
NHIS Limited*+	05997573	UWS	Provision of business intelligence, data analysis, workflow tools and other services to the healthcare industry	100
Practice Track Limited+	02290840	UWS	Marketing support services for the accountancy profession	100

Notes to the Financial Statements

15. Investments in subsidiaries continued

Name of company	UK company number	Registered address	Business	Percentage owned
Smee and Ford Limited+	01964639	UWS	Provision of legacy information	100
The Matchett Group Limited+	01221570	UWS	Holding Company	100
SWAT Group Limited	09572812	UWS	Holding Company	100
SWAT Holdings Limited	06276353	UWS	Holding Company	100
SWAT UK Limited	03041771	UWS	Training and support services to the accountancy profession	100
Wilmington Finance Limited	04461497	UWS	Holding company	100
Wilmington FRA Inc. (incorporated and operates in the US)	n/a	ORA	Conference and networking provider of specialist events in healthcare and finance	100
Wilmington Insight Limited	02691102	UWS	Holding company	100
Wilmington Compliance Week Inc. (incorporated and operates in the US)	n/a	ORA	Provision of international compliance and regulatory information in the US	100
Wilmington Healthcare Limited+	02530185	UWS	Provision of reference information to the healthcare industry	100
Wilmington Holdings US Inc. (incorporated and operates in the US)	n/a	ORA	Holding company	100
Wilmington Holdings No 1 Limited*	08313253	UWS	Holding company	100
Wilmington Inese SL (incorporated and operates in Spain)	n/a	AGP	Provision of Spanish language subscription based publications	100
Wilmington Millennium Limited	08069752	UWS	Provision of legacy information	91.25
Wilmington Publishing & Information Limited	03368442	UWS	Provision of information and events for professional markets	100
Wilmington Shared Services Limited	08314442	UWS	Provision of shared services	100
Wilmington Legal Limited+	02522603	UWS	Holding company	100
International Compliance Association**	04429302	UWS	Professional association; a not for profit organisation	100
WCLTS**	SC263368	UWS	Professional association; a not for profit organisation	100
Central Law Management Limited	02437276	UWS	Dormant	100
HCP Consulting Limited			Dormant	100
Pendragon Professional Information Limited	03612096	UWS	Dormant	100
Quorum Courses Limited	02623737	UWS	Dormant	100
Quorum International Limited	04110814	UWS	Dormant	100
Quorum Training Limited	02096887	UWS	Dormant	100
Waterlow Information Services Limited	02779805	UWS	Dormant	100
Wilmington Risk & Compliance Limited	02787083	UWS	Dormant	100
Wilmington plc Employee Share Ownership Trust	n/a	UWS	Trust	n/a
Aspire Publications Limited	03724844	UWS	Dormant	100
Ark Publishing Limited	03795674	UWS	Dormant	100
Caritas Data Limited	03253174	UWS	Dormant	100
CLT Legal Link Limited	SC225483	UWS	Dormant	100
CLT Professional Training Limited	02522870	UWS	Dormant	100
Hollis Directories Limited	04031096	UWS	Dormant	100
Hollis Publishing Limited	01839738	UWS	Dormant	100
Incisive Training Limited	04372479	UWS	Dormant	100
Medical Practice Management Limited	02545788	UWS	Dormant	100
Production and Casting Report Limited	03210467	UWS	Dormant	100
The Central Law Training Paralegal Centre Limited	03655600	UWS	Dormant	100

15. Investments in subsidiaries continued

Name of company	UK company number	Registered address	Business	Percentage owned
Wilmington Business Information Limited	02883632	UWS	Dormant	100
Wilmington Group Limited	02942046	UWS	Dormant	100
Wilmington Training & Events Limited	05398226	UWS	Dormant	100

Wilmington Publishing & Information Limited owns 91.25% of Wilmington Millennium Limited. At 30 June 2017 Wilmington Legal owned 80% of Central Law Training (Scotland) Limited. The remaining 20% shareholding in Central Law Training (Scotland) Limited was purchased after the year end (note 29).

The Wilmington plc Employee Share Option Trust is controlled by Wilmington plc.

The registered company addresses for each subsidiary undertaking are abbreviated as shown below.

Registered address	Abbreviation
6 – 14 Underwood Street, London, N1 7JQ	UWS
1209 Orange Street, Delaware 19801	ORA
Haleson Building, 1 Jubilee Street, Central Hong Kong	HAL
33 Avenue de la republique, 75011 Paris	AVE
146 Robinson Road, #08-01, Singapore 068909	ROB
Al Thuraya Tower 2, Shekh Zayed Road, Dubai	ATT
Indigo Tower, Jumeirah Lakes Towers, PO Box 75873, Dubai	IND
The Capel Building, Mary's Abbey, Dublin 7, Ireland	CAP
Cloughoge Business Park, Newry, Countydown, Northern Ireland	CLO
147 West 35th Street, Suite 1802, New York	WES
333 West North Avenue, Suite 373, Chicago	WNA
Avda.del General Peron, 27 – 10 Plta, Madrid	AGP

16. Trade and other receivables

	Group		Company	
	30 June 2017 £'000	30 June 2016 £'000	**30 June 2017 £'000**	30 June 2016 £'000
Current				
Trade receivables	**23,207**	21,993	**—**	—
Prepayments and other receivables	**5,237**	4,128	**49**	45
Amounts due from subsidiaries	**—**	—	**84,814**	65,927
	28,444	26,121	**84,863**	65,972

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

17. Derivative financial investments

	Group and Company	
	30 June 2017 £'000	30 June 2016 £'000
Current liabilities		
Interest rate swap - maturing in November 2016	**—**	(162)
Forward currency contracts	**—**	(851)
	—	(1,013)
Non-current liabilities		
Interest rate swaps - maturing in November 2020	**(662)**	(1,037)

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

18. Trade and other payables

	Group		Company	
	30 June 2017 £'000	30 June 2016 £'000	**30 June 2017 £'000**	30 June 2016 £'000
Trade and other payables	**25,357**	21,591	**2,395**	2,060
Subscriptions and deferred revenue	**26,973**	22,305	**—**	—
Amounts due to subsidiaries	**—**	—	**25,942**	16,362
	52,330	43,896	**28,337**	18,422

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

19. Borrowings

	Group		Company	
	30 June 2017 £'000	30 June 2016 £'000	**30 June 2017 £'000**	30 June 2016 £'000
Current liability				
Bank overdrafts	**925**	2,204	**4,761**	583
	925	2,204	**4,761**	583
Non-current liability				
Bank loans	**49,781**	47,126	**15,000**	12,828
Capitalised loan arrangement fees	**(428)**	(429)	**(428)**	(429)
Bank loans net of loan arrangement fees	**49,353**	46,697	**14,572**	12,399

Bank overdrafts comprise of the net of gross overdraft balances of £13.2m (2016: £10.3m) and cash positions of £12.3m (2016: £8.1m) held at Barclays Bank PLC in certain UK companies included in the offsetting agreement.

The £1,000 decrease in capitalised loan arrangement fees reflects the net impact of a £146,000 payment of fees relating to the extension of the Group's £85m revolving multi-currency credit facility, and an amortisation charge of (£147,000).

20. Financial instruments and risk management

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

Interest rate risk

Risk

The Group financing arrangements include external debt that is subject to a variable interest rate. The Group is consequently exposed to cash flow volatility arising from fluctuations in market interest rates applicable to that external finance. In particular, interest is charged on the £50m (2016: £47m) amount drawn down on the revolving credit facility at a rate of between 1.50 and 2.25 per cent above LIBOR depending upon leverage. Cash flow volatility therefore arises from movements in the LIBOR interest rates. Any undrawn amounts are charged a commitment fee at a rate of 0.9% (2016: 0.9%).

Group policy

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

20. Financial instruments and risk management continued

Risk management arrangements

The Group's interest rate swap contracts offset part of its variable interest payments and replace them with fixed payments. In particular, the Group has hedged its exposure to the LIBOR part of the interest rate for a £21m (2016: £21m) portion of the loan facility via an interest rate swap, as follows:

- A $7.5m interest rate swap commencing on 13 July 2015 and ending on 1 July 2020, whereby the Group receives interest on $7.5m based on the USD LIBOR rate and pays interest on $7.5m at a fixed rate of 1.79%.
- A £15.0m interest rate swap commencing on 22 November 2016 and ending on 1 July 2020, whereby the Group receives interest on £15m based on LIBOR rate and pays interest on £15m at a fixed rate of 2.00%.

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

Sensitivity analysis

The Group has performed a sensitivity analysis that measures the estimated charge to the Income Statement and Other Comprehensive Income arising from a 100 basis points ('bps') increase in market interest rates applicable at 30 June 2017, with all other variables remaining constant. The sensitivity analysis makes the following assumptions:

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

	Income Statement 100 bps Increase £'000	OCI 100 bps Increase £'000
Variable rate debt	(303)	—
Interest rate swap	—	209
	(303)	209

Foreign currency risk

Risk

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

Group policy

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

The Group policy is to finance investment in overseas operations from borrowings in the local currency of the relevant operation, so as to achieve a natural hedge of the foreign currency translation risk. This natural hedge is designated as a net investment hedge for accounting purposes. Debt of $18.2m (2016: $18.2m) has been designated as a net investment hedge relating to the Group's interest in Compliance Week and FRA.

20. Financial instruments and risk management continued

Risk management arrangements

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

- On 13 May 2016, the Group sold €1.2m to 24 February 2017 at a rate of 1.2609
- On 13 May 2016, the Group sold €1.2m to 3 March 2017 at a rate of 1.2606
- On 13 May 2016, the Group sold €1.1m to 10 March 2017 at a rate of 1.2601
- On 20 May 2016, the Group sold $3.5m to 27 February 2017 at a rate of 1.4622
- On 20 May 2016, the Group sold $3.5m to 27 February 2017 at a rate of 1.4637
- On 20 May 2016, the Group sold $3.0m to 27 February 2017 at a rate of 1.4657

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

The Group has performed a sensitivity analysis that measures the estimated credit/(charge) to the Income Statement and Other Comprehensive Income arising from a 10% difference in the US Dollar to Sterling and Euro to Sterling exchange rates applicable at 30 June 2017, with all other variables remaining constant. The sensitivity analysis makes the assumption that changes in foreign currency rates only affect income, expense, assets and liabilities that are denominated in the relevant currencies.

	Income statement		OCI	
	+10%* £'000	-10%* £'000	+10%* £'000	-10%* £'000
Cash and cash equivalents	(203)	249	—	—
Trade receivables (including the effect of forward currency contracts)	(24)	29	—	—
Currency translation differences	—	—	(322)	393
Net investment hedges	—	—	1,276	(1,560)
Profit before tax arising overseas	(67)	17	—	—
	(294)	295	954	(1,167)

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

Liquidity and capital risk

Risk

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

Group policy

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

Risk management arrangements

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

On 1 July 2015 the Group extended its £65m revolving credit facility with Barclays Bank PLC, HSBC Bank plc and The Royal Bank of Scotland plc through to 1 July 2020. On 17 January 2017 £20m of the accordion facility was triggered, increasing the total unsecured bank facility to £85m. This extension was made to fund the acquisition of HSJ (note 11). The extended facility comprised of a revolving credit facility of £80.0m and an overdraft facility across the Group of £5.0m.

20. Financial instruments and risk management continued

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

	30 June 2017 £'000	30 June 2016 £'000
Expiring within one year	—	—
Expiring after more than one year	30,219	12,874

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

Group

At 30 June 2017	Within 1 Year £'000	1 – 2 Years £'000	2 – 5 Years £'000	More than 5 Years £'000	Total £'000
Bank overdrafts	925	—	14	—	939
Bank loans including interest	—	—	51,941	—	51,941
Trade payables and accruals	27,289	—	—	—	27,289
Provisions for future purchase of non-controlling interests	100	—	—	—	100
	28,214	100	51,955	—	80,269

At 30 June 2016	Within 1 Year £'000	1 – 2 Years £'000	2 – 5 Years £'000	More than 5 Years £'000	Total £'000
Bank overdrafts	2,204	—	18	—	2,222
Bank loans including interest	—	—	49,286	—	49,286
Trade payables and accruals	23,141	—	—	—	23,141
Provisions for future purchase of non-controlling interests	—	100	—	—	100
	25,345	100	49,304	—	74,749

Company

At 30 June 2017	Within 1 Year £'000	1 – 2 Years £'000	2 – 5 Years £'000	More than 5 Years £'000	Total £'000
Bank overdrafts	4,761	—	—	—	4,761
Bank loans including interest	—	—	16,732	—	16,732
Trade payables, accruals and amounts due to subsidiary undertakings	28,337	—	—	—	28,337
	33,098	—	16,732	—	49,830

At 30 June 2016	Within 1 Year £'000	1 – 2 Years £'000	2 – 5 Years £'000	More than 5 Years £'000	Total £'000
Bank overdrafts	583	—	—	—	583
Bank loans including interest	—	—	15,006	—	15,006
Trade payables, accruals and amounts due to subsidiary undertakings	18,422	—	—	—	18,422
	19,005	—	15,006	—	34,011

20. Financial instruments and risk management continued

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

Credit Risk

Risk

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

Group policy

The Group policy is that the lines of business assess the creditworthiness and financial strength of customers at inception and on an ongoing basis. The Group also reviews the credit rating of the bank. Cash is held in banks with a credit rating between AA- and BB+ per Fitch at 12 September 2017.

Risk management arrangements

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

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

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

	Not due £'000	0 – 30 days £'000	30 – 60 days £'000	Over 60 days £'000	Total £'000	Allowances £'000	Net £'000
At 30 June 2017	**14,617**	**3,316**	**1,640**	**4,157**	**23,730**	**(522)**	**23,208**
At 30 June 2016	12,889	3,844	2,261	3,619	22,613	(620)	21,993

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

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

	30 June 2017 £'000	30 June 2016 £'000
Allowances at 1 July 2016	**620**	736
Additions charged to income statement	**385**	527
Allowances used	**(162)**	(47)
Allowances reversed	**(321)**	(596)
Allowances at 30 June 2017	**522**	620

Fair value of financial assets and financial liabilities

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

20. Financial instruments and risk management continued

Group

At 30 June 2017	Fair value through profit and loss £'000	Loans and receivables £'000	Financial instruments designated for hedging £'000	Amortised cost £'000	Other £'000	Total £'000
Financial assets						
Cash and cash equivalents	—	10,687	—	—	—	10,687
Trade and other receivables	—	26,350	—	—	—	26,350
	—	37,037	—	—	—	37,037
Financial liabilities						
Trade and other payables	—	—	—	(27,289)	—	(27,289)
Bank overdrafts	—	—	—	(925)	—	(925)
Bank loans	—	—	—	(49,781)	—	(49,781)
Interest rate swaps	—	—	(662)	—	—	(662)
Forward currency contracts	—	—	—	—	—	—
Put options for non-controlling interests	—	—	—	—	(100)	(100)
	—	—	(662)	(77,995)	(100)	(78,757)

At 30 June 2016	Fair value through profit and loss £'000	Loans and receivables £'000	Financial instruments designated for hedging £'000	Amortised cost £'000	Other £'000	Total £'000
Financial assets						
Cash and cash equivalents	—	14,642	—	—	—	14,642
Trade and other receivables	—	24,234	—	—	—	24,234
	—	38,876	—	—	—	38,876
Financial liabilities						
Trade and other payables	—	—	—	(23,141)	—	(23,141)
Bank overdrafts	—	—	—	(2,204)	—	(2,204)
Bank loans	—	—	—	(47,126)	—	(47,126)
Interest rate swaps	—	—	(1,199)	—	—	(1,199)
Forward currency contracts	(851)	—	—	—	—	(851)
Put options for non-controlling interests	—	—	—	—	(100)	(100)
	(851)	—	(1,199)	(72,471)	(100)	(74,621)

Company

At 30 June 2017	Fair value through profit and loss £'000	Loans and receivables £'000	Financial instruments designated for hedging £'000	Amortised cost £'000	Total £'000
Financial assets					
Cash and cash equivalents	—	70	—	—	70
Trade and other receivables	—	84,863	—	—	84,863
Forward currency contracts	—	—	—	—	—
	—	84,933	—	—	84,933
Financial liabilities					
Trade and other payables	—	—	—	(28,337)	(28,337)
Bank overdrafts	—	—	—	(4,761)	(4,761)
Bank loans	—	—	—	(14,572)	(14,572)
Interest rate swaps	—	—	(662)	—	(662)
	—	—	(662)	(47,670)	(48,332)

20. Financial instruments and risk management continued

At 30 June 2016	Fair value through profit and loss £'000	Loans and receivables £'000	Financial instruments designated for hedging £'000	Amortised cost £'000	Total £'000
Financial assets					
Cash and cash equivalents	—	1,603	—	—	1,603
Trade and other receivables	—	65,927	—	—	65,927
	—	67,530	—	—	67,530
Financial liabilities					
Trade and other payables	—	—	—	(18,422)	(18,422)
Bank overdrafts	—	—	—	(583)	(583)
Bank loans	—	—	—	(12,828)	(12,828)
Interest rate swaps	—	—	(1,199)	—	(1,199)
Forward currency contracts	(851)	—	—	—	(851)
	(851)	—	(1,199)	(31,833)	(33,883)

Fair value measurement

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

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

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

Level 1

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

Level 2

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

Level 3

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

Group and Company

At 30 June 2017	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Liabilities				
Financial liabilities at fair value through income or expense				
– Trading derivatives at fair value through the income statement	–	–	–	–
Financial liabilities at fair value through equity				
– Derivative financial instruments designated for hedging	–	(662)	–	(662)
Total liabilities	–	(662)	–	(662)

20. Financial instruments and risk management continued

At 30 June 2016	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Liabilities				
Financial liabilities at fair value through income or expense				
– Trading derivatives at fair value through the income statement	—	(851)	—	(851)
Financial liabilities at fair value through equity				
– Derivative financial instruments designated for hedging	—	(1,199)	—	(1,199)
Total liabilities	—	(2,050)	—	(2,050)

21. Deferred tax

Movements on deferred tax assets are as follows:

	Group £'000	Company £'000
Non-current assets		
Asset at 30 June 2015	562	400
Deferred tax credit/(charge) in the income statement for the year	363	(33)
Deferred tax credit in other comprehensive income for the year	155	155
Deferred tax charge included directly in equity for the year	(138)	(138)
Asset at 30 June 2016	942	384
Deferred tax credit/(charge) in the income statement for the year	134	165
Deferred tax charge in other comprehensive income for the year	(106)	(106)
Deferred tax charge included directly in equity for the year	(151)	(151)
Effect on deferred tax of change in corporation tax	(7)	(7)
Exchange translation difference	8	–
Asset at 30 June 2017	**820**	**285**

The Group deferred tax asset arises as a result of tax on share based payments: £154,000 (2016: £306,000), future deductions available on US deferred consideration: £375,000 (2016: £396,000), fair value interest rate swap losses: £131,000 (2016: £240,000) and future deductions available on US losses carried forward £160,000, (2016: £nil). It is anticipated that the Group and Company will make sufficient taxable profit to allow the benefit of the deferred tax asset to be utilised.

Movements on deferred tax liabilities are as follows:

	Group £'000	Company £'000
Non-current liabilities		
Liability at 30 June 2015	3,762	—
Deferred tax credit in the income statement for the year	(607)	—
Acquisition of subsidiaries	1,012	—
Effect on deferred tax of change in corporation tax rate	(178)	—
Liability at 30 June 2016	3,989	—
Deferred tax credit in the income statement for the year	(1,113)	—
Acquisition of subsidiaries	1,833	—
Effect on deferred tax of change in corporation tax rate	(124)	—
Liability at 30 June 2017	**4,585**	**—**

The deferred tax liability arises as a result of accelerated tax on amortisation of intangible assets excluding computer software and on the depreciation of property plant and equipment.

Notes to the Financial Statements

22. Share capital

	Number of ordinary shares of 5p each	Ordinary shares £'000	Share premium account £'000	Treasury shares £'000	Total £'000
Authorised					
At 1 July 2016 and 30 June 2017	**110,000,000**	**5,500**			
Issued and fully paid ordinary shares					
At 1 July 2015	86,507,461	4,325	45,225	(96)	49,454
Shares issued	478,270	24	—	—	24
At 30 June 2016	86,985,731	4,349	45,225	(96)	49,478
Shares issued	262,243	13	—	—	13
At 30 June 2017	**87,247,974**	**4,362**	**45,225**	**(96)**	**49,491**

On 19 September 2016 262,243 ordinary shares were issued in respect of the vesting of the 2013 PSP Share Awards to employees (including Directors).

At 30 June 2017 46,584 shares (2016: 46,584) were held in Treasury, which represents 0.1% (2016: 0.1%) of the called up share capital of the Company.

23. Share based payments

a) Share Awards

Details of Directors' share awards are set out in the Directors' Remuneration Report. In addition to the Directors a limited number of the senior management team are also granted share awards.

Under the Wilmington Group plc 2007 Performance Share Plan:

Year of grant	Exercise price per Award	Date of vesting	Number of shares for which awards outstanding at 1 July 2016	Awards granted during year	Awards vested during year	Awards lapsed during year	**Number of shares for which awards outstanding at 30 June 2017**
2013	Nil	Sep 2016	241,226	—	(241,226)	—	**—**
2014	Nil	Sep 2017	178,308	—	—	—	**178,308**
2015	Nil	Sep 2018	188,337	—	—	—	**188,337**
2016	Nil	Sep 2019	—	233,092	—	—	**233,092**

241,226 awards vested on 19 September 2016 at a share price of £2.50. The fair value of the awards granted during the year was £2.47 per award.

Details of the Performance Share Plan are set out in the Directors' Remuneration Report on pages 50 to 52.

These awards were valued using the Black Scholes method with the following assumptions:

- Expected volatility (%) 20.77
- Expected life (years) 3
- Expected dividends (%) Nil

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

23. Share based payments continued

b) Company Share Option Plan ('CSOP')

On 15 September 2016 the company awarded share options to selected key management under a CSOP. This is a discretionary scheme consisting of an HMRC approved schedule and an unapproved schedule which enables a company to grant share options to selected employees over shares with a maximum cumulative value per individual of £30,000 at the date of the grant. The exercise price of the granted options is equal to the market price of the shares on the date of the grant. Options are conditional on the employee completing three years' service (the vesting period) so act as a lock-in incentive, the options have a contractual option term of ten years. The options are exercisable starting three years from the grant date, subject to the Group achieving its target growth in earnings per share over the period of inflation plus 3%. The Group has no legal or constructive obligation to repurchase or settle the options in cash.

Movements in the number of share options outstanding and their related weighted average exercise price are as follows:

Year of grant	Exercise price per Award	Date of vesting	Number of shares for which awards outstanding at 1 July 2016	Awards granted during year	Awards vested during year	Awards lapsed during year	Number of shares for which awards outstanding at 30 June 2017
2015	2.625	Sep 2018	235,461	—	—	(19,796)	215,665
2016	2.455	Sep 2019	—	362,756	—	(37,982)	324,774

The fair value of the options granted during the year was £0.38 per option.

These awards were valued using the Black Scholes method with the following assumptions:

- Expected volatility (%) 25.46
- Expected life (years) 6.5
- Expected dividends (%) 3.28

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.

An expense of £552,000 (2016: £563,000) was recognised in the income statement of the group for share based payments. Of this expense £552,000 (2016: £563,000) was recognised in the parent company income statement.

24. Non-controlling interests

	Net Non-controlling interests £'000
At 30 June 2015	277
Profit for the year	143
Dividends paid	(141)
Movements in non-controlling interests	(126)
At 30 June 2016	**153**
Profit for the year	38
Dividends paid	(105)
At 30 June 2017	**86**

25. Commitments

a) The Group had, in relation to property, plant and equipment, capital commitments contracted but not provided for at 30 June 2017 of £nil (2016: £nil).

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

	Group		Company	
	30 June 2017 £'000	30 June 2016 £'000	30 June 2017 £'000	30 June 2016 £'000
Not later than one year	2,297	1,388	575	111
Later than one year and not later than five years	9,418	3,003	5,939	445
Later than five years	8,357	3,975	8,327	3,838
	20,072	8,366	14,841	4,394

In the year the Group conducted a review of its London property portfolio. All related commitments in relation to this review have been considered in the summary above, for further details of costs incurred in the year see note 4c.

26. Related party transactions

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

The Company has made recharges totalling £1,405,927 (2016: £1,686,228) to its fellow group undertakings in respect of management services.

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

During the year, the Company received dividends of £8,758,300 from subsidiaries (2016: £14,522,323).

The Chief Executive Officer, Pedro Ros, owns a minority shareholding in SMARP OY (a company incorporated in Finland), which provides social media services to the Group. During the year the Group paid £17,856 (2016: £29,016) to SMARP UK Limited, a subsidiary of SMARP OY.

Close family members of key management personnel provided services for the Group during the year for lecturing, writing production, exam marking services and photography. The total invoiced for these services was £63,171 (2016: £100,310).

27. Staff and their pay and benefits

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

	Year ended 30 June 2017 £'000	Year ended 30 June 2016 £'000
Wages and salaries*	43,779	38,200
Social security costs	4,882	4,466
Other pension costs	940	709
Share based payments (including social security costs)	552	563
	50,153	43,938

* Excluded from wages and salaries are redundancy costs in the year of £625,000 (2016: £243,000).

27. Staff and their pay and benefits continued

b) Remuneration of key management personnel that held office for part or all of the year (2017: 11 people; 2016: 16 people), which includes the Directors and other key management personnel, is shown in the table below:

	Year ended 30 June 2017 £'000	Year ended 30 June 2016 £'000
Short-term employee benefits	3,166	3,515
Compensation for loss of office	—	—
Post-employment benefits	86	76
Share based payments	424	514
	3,676	4,105

More detailed information concerning Director's remuneration, shareholdings, pension entitlement, share options and other long-term incentive plans is shown in the audited part of the Directors' Remuneration Report on pages 47 to 62, which forms part of the consolidated financial statements.

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

	Year ended 30 June 2017 Number	Year ended 30 June 2016 Number
Cost of Sales	547	517
Administration	448	423
	995	940

Total full time equivalents at 30 June 2017 were 856 (2016: 774).

d) Retirement benefits

The Group contributes to defined contribution pension schemes. Total contributions to the schemes during the year were £940,000 (2016: £709,000).

28. Cash generated from operations

	Group		Company	
	30 June 2017 £'000	30 June 2016 £'000	30 June 2017 £'000	30 June 2016 £'000
Profit/(loss) from continuing operations before income tax	15,862	(3,434)	9,131	8,769
Other adjusting items (included in operating expenses)	3,468	2,352	1,943	887
Gain on sale of leasehold property	(6,333)	—	(6,333)	—
Depreciation of property, plant and equipment	1,071	911	95	102
Amortisation of intangible assets	7,193	6,595	—	—
Impairment of goodwill and intangible assets	2,366	15,659	—	—
Profit on disposal of property, plant and equipment	(20)	(4)	—	—
Share based payments (including social security costs)	552	563	552	563
Finance costs	1,961	1,920	1,102	1,186
Operating cash flows before movements in working capital	26,120	24,562	6,490	11,507
(Increase)/decrease in trade and other receivables	(1,997)	(2,434)	(18,048)	1,102
Increase in trade and other payables	2,530	1,744	8,948	7,845
Cash generated/(used) from operations before adjusting items	26,653	23,872	(2,610)	20,454

28. Cash generated from operations continued

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

	Year ended 30 June 2017 £'000	Year ended 30 June 2016 £'000
Funds from operations before adjusting items:		
Adjusted EBITA	**23,352**	22,042
Share based payments (including social security costs)	**552**	563
Amortisation of intangible assets - computer software	**1,165**	1,050
Depreciation of property, plant and equipment	**1,071**	911
Profit on disposal of property, plant and equipment	**(20)**	(4)
Operating cash flows before movement in working capital	**26,120**	24,562
Net working capital movement	**533**	(690)
Funds from operations before adjusting items	**26,653**	23,872
Cash conversion	**114%**	108%
Free cash flows:		
Operating cash flows before movement in working capital	**26,120**	24,562
Profit on disposal of property, plant and equipment	**43**	(4)
Net working capital movement	**533**	(690)
Interest paid	**(1,656)**	(1,502)
Tax paid	**(3,905)**	(3,197)
Purchase of property, plant and equipment	**(1,300)**	(641)
Purchase of intangible assets	**(1,599)**	(870)
Free cash flows	**18,236**	17,658

29. Events after the reporting period

Purchase of minority interest

In July 2017 the Group purchased the remaining 20% shareholding in Central Law Training (Scotland) Limited for £335,000 making it a wholly owned subsidiary.

Forward contracts

On 3 July 2017 the following forward contracts were entered into in order to provide certainty in Sterling terms of 80% of the Group's expected net US dollar and Euro income:

- The Group sold €5.0m at an average rate of 1.1358
- The Group sold $10.0m at an average rate of 1.3071

Pro Forma Five Year Financial Summary (Unaudited)

	2013 £'m	2014 £'m	2015 £'m	2016 £'m	**2017 £'m**
Revenue	85.0	90.0	95.1	105.7	**120.3**
Operating expenses (before adjusting items)	(68.1)	(71.3)	(74.7)	(83.1)	**(97.0)**
Adjusted EBITA	16.0	17.8	19.5	22.0	**23.4**
Other adjusting items	(1.3)	(0.8)	(1.1)	(2.4)	**(3.5)**
Gain on disposal of property	3.3	–	–	–	**6.3**
Amortisation of intangible assets excluding computer software	(6.1)	(6.3)	(6.1)	(5.4)	**(6.0)**
Impairment of goodwill and intangible assets	(4.5)	–	–	(15.7)	**(2.4)**
Operating profit/(loss)	7.4	10.7	12.3	(1.5)	**17.8**
Finance costs	(2.3)	(2.1)	(2.0)	(1.9)	**(2.0)**
(Loss)/profit on ordinary activities before tax	5.1	8.6	10.3	(3.4)	**15.9**
Taxation	(1.5)	(2.0)	(2.4)	(2.9)	**(3.0)**
(Loss)/profit on ordinary activities after tax	3.6	6.6	7.9	(6.3)	**12.9**
Adjusted Profit before Tax	13.8	15.7	17.5	20.3	**21.4**
Cash generated from operations before adjusting items	19.4	20.2	21.9	23.9	**26.7**
Basic earnings per ordinary share from continuing operations (pence)	4.17	7.59	8.96	(7.39)	**14.72**
Diluted earnings per ordinary share from continuing operations (pence)	4.07	7.39	8.83	(7.39)	**14.62**
Adjusted earnings per ordinary share from continuing operations (pence)	12.26	13.95	15.57	18.17	**19.05**
Interim and proposed final dividend per share (pence)	7.0	7.3	7.7	8.1	**8.5**
Dividend cover[1]	1.8	1.9	2.0	2.2	**2.2**
Return on equity (%)[2]	26.8	30.2	32.6	41.5	**46.2**
Return on equity excluding impairment[3]	25.6	27.8	30.1	33.2	**31.6**
Return on sales (%)[4]	18.8	19.8	20.5	20.8	**19.4**

Following management's decision to include share based payment costs within adjusted results, all measures affected by adjusted profit in the table below have been recalculated to reflect this change and to allow comparability to the current year performance.

1. Dividend cover – Adjusted earnings per ordinary share from continuing operations divided by the interim and proposed final dividend per share
2. Return on equity – Adjusted Profit Before Tax divided by the average equity attributable to owners of the parent
3. Return on equity – Adjusted Profit Before Tax divided by the average equity attributable to owners of the parent excluding the effects of the following impairments on equity: £4.5m, year ended 30 June 2013; £15.7m, year ended 30 June 2016; £2.4m, year ended 30 June 2017
4. Return on sales – Adjusted EBITA divided by Revenue

New operating segments (Unaudited)

Reconciliation June 2017

	Revenue £'000	Risk & Compliance £'000	Professional £'000	Healthcare £'000
Risk & Compliance	42,272	42,272		
Finance	24,859		24,859	
Legal	14,613		14,613	
Insight	38,585			38,585
Revenue	120,329	42,272	39,472	38,585
As % of revenue		35%	33%	32%

	Adjusted EBITA £'000	Risk & Compliance £'000	Professional £'000	Healthcare £'000
Risk & Compliance	12,265	12,265		
Finance	4,071		4,071	
Legal	1,793		1,793	
Insight	9,705			9,705
Contribution	27,834	12,265	5,864	9,705
As % of Contribution		44%	21%	35%
Unallocated central overheads	(3,930)			
Share based payments	(552)			
Adjusted EBITA	23,352			

Reconciliation June 2016

	Revenue £'000	Risk & Compliance £'000	Professional £'000	Healthcare £'000
Risk & Compliance	38,802	38,802		
Finance	21,219		21,219	
Legal	15,524		15,524	
Insight	30,179			30,179
Revenue	**105,724**	**38,802**	**36,743**	**30,179**
As % of revenue		37%	35%	29%

	Adjusted EBITA £'000	Risk & Compliance £'000	Professional £'000	Healthcare £'000
Risk & Compliance	12,678	12,678		
Finance	4,473		4,473	
Legal	1,686		1,686	
Insight	7,316			7,316
Contribution	**26,153**	**12,678**	**6,159**	**7,316**
As % of Contribution		48%	24%	28%
Unallocated central overheads	(3,548)			
Share based payments	(563)			
Adjusted EBITA	**22,042**			

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Corporate calendar
Annual General Meeting
2 November 2017

Announcement of Final Results
13 September 2017

Announcement of Interim Results
February 2018

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