2019

Wilmington plc

Annual Report and Financial Statements for the year ended 30 June 2019

Registered number: 3015847

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COMPANIES HOUSE

Stock Code: WIL

Information, education and networking for professional markets

Strategic Report – Wilmington plc 30 June 2019

Welcome to Our Annual Report 2019

Financial Results for the twelve months ended 30 June 2019

Financial Highlights

- Revenues for the year up 1% to £122.5m (2018: £121.3m)
  - Up 1.5% on an organic[1] basis reflecting a shift in momentum given the declines of the last two years
- Adjusted EBITA[2] decreased by 9.7% to £21.5m (2018: £23.8m) with EBITA margins at 17.6% (2018: 19.6%)
  - Reflects previously signalled cost increases to support growth initiatives
- Adjusted profit before tax[3] down 11.5% to £19.3m (2018: £21.8m)
- Profit before tax at £14.7m (2018: £2.3m)
  - Increase reflects the benefit of the gain on sale of ICP business of £1.9m plus the non repeat of one-off costs in the prior year including head office move £3.1m, and goodwill impairment £8.6m
- Adjusted earnings per share[4] down 11.9% to 17.44p (2018: 19.80p)
- Basic earnings per share of 12.74p (2018: loss per share of 0.45p)
- Final dividend increased 4% to 5.0p (2018: 4.8p); total dividends up 3% to 9.1p (2018: 8.8p)
- Strong cash conversion[5] at 123% (2018: 108%)
- Group net debt at 30 June 2019 was £33.9m (2018: £39.6m). Represents 1.4 times adjusted EBITDA (2018: 1.5 times)
  - Debt facilities extended after the year end to July 2023 (with option to extend to October 2024)

Operational Highlights

- 6% organic growth in Risk & Compliance driven mainly by double digit growth in the main Compliance business
  - Strong demand for online courses and bespoke in-house programmes
  - Investment in new platform for Compliance Week and new courses developed for wealth management
  - Axco secured a number of multi-year renewals with major customers

- Healthcare division recovered from a challenging prior year to achieve 1% organic revenue growth
  - New business sales in UK improved as business started to see benefits of prior year integration activities
  - Success of new product, APMi in France supported strong underlying performance
  - US events business had good second half led by flagship RISE event for which revenue was up 30% year-on-year
  - Interactive Medica platform integrated with existing UK data products to enhance user experience

- Professional impacted by UK economic/political climate particularly in second half. Resulted in 2% organic revenue decline
  - Accountancy integrated its Mercia and SWAT businesses into a single brand
  - Strong performance in Legal by Bond Solon in witness familiarisation and in winning framework contracts for regulatory training
  - Investment banking business transitioned to new learning management system and launched student dashboard

- Mark Milner joined as Chief Executive Officer on 1 July 2019

Current Trading and outlook

- Trading in first two months of year in line with Board expectations with revenue growth on prior year
  - Promising sales performance in first two months in all three divisions
- Full year organic revenue growth expected to be in low to mid single digit range

Martin Morgan, Non-Executive Chairman commented:

"Wilmington made progress over the year on our objective of focussing the Group on delivering organic growth. We built momentum despite having to deal with the current uncertainties in the political and economic climate. The Board maintains its view that the Group is well positioned to build on this and deliver improved performance and increased shareholder value."

[1] Organic – eliminating the effects of exchange rate fluctuations and the impact of acquisitions and disposals
[2] Adjusted EBITA – see note 2
[3] Adjusted profit before tax – see note 2
[4] Adjusted earnings per share – see note 9
[5] Cash conversion – see note 28

Strategic Report – Wilmington plc 30 June 2019

At a glance
Wilmington is a dynamic portfolio of companies that provide tailored information, education and events to specialised professional communities. We are experts in our customers' markets, and we help them to better understand and overcome their challenges by providing insight, managing risk and creating connections.

Our tailored information, education and events are trusted by our clients to provide insight, manage risk and create connections. With the vision to provide personalised knowledge wherever and whenever they need it, we are helping our clients to better understand their professional challenges.

Wilmington's strength is based on the talented people we have working in our business. Our highly regarded subject matter experts are renowned in their markets – trusted not only for their expertise and knowledge, but also for the way that they convey it.

We are building on our strong reputation for must-have information by enhancing the way it is delivered - developing more personalised digital services using our enhanced infrastructure, cutting-edge facilities and technical expertise. We continue to serve our professional communities worldwide, working hard to ensure they have the trusted information they need to prepare for the future.

Risk & Compliance

Revenue	**Sector**
£42.4m (2018: £42.1m)	This division provides in-depth accredited regulatory and compliance training and information, market intelligence, and analysis. It focuses on the international financial services and insurance markets as well as the UK pensions industry. The main communities that use our offerings are risk and compliance officers globally.

Healthcare

Revenue	**Sector**
£46.3m (2018: £44.7m)	The Healthcare division provides analysis and clarity to customer-focussed 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, our newly acquired cloud based marketing and analytics system, our healthcare networking events and our legacy non-healthcare data suppression and charity information businesses. The main communities that use our offerings are healthcare professionals predominantly in the UK, France and the US.

Professional

Revenue	**Sector**
£33.8m (2018: £34.5m)	This division includes Wilmington's financial training businesses, accountancy CPD business 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 UK accountancy and law firms.

Revenue analysis

Revenue can be analysed by segment as follows:

Total Revenue		
% of Group revenue	**2019**	**2018**
Risk & Compliance	35%	35%
Healthcare	38%	37%
Professional	27%	28%

Revenue can be analysed by geography as follows:

Total Revenue		
% of Group revenue	**2019**	**2018**
UK	57%	59%
Europe (excluding the UK)	18%	17%
North America	17%	15%
Rest of the world	8%	9%

Revenue can be analysed by type as follows:

Total Revenue		
% of Group revenue	**2019**	**2018**
Information	47%	50%
Training	39%	38%
Networking	14%	12%

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

- London (head office)
- Birmingham
- Boston, US
- Charlotte, US
- Dubai, UAE
- Dublin, Ireland
- Essex
- Glasgow
- Hong Kong
- Leicester
- Madrid, Spain
- New York, US
- Newry
- Paris, France
- Plymouth
- Santa Cruz, US
- Singapore
- Stockholm, Sweden
- West Yorkshire

The Group's largest revenue generating countries that account for 95% of total revenue are:

- UK
- US
- France
- Spain
- Singapore
- Republic of Ireland
- Germany
- Hong Kong
- Switzerland
- Malaysia
- Channel Islands
- United Arab Emirates
- Finland
- Denmark

Strategic Report – Wilmington plc 30 June 2019

Chairman's Statement

I am pleased to present my report on the year ended 30 June 2019. We made progress on our objective of focussing the Group on delivering organic revenue growth. We built momentum through the year despite having to deal with the current uncertainties in the political and economic climate. We completed a thorough, consultant led review of our business, and instigated a bottom up three year planning exercise for the first time. And of course at the start of the new financial year we were delighted to welcome Mark Milner who joined us as Chief Executive Officer, at which point I resumed my role as Non-Executive Chairman. I very much look forward to working with Mark and collaborating with him to unlock the potential for increased shareholder value that I believe exists within our portfolio of businesses.

Summary of Results

Overall financial performance was mixed. Revenue of £122.5m (2018: £121.3m following restatement for adoption of IFRS15) represented a modest organic growth rate of 1.5% but demonstrated an encouraging shift in momentum given the declines suffered in the previous two years. However due to previously signalled increases in costs, partly through investments in infrastructure and product development, adjusted profit before tax is down year-on-year at £19.3m (2018 restated: £21.8m). Statutory profit before tax is up at £14.7m (2018 restated: £2.3m), but this is because of the impact of both one-off costs from last year which did not repeat and a gain this year from the disposal completed at the start of the year. However, cash generation was strong with net debt decreasing by £5.7m to £33.9m (30 June 2018: £39.6m).

The performance in the year was achieved against a backdrop of some difficult trading conditions, in particular impacting the Professional division, where the political and economic uncertainty gripping the UK economy impacted demand for training courses and resulted in a 2% organic revenue decline. Offsetting that, Risk & Compliance delivered good 6% organic revenue growth, and within that our core Compliance business ICA achieved double digit growth. Meanwhile, the Healthcare division has been recovering from a challenging prior year. It achieved 1% organic revenue growth with a 5% decline in H1 more than offset by improved momentum in H2.

Dividend

In recognition of the progress that has been made and its confidence in the future prospects of the Group, the Board is maintaining the previous progressive dividend policy that has been in place since 2013/14. At the AGM in November it will be proposed that the final dividend be increased 4% to 5.0p (2018: 4.8p). Taken in conjunction with the increased interim dividend paid in April this takes the full year dividend to 9.1p, up 3% from the 8.8p paid in 2018. This was covered 1.9 times in the year by adjusted earnings per share. The Board is comfortable with this level of cover although its medium term intention is to rebuild cover to two times adjusted earnings per share whilst maintaining the progressive dividend policy.

Strategy and Business Review

As mentioned in the last Annual Report, following my appointment and the negative trading update in July 2018, in conjunction with the rest of the Board I initiated a thorough review of the business. In order to obtain an independent assessment we engaged a firm of consultants to support us. Working with senior management their remit was to analyse our key markets and competitors, and to assess our relative positions in them. The work included an extensive programme of customer referencing and analysis to ascertain the underlying growth rates and identify trends within our key markets. These external findings were supplemented by some detailed analysis of our internal commercial performance.

The review concluded positively. It supports the Board's view that Wilmington has the opportunity to return to being a growth business, through operationally executing to a high standard.

It found that Wilmington is generally operating in healthy but competitive markets; that we have strong market shares with number one or two positions; that brand recognition and respect for what we offer is high and is coupled with good rates of repeat purchasing. Of course it also found that our markets are changing, for example in the way information is being consumed and in the switch to digital learning. It appears that we are not facing significant imminent disruptive change but it is my observation that there has been insufficient investment in new products and services over the last few years as the Group focussed on expanding through acquisition. The review generated ideas about how our core businesses might develop their product offerings, and subsequent to that we instigated a three year planning process undertaken at a business unit level rather than at group level which had been the case previously. That process has allowed us to identify, by business, product roadmaps to generate new revenues, which in turn is informing investment decisions. It is supported by a process introduced earlier in the year that has introduced new rigour into investment decision-making. The review also identified some challenges with the strategy we were pursuing in Healthcare, and as a result the Board subsequently decided to move our focus away from building a pan-European healthcare information business, in favour of concentrating on the UK and France where we already occupy good positions.

Finally, the review also supported the Board's decision made last summer to focus on improving organic growth for the time being in preference to prioritising acquisitions. My observation whilst undertaking the interim Executive role is that this needs to be complemented by a heightened emphasis on sales and marketing execution and on streamlining the organisation to enable it to move at a faster pace. These are the top priorities for Mark in his role as our new CEO.

Board changes

Mark joined us immediately after the year end on 1 July 2019. His experience in digital data businesses and his extensive background in sales and marketing are key strengths that we believe are hugely relevant to and important for Wilmington. He has hit the ground running and is already making a positive impact on the business. His predecessor, Pedro Ros left the business on 13 February 2019 and I fulfilled the Executive role in the interim period supported by Richard Amos our CFO. I would like to thank Pedro for his contribution to the Group over the previous four years.

People

The last twelve months have been challenging for the Group, during a period of considerable change. The impact of this is of course felt most keenly by our staff and their response has been excellent, for which they deserve great credit. I would also like to take this opportunity to thank them personally for the support they offered me as I fulfilled the Executive Chairman role. I greatly enjoyed working directly with so many of them and appreciate their contribution through that period.

The period has also seen much change in the leadership of the business. Four members of our Executive Committee have stepped down in the year and I would like to thank all of them for their contributions whilst with us. In particular I would wish to highlight Bill Howarth who has stepped down as Divisional Director for Compliance as part of a planned succession. Bill has been a key figure at Wilmington for many years, being the founder of the ICA and the main architect of its success. He is remaining with us in a part-time capacity as President of the ICA with a particular focus on examinations and accreditations and I look forward to continuing to work with him in that capacity. He is succeeded as Divisional Director by Tamara Kahn who joined us in June, bringing the strategic and marketing background which we believe will be key to developing further our Compliance business. I welcome Tamara to Wilmington as I also do Thomas Mount who joined us in December as Chief Technology Officer.

During the year, as planned we grew our workforce, with the full time equivalent headcount ('FTE') increasing by 26 to 860 at 30 June 2019 (30 June 2018: 834 after adjusting for the 15 FTE who left following the disposal of ICP) to support our growth plans and also to fill vacancies carried forward from the prior year. Specific areas of investment have included the US Healthcare business where we increased sales resource to deal with improved demand in the second half.

Acquisitions and disposals

On 18 July 2018, Wilmington sold its specialist credit reporting business ICP to its current management team for £3.0m. The sale proceeds will be paid over five years. The sale allowed Wilmington to focus its resources on its core client communities and secure for shareholders a good return from historic investments.

The Group made no material acquisitions in the period under review. As I set out in last year's Report, we are currently placing less emphasis on the pursuit of acquisitions to focus on organic growth from our existing portfolio. In time, once we are comfortable that those businesses are growing appropriately, we will consider acquisitions where we see clear opportunities which support our strategy and deliver shareholder value.

Current trading and outlook

Maintaining and building on the momentum achieved over the last twelve months is key to our aspirations for the new financial year. Trading in the first two months has started in line with our expectations with revenue ahead of last year. It is a seasonally quiet period so caution needs to be exercised in extrapolating this start into a trend. But sales activity in the first two months, an increasingly key lead indicator of progress, has been promising in each division with a number of positive developments.

Group organic revenue growth for the year is expected to improve slightly on the prior year and achieve growth in the low to mid single digit range. Within this, both Healthcare and Risk & Compliance are expected to deliver similar organic revenue growth to last year with Professional benefitting from the investments made this year to achieve flat year-on-year performance. Allied to this, costs are expected to increase in line with previously discussed plans.

The Board retains its view that Wilmington is well positioned to build on the work of the last twelve months and deliver improved performance. With a portfolio of strong brands operating in markets with good long term growth prospects we remain committed to unlocking the significant shareholder value we believe exists within the Group.

Martin Morgan
Non-Executive Chairman
18 September 2019

Chief Executive Q&A

An interview with Mark Milner, recently appointed as Wilmington's Chief Executive Officer.

Mark, welcome to Wilmington. Can you start please by giving us some background on your career to this point?

My business career has been spent entirely in the media, technology and data industry. Initially that was with mainstream national print titles but has since moved into digital including most recently a B2B data business with an operating model not dissimilar to some of Wilmington's businesses. I started in the sales and commercial side, which really is my specialism. I've been in general management since 2004 but I've always retained a sales and marketing focus in all my roles.

In 2001 I re-joined Daily Mail & General Trust ('DMGT') and that is when I moved from print into the digital space. Initially that focussed on digital assets associated with the classified vertical channels in which print had historically been very strong, and this quickly evolved to take a leading role in defining and delivering the strategy for launch of digital variants of the mainstream print brands, including running the division that launched Mail Online. The digitisation of print assets was an exciting time and, obviously the Mail Online has gone from strength to strength as a major consumer news site. From there I got my first experience of digital data businesses, running DMGT's consumer facing property data portals like Findaproperty.com and Primelocation.com, merging these to create The Digital Property Group ('DPG'). DPG merged with Zoopla, a very successful transaction for DMGT and its shareholders and I then moved into the B2B market and ran DMGT's residential and commercial property and environmental data and products business, Landmark Information Group. This was really exciting, building a high-performing team and repositioning the business to place data at its heart and then innovate through existing and new customer markets. It was very successful and I really enjoyed that.

So, with that as your background, what attracted you to Wilmington?

Having worked for many years leading divisions of a large business, I was looking for the opportunity to step outside of that and run an entire organisation. Wilmington fits that bill perfectly. It's in an area I know well and with roughly 1,000 staff it's of a size that I'm comfortable with and can really get to grips with. Also being a plc, I'm familiar with the ownership structure and the challenges that presents and I was keen that my next step offered me exposure to that. So when the role came up, I was interested from the start.

But then when looking into the opportunity a little more I got really excited. The company publishes a lot of information about itself and reading that I recognised many of the dynamics of the individual businesses and the challenges they face. They are similar to things I've seen before. As I reached the latter stages of the interview process I was given access to Executives and Non-Executives and the results of the consultant-led business review that the Board had recently conducted. These discussions and the data confirmed a lot of my impressions that this is a Group with a great deal of potential. And the opportunity to roll my sleeves up and drive that is very exciting.

Then finally of course there was the fact that I would be working with Martin. Although I never worked directly for him at DMGT, I clearly met him on a variety of occasions. I have huge respect for him in terms not only of the way he likes to run businesses, but also in his judgement. So, whilst my instincts were telling me that Wilmington is a great opportunity, that Martin clearly felt so too was really helpful validation.

You've only been here for a couple of months, but what are your first impressions of the business?

My first two months have been very busy, but as I said earlier, the wealth of external and internal data that I'd been able to review during the interview process enabled me to get a strong first impression and I feel I have hit the ground running. The most obvious first impression is that we do a lot of things in a lot of places in a lot of markets. For a Group of our size we cover a lot of ground and I'm really enjoying getting to grips with the various elements. It was highlighted in the business review, and is clear to me going round the business, that Wilmington owns some really strong brands, which are well respected in their field and have good market positions. Generally they operate in what are at least benign markets – in some cases they offer good growth dynamics. So there is real potential here and I believe an opportunity to unlock significant untapped value.

I've spent the first couple of months trying to meet as many of the businesses as possible and learn more about their business models. I've been to nearly every office and have met with almost every member of staff. I've been struck by the passion and enthusiasm that I have encountered across the piece, and the deep level of understanding they have of their markets, their customers and their customers' needs. Our staff are engaged with their businesses and are full of ideas for improving them. My job is going to be to find ways to help them put those ideas into practice.

Having had that insight, what do you see as the main challenges facing you at Wilmington?

As I've just said, for a Group of our size we do a lot of things. And that's both a strength and a weakness. It means you have lots of opportunities, but it can mean you try to do too much. I think one of my biggest tasks will be to focus people on a manageable number of opportunities. Do one thing. Do it well. Get the benefit from that. Then move onto the next thing. If we can be disciplined about that then we can really start to get things moving. Try to do too many things at once and you can end up half-

doing them all and therefore not getting the real benefit from any of them. But having and maintaining that focus is demanding. The new product development process we have launched has a big part to play in that. I've a number of enhancements that I want to make to it but it can really help us prioritise our investment opportunities.

And those investment plans are key. It is not a secret to anyone that Wilmington has struggled to deliver organic growth over the last several years. There are lots of reasons for that, but we really need to fix it urgently. Martin and Richard identified that twelve months ago as crucial to our future success and I believe sensibly adjusted the strategy to focus on it. Properly researched, planned and executed product development, backed by the successful deployment of new technology, is one of the keys to achieving that. It is something that I have lots of experience in and am looking forward to supporting the team with.

The other key to achieving organic growth is of course successful selling. My observation so far, and it was alluded to in the business review, is that in some areas Wilmington doesn't have as strong a sales and marketing culture as perhaps it needs. Many of our businesses have great relationships with customers that they have served for a long time, building up trust with them and that's a hugely valuable thing. But most of their sales effort goes into maintaining those relationships and building them. So we have lots of really good 'farmers' and the opportunity for us now needs to be on also developing a culture of 'hunters' – people who seek out new opportunities and clients. That isn't really a significant enough part of the Wilmington culture, but it is my heritage and I think bringing it here will really support our growth challenge.

So if those are your challenges, does the Wilmington strategy need to change to address them?

The short and rather simplistic answer to that would be to say not significantly. But actually I think it is a bit more complicated than that. As I said earlier, I was lucky enough to see the business review output before I joined. That had, for the most part, supported the existing overall strategy of driving for organic growth from our existing businesses. It confirmed that they have good positions and brands and that they are operating in decent markets. So, no need for significant change there.

It did however identify a number of opportunities for growth that are available to those businesses. Some of these were, and are, already being pursued. My job there is to support that, providing as I say the focus and experience to ensure that we maximise the prize and achieve it as soon as possible. Other opportunities are raw ideas at this stage. They need to be researched and analysed, and then business cases created for review. We'll then need to rank them against the other opportunities that we have to assess where best to deploy our capital. All the time being mindful of our need to focus and not try to do too much.

You've talked a couple of times about growth opportunities. Where do you see the most exciting ones?

Given I've only been here a little over two months I think it is too early to be drawn on specifics. These are complex and in many cases mature businesses and I need time to fully understand their strengths and vulnerabilities before calling where we can best drive growth. I also need to consider how the opportunities that have come out of the business review fit with the existing businesses. What I absolutely want to guard against is doing something that damages the significant value that our assets already hold.

But as I say, the business review has identified plenty of opportunities. The recent business level three year planning exercise confirmed that and has added some more. But I need some time to assess them all before concluding on the ones to pursue.

Having said that, one area that is getting attention already which pre-dates me and is being led by Thomas Mount, our new CTO, is the area of technology. Wilmington has invested pretty heavily over the last few years in new core technology such as Totara©, Salesforce© and Marketo©. This was vital. It provides a core capability without which we would not be able to move forward. But we have identified that we can get greater benefits from these investments than we have so far. Thomas is working with the businesses to really ensure that these investments are working in combination to deliver maximum returns. We are seeing it in areas such as the US Healthcare business where it has improved our sales performance, and in the blended training that AMT are delivering to investment bankers. But other businesses in the Group have more to do here and this is one area that I definitely think can drive growth.

You've talked a lot about organic growth. But much of Wilmington's growth in the past has come from acquisitions. Are they likely to form a part of the strategy going forward?

Martin and the Board have been very clear on acquisitions and I support their approach. One of the great strengths of Wilmington is that it has businesses that are cash generative. And as well as supporting a progressive dividend policy, that cash generation provides the capacity to fund bolt-on acquisitions. But those acquisitions need to offer growth over and above a business that is already delivering sustainable underlying growth. Bolting new things onto assets that are in decline is a recipe for disaster in my view. So we need to get the underlying assets growing first. When we do then, yes, we will consider acquisitions to accelerate growth. But our focus for the time being must be on organic growth. That's the key.

Review of operations

Note that variances described below as 'organic' are after adjusting for acquisitions and disposals and at constant currency exchange rates.

Risk & Compliance

	2019	2018*	Absolute Variance	Organic Variance
	£'m	£'m	%	%
Revenue				
Compliance	29.0	26.6	9%	8%
Risk	13.4	15.5	-14%	1%
Total	42.4	42.1	1%	6%
Operating profit	12.7	12.2	4%	9%
Margin %	30%	29%		

* 2018 comparatives have been restated to reflect the adoption of IFRS 15.

Business model

The main Compliance business is the International Compliance Association ('ICA') which was developed organically within Wilmington. It is an industry body we created in 2002 which offers professional development and support to compliance officers predominantly in the financial services sector. It has offices in the UK, Singapore, Malaysia and Dubai.

Revenue earned by ICA is primarily training income that we receive for running professional development courses and associated examinations which allow students to achieve their professional accreditation. The courses are open to public enrolment and applicants for a particular course can be from a variety of different organisations and territories. We currently offer 43 accredited qualifications, ranging from entry level certifications up to post-graduate equivalent diplomas. These accreditations are awarded in association with the University of Manchester's Alliance Manchester Business School, and we retain a panel of independent academic professionals who teach, set exams and carry out assessments. The courses are predominantly run face to face, but an increasing proportion are hosted online. Additional revenue comes in the form of subscriptions paid by the professional members for their ICA accreditation. These are either paid individually or via corporate sponsorship. ICA earns additional revenue through developing bespoke in-house programmes (both face to face and online) for institutions to train staff across their businesses in compliance procedures and protocols that are personalised to their business and industry. The material for ICA courses is developed by our own internal R&D team, and we own the associated intellectual property. In total, revenue from the ICA and associated training accounts for around 57% of total Compliance revenue.

Outside of the ICA, the other Compliance businesses earn revenue from running professional development programmes for wealth managers, by offering subscription services for provision of detailed information on regulations in the UK pensions industry and from subscriptions to Compliance Week, the premium industry journal for US and European compliance professionals. The Compliance Week brand also generates revenue from lead generation to the compliance community and from running industry networking events.

The Risk businesses serve the global insurance industry, primarily with in-depth regulatory information, market intelligence and analysis. In addition, we provide networking events and training specifically focussed on the Spanish insurance market. Revenue in Risk is mainly earned through subscriptions to the information and analysis services and from attendance fees and sponsorship at the networking events and training courses.

Market

Our Compliance businesses primarily serve the financial services industry where market demand remains strong, reflecting a backdrop of increasing regulation. This is helping drive increased interest in related professional qualifications and training. This is an evolving industry and with ever rising regulatory pressure there has been increased interest at not only the Tier 1 but also the Tier 2 and 3 level institutions for both public and in-house bespoke programmes. In addition to financial services, the ICA also saw growth from the insurance, oil and gas and gaming sectors. Whilst the market served by the ICA has been strong, the benefit from

that has been diluted to some extent by consolidation in the UK pensions industry and by the ongoing challenging trend in demand for print publications which has continued to affect Compliance Week.

The long term trend of consolidation amongst the major insurance industry companies has been offset by growing underlying demand for traditional insurance products, with newer threats such as cyber risk gaining increased attention. Overall this is helping to balance out demand for the services we provide in the risk market.

Trading performance

Against this backdrop, the Risk & Compliance division performed well. Overall revenue was up 1% to £42.4m (2018: £42.1m) although comparison is affected by the disposal of ICP at the start of the financial year. Adjusting for this and at constant exchange rates, organic revenue growth was 6% (2018: 1%).

Within this total, revenue in the Compliance businesses combined grew 8% organically. The main Compliance business, ICA, grew by double digits, with strong demand for both bespoke in-house training programmes and for online qualification programmes. Despite growth in the latter, demand for traditional face-to-face courses has continued at historic levels. Internationally, some weakness in Singapore was offset by solid growth in the Middle East and Malaysia. Accredited paid memberships of the ICA increased to over 14,000 from around 12,000 at the start of the year.

The Other Compliance businesses delivered low single digit growth, with an in-year recovery in demand for training for wealth managers and some pricing improvements in the pensions area offsetting challenges at Compliance Week. The wealth management business benefited from new management and a refresh of course materials that took place twelve months ago including the development of more online learning which helped open up new markets in what is geographically a very diverse industry. After a relatively strong prior year, Compliance Week suffered in the year from an over-reliance on lead generation income and the impact on subscription renewals of an ageing online platform. The business has been revitalised in the second half of the year with new leadership and the launch of a new online platform that offers the opportunity for its management team to exploit a wider variety of business models and subscription offers.

The Risk businesses overall reported 1% organic increase in revenue. Comparison on absolute revenue performance is impacted by the disposal of ICP which contributed £2.1m revenue in FY18 and was sold with effect from the start of the financial year.

Also under new leadership, Axco, our insurance information business improved on a relatively weak prior year, with 2% organic revenue increase coming from a strategy of developing strengthened relationships with key customers. Solid renewal rates across Axco's client base, including a number of multi-year contracts, helped secure revenue growth. A joint venture to service the Insurtech sector that was launched as a pilot in the year did not reach commercial feasibility. Consequently, it was shut down and the investment written off at the year end. Other significant investment is underway in Axco to refresh its platform and develop new products for current core clients and these are expected to start rolling out over the next twelve months.

Inese, our Spanish insurance industry company, had a challenging year, recording 2% organic revenue decline. This all came from the recently opened Barcelona office where the Catalonian political situation caused the retrenchment by insurance companies and hence a decline in local training requirement. This situation is expected to continue in the current year and the cost base has been rationalised as a result. Outside of Barcelona the business performed well, with its annual event in particular delivering record results.

Divisional operating profit was up 4% in absolute terms to £12.7m (2018: £12.2m). On an organic basis the operating profit increase was 9% as the organic revenue growth fed through to profit. Operating margin was essentially unchanged at 30% (2018: 29%).

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Healthcare

	2019	2018	Absolute Variance	Organic Variance
	£'m	£'m	%	%
Revenue				
European Healthcare	29.0	27.9	4%	1%
US Healthcare	9.7	8.9	9%	5%
Other Information businesses	7.6	7.9	-4%	-3%
Total	46.3	44.7	4%	1%
Operating profit	7.3	9.9	-26%	-23%
Margin %	16%	22%		

Business model

Wilmington offers a wide range of products and services through its Healthcare businesses predominantly around the provision of market and customer intelligence. Wilmington's Healthcare division combines these information assets with others that provide similar services to a number of other communities including charities and not for profit organisations. In addition the division runs events and offers a small amount of online training.

The core of the data supplied by the Healthcare division often comes from publicly available sources. The value generated by our services is based around its collation, verification, combination with other complementary data sources and then its ease of presentation and usage. Equally in some areas we provide proprietary analysis of the data and editorial comment which constitutes our own intellectual property.

Wilmington's European Healthcare businesses operate mainly in the UK and France, complemented by services to the wider pan-European market offered by the Interactive Medica subsidiary acquired in February 2018. Services provided include the provision of deep insight information on practitioners, facilities and treatments in the UK and French health sector markets that enable suppliers into those markets to better understand and connect with their customers. Additionally, in the UK we publish the Health Service Journal ('HSJ'), the leading online publication in the UK for healthcare leaders. Associated with that we organise networking and training events including the flagship HSJ Awards and in the UK we also provide a suite of online learning courses that familiarise industry participants with the complexities of the National Health Service. The majority of revenue in this area is earned through sales of discrete packages of data or through subscription services either for the ongoing provision of information or for access to regular publications and training courses. Events are typically funded by supplier sponsorship although this is sometimes augmented by delegate charges.

The US Healthcare businesses are distinct from our other Healthcare assets in that they are predominantly events based with only a small proportion of revenue earned from data and consist predominantly of the business and industry events that were acquired with FRA in July 2015. They serve the US healthcare/health insurance markets and to a lesser extent the US financial services and legal services communities. The prime brand is the RISE series of events that address the Medicare and Medicaid markets, for which the flagship event is RISE Nashville which takes place in March each year. Revenue from these events is generated from both sponsorship and delegate sales.

The Other Information businesses consist of a portfolio of data products including charity fund-raising information and marketing data suppression tools. They include services that are used by organisations to help prevent identify fraud. Revenue is traditionally earned through subscription to the relevant data feed.

Markets

Healthcare spend globally continues to increase due to well publicised challenges including ageing populations, greater prevalence of chronic diseases and the need to develop innovative new treatments and drugs. Industry experts predict c5% growth in global healthcare expenditures over the next few years with a similar expectation in the UK following nearly a decade of funding growth running at historically low levels. Tied to this funding increase however is a requirement for patients to have more access to new drugs and medical technologies. Successful and efficient delivery of this will rely on perceptive insight into the healthcare market to ensure that investment and marketing are carefully targeted to be as effective and efficient as possible. Wilmington's Healthcare businesses facilitate that process by providing such insight and hence we believe they are well positioned to deliver long term growth.

The main US market that we serve in Healthcare continues to offer growth opportunities. Enrolments for Medicare Advantage plans continue to increase and this is driving growth in the industry that provides and operates them. This growing community is the target for most of our US Healthcare events. Enrolments are expected to continue to rise for the foreseeable future and the breadth of plans is expected to increase which provides opportunities for additional content and events.

While Wilmington businesses do not deal with personalised patient data, certain of our data products include information such as the contact details of industry practitioners which are covered by the new European data protection regulations 'GDPR' that came into force in May 2018. The implementation of these regulations caused an impact last year as customers became temporarily nervous about using such personal data given the potential penalties for misuse. These concerns have largely been assuaged by the establishment of industry norms of best practice and activity levels and sales cycles have returned to normal. However compliance with the regulations has in some cases resulted in the need to delete specific records where we do not have permission either explicitly or through legitimate interest for the specific intended data use. As a result in some cases databases have reduced in size which has depressed prices.

Trading performance

Overall revenue for the Healthcare division increased 4% to £46.3m (2018: £44.7m). This comparison is however affected by both currency movements and the effect of the acquisition of Interactive Medica in February 2018. Adjusting for these factors, underlying revenue increased 1% on an organic basis (2018: organic decrease of 8%). After significant organic declines in the prior year, encouraging progress was made in both the UK and US Healthcare businesses to turn the performance around. This was augmented by good growth in France and in Interactive Medica for the comparable period post acquisition.

Within the division, the European Healthcare businesses saw a marked improvement over the challenging prior year with 1% full year organic revenue growth. Momentum improved through the year with 2% decline in the first half more than offset by a 3% increase in H2. The main feature of the year was recovery in the UK business where we started to see the benefits of the multiple integration activities that had negatively impacted FY18. For example, the newly integrated sales team delivered marked improvements in pipeline management and opportunity closing rates, supported by improved data from the new CRM solution rolled out in the prior year. The volume of new business sales in the UK was up overall 6%, and this helped close the gap in terms of brought-forward deferred revenue that impacted results in the first few months of the year. It also meant that the UK business started the new year with 4% more pre-booked revenue than twelve months ago.

Part of the UK sales increase came from good growth in the consulting offering that we effectively launched in the prior year. Other enhancements in the period included upgrades for the Investigator and Quantis data products, the former integrated with the technology platform acquired with Interactive Medica. This platform will be progressively rolled out across other applicable products as they are enhanced in the future, Despite this progress, improving momentum in the second half in the UK was not quite enough to offset the 4% H1 decline that had been driven by the lack of brought forward deferred revenue, such that for the full year UK Healthcare revenue was down 1%. Offsetting this was France where 7% organic growth reflected both continued good growth by core products plus the enhancement from the APMi product that we launched at the start of the financial year. This new data product, which provides deep insight data on the French hospital market was well received by pharmaceutical customers, with sales in line with our internal business plan and a strong pipeline heading into the product's second commercial year.

The US Healthcare business has been undergoing a substantial restructure over the last two years, with its portfolio of events reduced to remove unprofitable events and rationalise its cost base. Investment has been made in new systems to facilitate improved marketing and in extra sales resource to pursue the leads created. This action delivered significant benefits in the second half of the year resulting in a full year organic revenue increase of 5%, despite a 21% decrease in the first half. In total 54 events were run in the US compared to 70 in the prior year. The stand-out performance was the RISE event in Nashville which, group-wide is our single biggest event. Revenue from that event was up 30% year-on-year with strong support from both sponsors and delegates. That was the main contributor to the turnaround in performance in the second half, but it was supported by a number of other events which over-performed against our plans and which offer potential for future growth in coming years.

The Other Information Businesses saw a continued slow decline in their legacy portfolio although this was partially offset by growth in newer products and success with new events in the Charities space on which we intend to build in the coming twelve months. The improvement in revenue performance across the division was accompanied by an increase in overheads as explained below and this meant that despite the increased revenue, as anticipated, operating profit fell significantly.

Operating profit in the Healthcare division decreased 26% in absolute terms to £7.3m (2018: £9.9m), with a 23% decline in underlying terms. The operating margin declined to 16% (2018: 22%). This level of reduction was anticipated and it reflected previously highlighted year-on-year cost increases including £0.5m investment in staff to support the new APMi product in France. Additionally costs increased due to inflation, the reinstatement of staff bonuses after their removal in the prior year and the impact of the move to the new London office which occurred midway through the prior year.

Professional

	2019	2018*	Absolute Variance	Organic Variance
	£'m	£'m	%	%
Revenue				
Ongoing businesses	33.8	34.2	-1%	-2%
Ark business - closed	—	0.3	—	—
Total	33.8	34.5	-2%	-2%
Operating profit	5.8	6.2	-6%	-6%
Margin %	17%	18%		

* 2018 comparatives have been restated to reflect the adoption of IFRS 15.

Business models

The Professional division predominantly provides education and training for professionals employed in three target communities; accountants in practice and in business, lawyers and investment bankers. It runs face-to-face courses and offers online learning for these communities. It provides training at various levels including inducting new joiners to the investment banking industry, providing continuing professional development for existing qualified lawyers and accountants and in the case of the legal profession, helping them train their clients for interaction with the legal system. Additionally it provides technical support to accountancy firms which enables them to keep abreast of technical developments and changes in tax law, as well as supporting them to promote the services they then offer to their clients.

The Accountancy and Legal businesses are predominantly UK and Ireland based, reflecting the country specific laws and accounting standards that govern their profession. Investment banking is of course a global industry, and as such Wilmington's business in that area has an international presence, with centres in Europe, North America and Asia Pacific.

Around half the revenue in the Professional division is earned through clients subscribing for ongoing training support and other related activities over a period of time (usually twelve months), with the rest through one-off course attendance fees. Course content is a mix of owned and third party intellectual property. Courses are delivered either by in-house experts or by a network of independent tutors who are paid per course that they deliver.

Markets

The professional education markets that Wilmington serves offer the prospect of medium term growth rates in the low single digit range.

Accountancy markets were challenging last year, increasingly so in the second half. Although the profession in the UK continues to grow, consolidation amongst smaller firms partly offsets this although that had little impact on Wilmington in the period. Additionally Brexit concerns, relatively few newly published accounting standards in the UK and a stable backdrop in terms of tax legislation has resulted in a decline in demand for training courses with accountants seemingly deferring training until they have greater certainty on the post-Brexit regulatory environment.

The markets for the legal business were mixed. Demand for Law for Lawyers products continue to suffer from the removal of requirement for CPD hours for lawyers in England and Wales which came into full effect in October 2017. This has reduced the amount of technical training that lawyers are required to undertake. Conversely the market for Law for Non-Lawyers has been strong with good demand for both witness familiarisation programmes and training of expert witnesses. In the case of the latter in particular, medium term growth prospects are encouraging as both demand for expert witnesses and pressure on them to demonstrate familiarity with legal procedure is increasing.

The market for investment banking training remains competitive. Banks and other financial institutions continue to increase the number of new recruits into the industry who need training, whilst focussing hard on cost control. This was particularly apparent in the Asia Pacific region in the year.

Trading performance

Overall revenue for the Professional division was down 2% at £33.8m (2018: £34.5m). On an organic basis the revenue reduction was also 2% (2018: organic decline of 2%). Within this, modest growth in Legal was offset by a market-driven reduction in Accountancy and a small decline in Investment Banking caused by one-off factors described below.

Following a strong prior year, Accountancy had a tougher FY19 largely due to the market conditions described above. Considerable operational progress was achieved however with the integration activities following the 2016 purchase of SWAT including a re-brand and significant work on upgrading business systems. The business now offers clients one single nationwide programme of products and services having combined the previous three entities into one. Additionally the business relocated to modern, new headquarters in Leicester, closing the original Mercia and Practice Track offices.

Growth in the Legal business was driven by the Law for Non-Lawyers business, Bond Solon, which saw particularly strong demand for witness familiarisation training. It acquired new intellectual property for training courses in the regulatory training field which helped to broaden its portfolio and it has won a number of training contracts in that area over the last twelve months. Law for Lawyers, CLT, saw continued decline in demand for CPD, its traditional training, but in recognition of this is developing a suite of online courses more suited to the developing needs of modern lawyers. These include both technical training modules and courses in softer skills areas such as well-being, that are highly relevant to the current challenges facing law firms and lawyers.

Investment Banking, through the AMT business, had a reasonable year against the backdrop of a tough trading environment. Revenue was down slightly, but this was essentially due to the planned expiry of licensing arrangements with a third party. Its core training revenues were flat year-on-year. The business has broadened its customer base in the period to incorporate recruits into other financial services sectors outside of investment banking including fund managers and accountants. This has been particularly successful in the Middle East. AMT migrated fully across to the group-wide Totara® learning management platform in the period and also developed and launched an online dashboard that enables both the student and their employer to track progress through the online training modules. Having been developed on Totara® this dashboard has the capability of being rolled out to other Wilmington training businesses.

Overall divisional operating profit decreased 6% on an absolute and organic basis to £5.8m (2018: £6.2m). The operating margin was essentially unchanged at 17% (2018: 18%). The decrease in profit was largely due to the revenue reduction offset by some headcount savings.

Unallocated central overheads

Unallocated central overheads represent board costs, head office salaries as well as other centrally incurred costs not recharged to the businesses. These increased by £0.3m to £4.1m (2018: £3.8m) due to costs incurred for the business review described in the Chairman's Statement.

Group strategy

During the last year, as set out in the Chairman's Statement, we undertook a consultant-led business review to assess the Group and its strategy. This concluded that the businesses and brands in the Wilmington portfolio hold strong market positions, are highly valued by customers and clients, and are operating in markets in which the demand for our products and services will continue to increase in the foreseeable future.

Further, the review echoed the Board's conclusions that there are opportunities around the deployment of common technology platforms, portfolio management, and increasing a focus on sales, marketing and product development.

Since joining as our new Chief Executive Officer Mark Milner has visited and appraised our businesses, verifying these findings and instigating a series of initiatives aimed at accelerating our capabilities and competencies in each of these areas. For example promoting the consolidation of our technologies, introducing a more structured approach to new product development, and a repositioning of some sales and marketing activities.

Our strategy remains to further develop our businesses internationally in the areas of Healthcare, Professional Services, and Risk & Compliance, each of which show clear signs of growth in demand for information, education and events.

Our operational strategy remains to focus on delivering organic growth, through developing existing capabilities. To facilitate this we will look for opportunities to integrate individual brands and businesses into functional divisions whilst exploring portfolio management options, and ensuring the continuous improvement in the key areas of sales, marketing, technology and product. We will continue our journey to digitise our offerings and deploy capital to those areas presenting the best shareholder return.

We set out below our strategic milestones aimed at delivering this strategy.

Grow through developing existing capabilities

Strategic Objective 1	**To accelerate growth through our knowledge based model**
Progress 2018-2019	• Launched enhanced New Product Development framework to accelerate innovation • Launched new APMi product in France • Developed new digital products to enhance offering to Risk & Compliance communities • Completed UK Healthcare integration and achieved initial benefits • Integrated Mercia and SWAT accountancy businesses • Launched new leadership development programme to improve management effectiveness and cohesion • Built new internal communications infrastructure to inform and engage workforce • Launched SAYE scheme for UK employees to provide the opportunity for our workforce to share in the future success of the Group
Focus 2019-2020	• Strengthen group-wide sales and marketing capabilities through the centrally coordinated Sales Excellence programme • Develop new ICA membership propositions • Focus US Healthcare events programme on complementary subject areas to offer additional value for delegates and sponsors • Launch new version of HSJi that maps to revised NHS organisational structure • Implement new proactive sales and marketing strategy in Accountancy to facilitate cross-selling opportunities • Maximise opportunities arising from high profile client relationships in Bond Solon to further develop its strong reputation as a trusted training partner
Successful implementation will achieve;	• Extended market opportunities • Stronger and deeper existing client relations • New client opportunities • Improved employee engagement • Organic revenue and profit growth

Grow internationally

Strategic Objective 2	To build a truly international business
Progress 2018-2019	• Integrated Interactive Medica with existing Healthcare business to enhance healthcare offering • Developed international relationships in Risk & Compliance businesses to increase geographic footprint • Continued to invest in the infrastructure of our European, North American and Asian operations to allow for continued expansion • Continued to develop a global culture and attract talent to support these ambitions through the leadership development programme • Improved group-wide internal communication channels to facilitate engagement of the global workforce
Focus 2019-2020	• Engage with the branch expansion programme of our wealth management partner • Enhance digital offering in Compliance to expand access for International students • Leverage group expertise to further develop the programme at the annual Spanish insurance event
Successful implementation will achieve;	• Growth in international revenue as a % of total revenue • Increased ability to service clients on a global basis

Digitise

Strategic Objective 3	To create a fully digital enterprise
Progress 2018-2019	• Provided Totara© Learning Management System ('LMS') capability to more businesses • Accelerated the conversion of existing e-learning content onto Totara© • Retired legacy LMS platforms • Expanded the use of Marketo© digital marketing tool to more businesses
Focus 2019-2020	• Upgrade and enhance specific websites in Professional and Healthcare divisions • Expand use of Power BI data visualisation tool for enhanced internal reporting • Launch new user interface to Risk products to improve customer experience • Complete migration of Accountancy business systems onto Salesforce© platform • Extend use of Wilmington Healthcare cloud solution and implement single sign on to streamline customer access and improve data analytic capabilities
Successful implementation will achieve;	• Improved client experience • Enhanced e-commerce opportunities • Increased web traffic and an enhanced visitor experience • More efficient use of marketing and support resources

Case Study

As outlined in the Strategic Report, one of our key objectives is to become a fully digital enterprise. Central to this is a commitment to invest in areas that improve our digital infrastructure and create a dynamic offering to continually enhance the customer experience. The positive impact of recent investment in this area is evident, with the proportion of digital training revenue as a percentage of the Group's total training revenue increasing from 20% to 30% over the past 18 months. This growth would not have been realised without the continued commitment to improving the digital experience of our customers across the Group. International Compliance Association 'ICA' is at the heart of our compliance business and it has made great strides in helping Wilmington to achieve its digital goals.

ICA and our Online Journey

Since ICA was first established some 18 years ago, it has continued to remain at the forefront of the delivery of training and education for the compliance profession. Originally, the training that led up to the award of an ICA qualification could only be accessed by attending a workshop. Enrolment forms were faxed or sent by post. Materials were printed and collated in plastic folders, which in turn were placed in polyurethane boxes and then dispatched all over the world. In conjunction with this our tutors were committed to extensive international travel to deliver the public workshops, the impact of which was costly in both economic and environmental terms.

Today, ICA looks very different and the change was underpinned by significant investment in technology and improved digital interfaces, as set out below. We enhanced the website to improve the user experience, reducing barriers to conversions and enabling increased site goals

- Created better, more intuitive and informative course webpages
- Streamlined the online enrolment process, adding dynamic forms to enable qualification and membership purchases
- Introduced the ability to pay in more currencies, supporting ambitions to be a truly global enterprise
- Instigated instalment payments that could be managed online and added bespoke coding to allow our partners to track enrolments generated by them
- Combined two platforms – one for training and one for assessment - into one single integrated resource

Since the transformation of the websites that went live in May 2019 we have increased our web traffic and the proportion of transactions completed online, freeing up the team to be even more focussed on helping our students.

ICA moved away from printed materials some 7 years ago, and that transition marked the start of our digital journey. Key to this change was the implementation of a web-based learning management system ('LMS') to host the study materials. This platform has evolved over the years to become the hub of the student's experience. During the year we made the next step in our digital evolution, by commencing the move to Totara©, the group wide LMS. Totara© is a flexible open learning management system and is enabling us to be even more responsive to student education needs. Totara© is device agnostic, great for our students studying whilst travelling. Its appraisals functionality allows 360 feedback, skills and competency tracking which means students can align their studies with personalised goals, helping to ensure everyone is progressing as they should be. The new LMS also has streamlined reporting functionality helping our corporate clients meet their compliance reporting obligations. They can track completions, create personalised dashboards and customise reports. Totara© will enable us to develop our online offering even further for our students, allowing us to host new content and modularised courses. This will mean that for our clients we have the capability and capacity to create customised, bespoke, interactive, multi-media LMS programmes within their own secure tenancies.

ICA currently have 49,500 live users on our learning platforms with 80+ course pages.

A digital solution to geographical expansion

As our geographical footprint and the diversity in our programmes increases, an ever-expanding need for specialisation means the feasibility of travelling to destinations for small group sizes diminishes. Enter the virtual classroom 'VC' where our trainers connect with students to unpack and explore key issues. These VCs are interactive, encouraging students to contribute their thoughts and understanding as well as any questions and concerns.

The effectiveness of the VC is reliant on a robust application to enable us to provide an individual and engaging experience to up to 40 individuals at any time. As part of our digital drive in the last 12 months we have trialled and rolled out a new application to do this, which is already improving the student experience. As well as seeing and hearing the trainer and a wide range of multi-media content they are speaking to, the student can comment or ask questions, respond to polls or other interactive tools, join breakout groups, and write onto shared whiteboards. Additionally, the entire classroom is recorded for future review. In the past, access to

VCs was limited to desktop applications, but the new functionality allows smart-phone access so the student can review their latest VC in any location.

Balancing work and home commitments with the need to study for many hours to achieve our qualifications has always been a challenge. The enhanced VC represents excellent progress towards ICAs commitment to supporting students throughout their learning journey by developing tools to ensure the very best use of their time and energy.

A commitment to digital content

As part of the recent innovations in how ICA approaches digital learning, we have adopted a digital authoring tool which allows us tremendous flexibility in terms of the creation of content which can be consumed at the learner's own pace and utilising their own device of preference.

This has been driven by our rapidly developing B2B business. The needs of our corporate customers are changing. We have seized the opportunity to be part of this evolution and lead them in a revised learner journey. We currently have 3 globally significant clients undertaking work with us in this area. It affords us the chance to shape their thinking and demonstrate our capacity to deliver learning experiences which often exceed their expectations. It also enables us to create a version of a finished product for them to 'try before you buy'. The proposal has shifted from 'what we could do' to 'here's what you can have'. This approach is proving to have a big impact, particularly as we can adopt a firm's branding to demonstrate a truly bespoke product.

The authoring tool allows us to create learner journeys in different packages, creating flexibility and defining relevance. We can bring together various elements of a learning program in a single interactive wrapper. No longer are we focussed on content separation (a reading list here, a video there) – we can embed these elements as they occur. This greatly enhances the learning experience because it facilitates more of a 'discovery' approach by including a rich variety of interaction.

Looking forward

We aren't doing eLearning, we're doing digital learning and this is how we see the next three years continuing. We are working hard to bring this enhanced customer experience to our existing suite of qualifications for individuals. Our sophistication around rich media (such as animation and video) is increasing, and we are looking at increasing our outputs of bite sized learning in respect of products such as podcasts. This will benefit all of our students but will particularly enhance the experience of those around the world who study with us on a solely online basis.

We know that the way learners consume knowledge is evolving, so we are ensuring we are future ready to secure our position as the leading knowledge provider in the Compliance field.

Key performance indicators/operational measures

Change in accounting policies
From 1 July 2018 the Group has adopted IFRS 15. In accordance with the standard it has also restated the balance sheet at 1 July 2017 and 30 June 2018 and the comparative results for the period from 1 July 2017 to 30 June 2018. Adoption of the standard has impacted revenue, deferred revenue, trade debtors and reserves, as well as associated tax items and the 2018 KPIs referenced below have been restated to reflect these changes. A reconciliation of the adjustments is also included in note 29.

At a Group level, we have eight key financial and operational measures
Certain of the measures below 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.

Organic revenue growth
Organic revenue growth is calculated by adjusting the revenue change achieved year-on-year to exclude the impact of changes in foreign currency exchange rates and also to exclude the impact of changes in the portfolio from acquisitions and disposals. This measure is used as it gives a comparable assessment of the underlying growth of the business and of its sustainability. It also allows the Board to assess whether action is needed on other aspects of the Group such as the cost base. In the year to 30 June 2019 the organic revenue increased 1.5% (2018: declined 3%), demonstrating a shift in momentum from the reported declines in the previous two years. The improvement was driven by high demand in the core Compliance business and a return to organic growth in the Healthcare division.

Adjusted profit before tax
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 (adjusted EBITA), but after finance charges associated with Group net debt. 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, from which finance charges are then deducted to give adjusted profit before tax, which is one of the Executive Directors' bonus targets. 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 PBT. In the year ended 30 June 2019, adjusted PBT decreased by 11.5% to £19.3m (2018: £21.8m) due to well documented increases in costs to support the Group's medium-term aspirations.

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 2019, adjusted earnings per share decreased by 11.9% to 17.44p per share (2018: 19.80p). The decrease reflects the decrease in adjusted profit as discussed above. The underlying tax rate and number of ordinary shares were essentially unchanged.

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 2019 was 123% (2018: 108%). The improvement reflects a relatively weak prior year comparator due to in-year cash investments.

Free cash flow[6]
Free cash flow is an important indicator of resources available for payment of the equity dividend and for support of our growth 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 21% to £17.0m (2018: £14.0m).

[6] Free cash flow – see note 28 to the financial statements

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. This is a measure of efficiency, it reflects the mix of revenue streams and business units, and the stage of the investment cycle. During the year ended 30 June 2019 ROS was 17.5% compared to 19.6% in the prior year, reflecting the impact of the additional costs added to support the Group's growth aspirations. We target ROS of around 20% on a medium-term basis across the business cycle.

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[7]. ROE was 46.9% for the year to 30 June 2019, compared to 50.3% in the prior year. ROE adjusted to remove all impairment of goodwill and intangible assets since 30 June 2015 from equity was 28.5% for the year to 30 June 2019, 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 seek to achieve ROE of at least 30.0% pre-tax.

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 revenue compared to 76% in the prior year. Within this, subscription and membership revenue accounts for 36% (2018: 35%) of Group revenue with the balance a mixture of revenue from annual events and revenue from customers who have a history of repeat purchase although not necessarily supported by formal multi-year contracts.

At a divisional level we have a number of measures
At divisional level we maintain a number of key performance indicators ('KPIs') specific to the performance of each business within the division. Each of the operating divisions monitors, and is in turn assessed on, its 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 challenges in some markets to re-establish organic revenue growth and deliver a more resilient and efficient platform to support future aspirations.

[7] Average equity attributable to owners of the parent – the sum of opening and closing equity attributable to the parent divided by two.

Strategic Report – Wilmington plc 30 June 2019

Sustainability report

Making a positive impact
Wilmington strives to achieve sustainable business growth underpinned by an ambition to maximise the potential of our people and products, whilst simultaneously fulfilling our responsibility to reduce our environmental impact.

People
Wilmington's strength is based on the talented people we have working in our business. Our ambition is to employ a workforce that reflects the diversity of our customers and the communities we engage with. We also seek to echo the ambition of our training businesses within our own workforce by looking for new and engaging ways to develop individuals and teams. To support this aim we strive to eliminate discrimination and provide opportunities for development, the two key objectives of our equal opportunities policy. We uphold the commitment in this policy to ensure our workplaces are free from discrimination on the grounds of disability, gender reassignment, marriage and civil partnership, race, religion or belief, gender and sexual orientation.

During the year the Group has reinforced its commitment to develop both our people and our culture. We have made significant improvements to our internal communication channels and digital platforms, which have helped to reinforce our people-orientated culture. Through the enhancement of our company intranet in addition to the implementation of enterprise social networking software 'Yammer', we have been able to provide more effective and better-quality communication. Developing our communication channels has in turn afforded all employees in our global network the opportunity to broaden their knowledge and awareness of company-wide news and initiatives. This has been possible because all employees can now take advantage of upgraded features such as live webinars, insightful interviews with a diverse range of colleagues, and a 'quick links' functionality.

Investing in our people and infrastructure has also enabled us to harness the opportunities offered by the inherent nature of our portfolio, being a diverse range of companies operating in a variety of sectors. Encouraging collaboration and idea sharing across the Group is a fundamental aspect of Wilmington's culture and the development of our communication network reflects the continued commitment of Wilmington to promote a sense of community and strengthen the scope for employees from all our working environments to connect with their counterparties in different locations.

We also run a Mentorship Programme which successfully supports the commitment to develop both our people and our culture and enables individuals to connect with, and gain invaluable knowledge from, more experienced employees across our business. The selection process for the programme ensures that our employees are matched with a mentor whose skillset and experience is relevant and specific, allowing employees to maximise the opportunity to develop. The Mentorship Programme is a testament to the belief that our people are key to the success of Wilmington. Facilitating the sharing of knowledge and experience is an investment in the future of the Group and enables our employees to not only develop professionally but also to achieve their goals. Although the programme was initially introduced to female employees as part of our International Women's Day celebrations, it has proven to be hugely beneficial and so is currently in the process of being developed with the intention of rolling it out across the whole Group. So far, the programme has seen inter-departmental and cross-country collaboration, giving employees the opportunity to strengthen their professional relationships.

We strive to ensure that the culture at Wilmington reflects not only the talent and diversity of our employees, but also helps to provide a social, collaborative and creative working environment. This is achieved through our dedicated culture team, which includes representatives from all parts of the company. The culture team meets on a regular basis to determine initiatives which help to shape our culture and create a dynamic and supportive working environment. During the year, the culture team has been engaged in analysing the results from a recent survey issued to the entire workforce with the aim of establishing a range of actions designed to enhance Wilmington's working environment. The success of such initiatives has been supported by a survey of London based employees on our new London Head Office location, which has demonstrated 70% of employees are very satisfied with the new workspace, with all the points of dissatisfaction from a previous survey in 2017 having been significantly improved.

Lunch and Learn

Throughout the year the learning and development team have continued to offer training and development lunches. Many of these sessions ran in conjunction with 'Learning At Work' week, which this year focussed on shaping the future. Topics such as developing resilience, talent acquisition, digital learning and project management were explored, all of which gave employees the opportunity to broaden their skillset and benefit from expert training.

Apprenticeships

Throughout the year, the number of Wilmington employees enrolled on the Apprenticeship scheme has continued to increase. There are currently 12 live apprentices, with 3 more due to start in the coming months. All of our apprentices vary in terms of age, experience and their chosen field, which is reflective of our commitment to establish a diverse and sustainable workforce across all of our locations.

Investment in People 2019

Save As You Earn ('SAYE') initiative

As an employer, we strongly believe in our responsibility to enable our people to share in the future success of Wilmington. During the year we launched our Save As You Earn share initiative for all UK based employees. The uptake exceeded our expectations of demand demonstrating there is a healthy appetite across the company to invest in the future of Wilmington and a belief in the direction in which we are developing the business.

Employee Referral scheme

During the year a critical review of our employee referral scheme was completed and as a result, significant improvements have been actioned. As a provider of training, education, information and networking, we believe that our employees are best placed to understand the talent requirements of Wilmington, and should be given the opportunity to, and rewarded for, building strong teams, which will help to drive further growth across the company as a whole.

Environment

The Board recognises that the utilisation of energy, paper, print and production technologies, combined with waste generation, has an environmental impact. It is therefore committed to reducing the magnitude of this impact and to transitioning to sustainable materials and methodologies wherever there is opportunity to do so. It also seeks to provide facilities for all employees that enable them to reduce their own impact on the environment, not only during the working day but also when travelling or communicating between locations.

Environmental policies
Meet or exceed the requirements of current environmental legislation that relates to the Group
Minimise energy and water usage in our buildings and vehicles and minimise waste
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
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 acquisition, refurbishment, design, location and use of buildings
Assess the environmental impact of any new processes or products we intend to introduce in advance
Ensure understanding of our environmental policy and set and monitor KPIs for our environmental performance annually

Resource use		
Paper	**Printers**	**Packaging**
Source: a chain of custody certified suppliers to ensure only sustainable raw materials are used in production. **Production:** at mills with ISO 14001 accreditation and Environmental Management System ('EMS') registration.	**Supplier standards:** major print suppliers are ISO14001 certified or work to this as minimum. The Forest Stewardship Council is recommended for the Endorsement of Forest Certification. All our printers work digitally facilitating reduced transport, courier and energy utilising activities.	**Magazine packaging:** recyclable polythene with a thickness of 25 microns, or exo-biodegradable and potato starch forms of polythene.

Offices

The Group's activities are primarily based in office accommodation, where these policies are endorsed to promote good working practice around environmental issues. For example, there are facilities to encourage recycling of materials and the correct disposal of electrical equipment and printing waste, in compliance with the Waste Electrical and Electronic Equipment Directive.

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, the head office location offers enhanced cycle storage, maintenance equipment and washroom facilities for cyclists.

Greenhouse gas emissions reporting
The release of greenhouse gases ('GHG'), notably carbon dioxide ('CO_2') 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 CO_2 emissions data	**30 June 2019 (Tonnes of CO2e)**	30 June 2018 (Tonnes of CO2e)	Improvement in the year
Emissions from:			
Scope 1 – Direct CO_2 emissions	**77**	72	7%
Scope 2 – Indirect CO_2 emissions	**300**	440	(32%)
Total scope 1 & 2 emissions	**377**	512	(26%)
CO_2 ratio (thousand tonnes of CO_2 per employee)	**0.46**	0.58	(21%)
Scope 3 – other indirect CO2e emissions†	**23**	40	(43%)
Total (all scopes 1, 2 & 3)	**400**	552	(27%)

†transmission and distribution of purchased electricity.

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 2019 for converting energy usage to carbon dioxide equivalent (CO2e) emissions. The Group has followed the 2013 UK Government environmental reporting guidance which was developed based on the GHG Protocol Corporate Accounting and Reporting Standard. The analysis has used an operational control approach.

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

Case Study

Building consistent and sustainable revenue streams in Bond Solon

Identifying the strengths within our business and capitalising on them is critical to the Group's strategy of accelerating growth through our knowledge based model. Within our portfolio we have businesses that are recognised as the leaders in their field, making them trusted partners when, for example, our customers want to deliver high quality training to fulfil their own strategic objectives.

During the year Bond Solon secured a key multi-year framework contract with NHS England to provide safeguarding training to the key decision makers across its network. This success was the direct result of Bond Solon's strong reputation as a trusted training partner of NHS England with a proven record of delivery of previous one-off projects. Not only has this success contributed to the delivery of organic growth in the current year, but it has also provided a pipeline of opportunity for up to five years, and consequently helps us to improve our KPI of building consistent and sustainable revenue streams.

What does the project look like?

NHS England is the fifth largest employer in the world, employing over 1.5 million people and managing a budget of £130 billion each year. The high profile and great diversity of the organisation made the potential project an exciting prospect for Bond Solon, with scope to provide training to such an influential customer. The objective of the programmes provided under the contract is to ensure that safeguarding is 'core business' across the NHS in England, and they have been rolled out nationally to the top 10,000 senior strategic and executive leaders across the NHS. The magnitude of the task in hand offered an excellent opportunity for Bond Solon to work with NHS England over a multi-year timeline, to ensure that the full scope of the project can be implemented effectively.

What is safeguarding?

Safeguarding means protecting people's health, wellbeing and human rights to enable them to live free from harm, abuse and neglect. Safeguarding is everybody's business and the NHS has a statutory duty to safeguard those under their care. Naturally, the NHS needed a highly trusted and experienced partner to facilitate effective implementation of training programmes around this critical issue.

Why Bond Solon?

Bond Solon was a natural partner of choice for NHS England as they are already recognised as the UK's leading legal skills training company for healthcare professionals with specialised knowledge of safeguarding issues, already training 5,000 health and social care professionals each year in their legal and safeguarding duties.

NHS England were impressed with Bond Solon's ability to design and contextualise a training programme that fully incorporated NHS England's range of statutory duties, policies and procedures in order to assist NHS England in their ten year Long Term Plan.

The training

The training ensures that safeguarding is not seen as a separate component of clinical practice across the NHS, but as an integral part of every routine. The training enables the senior and executive leaders of the NHS to deliver on the NHS Sustainability Transformation Partnership ('STP'), the new Integrated Care System ('ICS'), enhancing wellbeing and reducing risks, adhering to the NHS Constitution, and protecting human rights.

Additionally, the training protects NHS organisations against possible consequences of getting it wrong, including both reputational damage and/or litigation.

Looking forward

The partnership with NHS England on this critical project significantly strengthens Bond Solon's reputation as the UK's leading legal-skills and safeguarding training company. It not only enhances the relationship and training opportunities between Bond Solon and NHS England directly but also leads to new business opportunities through exposure to senior decision makers at every Trust and Clinical Commissioning Group ('CCG') in England. It is this exposure that shows how Bond Solon is using its expertise to maintain strong business relationships with valued partners, and in turn build consistent and sustainable revenue streams to secure future growth.

Financial review

Change in accounting policies
From 1 July 2018 the Group has adopted IFRS 15. In accordance with the standard it has also restated the balance sheet at 1 July 2017 and 30 June 2018 and the results for the period from 1 July 2017 to 30 June 2018. Adoption of the standard has impacted revenue, deferred revenue, trade debtors and reserves, as well as associated tax items and the commentary below explains the impact on each of these items. A reconciliation of the adjustments is also included in note 29.

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, gain on sale of subsidiaries, profit on disposal of property plant and equipment (to the extent it is material or significant in nature), impairment of goodwill and intangible assets and amortisation of intangible assets (excluding computer software).

	2019	2018 Restated	Absolute variance		Organic variance
	£'m	£'m	£'m	%	%
Revenue	122.5	121.3	1.2	1%	1%
Adjusted EBITA	21.5	23.8	(2.3)	-10%	-6%
Margin %	*17.6*	*19.6*			

Revenue
In the year ended 30 June 2019 revenue increased by 1% (£1.2m) to £122.5m (2018: £121.3m) or 0.5% on a constant currency basis. The Group's major non-Sterling revenues are in US Dollars and Euros. During the year the US Dollar strengthened against Sterling while the Sterling Euro exchange rate was consistent with prior year.

Reported revenue was also impacted by the disposal of ICP with effect from 1 July 2018, which contributed £2.1m in the prior year. In addition, the current year's revenue reflects a full year of ownership of Interactive Medica compared to five months in the prior year, contributing an additional £0.9m. Adjusting for these factors, revenue grew organically by 1.5%, demonstrating a shift in momentum from the reported declines in the previous two years.

Adopting IFRS 15 resulted in a decrease in revenue in the current and prior year compared to the revenue recognised under the previous revenue standard. The impact on the income statement was a decrease in revenue and profit before tax of £0.5m and £0.7m in the current and prior year respectively. The changes were primarily within the Risk & Compliance division and related to timing of revenue recognition on certain face-to-face courses and online programmes.

Operating expenses before adjusting items, amortisation and impairment
Adjusted operating expenses before adjusting items, amortisation of intangible assets (excluding computer software) and impairment, were £101.1m (2018: £97.5m) up 3.7% or £3.6m.

£0.5m of the increase came from foreign exchange (FX) impacts, with the weakness of Sterling impacting the translation of overseas costs denominated in foreign currencies, whilst costs from acquired businesses essentially offset savings from those in disposed of businesses. There was an increase of around £0.7m in direct costs to support the revenue growth. However, the main drivers for the extra costs were the well sign-posted increase in staff costs and the full year effect of the investments made last year in the new office and IT upgrade.

Staff costs increased by £1.8m to £51.8m (2018: £50.0m) with the main elements being wage inflation of around £0.9m or 2% per annum, £0.5m investment in new editorial staff to support the APMi product launched in France, £0.4m of net other headcount additions and FX and £0.4m of increased staff bonuses following their removal in the prior year. This was offset by a £0.4m reduction in share based payment costs due to staff departures and the lapsing of a number of schemes in the year. The Group's full time equivalent ('FTE') headcount at 30 June 2019 was 860 compared to 849 at 30 June 2018. When adjusting for the reduction of 15 FTE on the disposal of the ICP business in July 2018, the addition of 26 FTEs is in line with the previously announced planned increase in headcount to support growth in targeted areas of the business.

Non-staff costs also increased £1.8m to £49.3m (2018: £47.5m) partly due to the extra direct costs and FX referred to above. The full year impact of the new head office and the associated IT integration were £0.8m while IT costs increased a further £0.2m due to the roll-out of that technology to other offices to improve resilience and reduce cyber risks. The cost of the business review was offset by net savings elsewhere in the organisation.

Adjusted operating profit ('Adjusted EBITA')
As a result of these changes in revenue and operating expenses, adjusted EBITA was down £2.3m (9.7%) to £21.5m (2018: £23.8m). Adjusted operating margin (adjusted EBITA expressed as a percentage of revenue) decreased to 17.6% (2018: 19.6%).

Amortisation excluding computer software
Amortisation of intangible assets (excluding computer software) was £5.0m, compared to £6.4m in the previous year. This decrease relates to a number of assets in the healthcare business that were fully amortised during the year, resulting in a lower cost than the annualised comparative in the prior year.

Impairment of goodwill and intangible assets
Impairment reviews were completed for all the Group's Cash Generating Units ('CGUs') and these reviews concluded that none of the CGUs were impaired, therefore the impairment charge was £nil (2018: £8.6m). Each CGU's recoverable amount was calculated using value in use calculations. The value in use calculations used cash flow projections based on financial budgets approved by senior management covering a three-year period and on a long-term market growth rate of 2% (2018: 2%).

Adjusting items within operating expenses
Adjusting items within operating expenses were £1.4m (2018: £4.6m). Adjusting items in operating expenses are those items that in the opinion of the Directors are one-off in nature and which do not represent the ongoing trading performance of the business. As anticipated these costs are significantly lower than in the prior year during which £3.1m was incurred relating to the move into the new London head office. .

In the current year £0.6m of adjusting costs relate to acquisition and disposal activity, including a small amount of transaction fees and the recognition of deferred consideration payable mainly in respect of Interactive Medica. A further £0.5m of expenses has been included in adjusting items due to the costs relating to the change in Chief Executive Officer. The remaining £0.3m of expenses relates to the impairment of a receivable due from Axco Digital Insurer Ratings PTE. Ltd, the joint venture that was closed on 1 July 2019 due to its limited commercial feasibility as outlined in the Review of Operations above.

Operating profit ('EBITA')
After the various adjusting items detailed above, operating profit was £16.9m. This was up £12.7m from £4.2m in 2018. In addition to the movements described above, the increase was enhanced by the £1.9m profit on sale of ICP in July 2018.

Share of loss in equity accounted investments
A £0.1m cost (2018: £nil) has been recognised for the share in losses incurred before closure of the joint venture referred to above.

Net finance costs
Net finance costs increased by £0.1m to £2.1m (2018: £2.0m), partly due to the increase in interest rates affecting the portion of the loan not subject to an interest rate hedge. The increase also reflected the write off of the remaining capitalised loan arrangement fee relating to the 2015 facility that was renewed in July 2019. This was partly offset by the benefit of a reduction in net debt during the year, and lower non utilisation fees as a result of a £10m reduction in the debt facility in November 2017. There was also benefit from £0.1m of interest income recognised on the unwind of the discounted deferred consideration receivable in respect of ICP.

Profit before taxation
After finance costs, profit before tax was £14.7m (2018: £2.3m). Adjusted profit before tax was down 11.5% to £19.3m (2018: £21.8m).

Taxation
The tax charge was £3.5m (2018: £2.6m) with the increase primarily driven by the increase in profit before tax. The overall effective tax rate[8] fell to 23.9% from 24.2% in 2018 due to the higher adjusting items relating to acquisitions in 2017 and 2018 which are for the most part not deductible for tax purposes.

The underlying tax rate[9] which ignores the tax effects of adjusting items remained essentially flat at 20.9% (2018: 20.8%) representing a reduction in corporation tax rates in the US offset by a tax provision recognised in light of the uncertainty surrounding the IFRS15 tax treatment of £0.2m and the impact of prior year adjustments.

Earnings per share
Adjusted basic earnings per share decreased by 11.9% to 17.44p (2018: 19.80p), owing to the decrease in adjusted profit before tax and a flat underlying tax rate on an essentially unchanged number of issued ordinary shares. Basic earnings per share was 12.74p compared to (0.45)p in 2018 due to the increase in profit after tax.

[8] The effective tax rate is calculated as the total tax charge divided by profit before tax after adding back impairment charges
[9] The underlying tax rate is calculated as one minus the adjusted profit after tax divided by the adjusted profit before tax

Balance Sheet

Non-current assets
Goodwill increased by £0.4m from £77.1m to £77.5m due to fluctuations in foreign exchange rates.

Intangible assets decreased by £4.1m from £27.3m to £23.2m due to amortisation of £6.4m, which was partly offset by additions of £2.3m. Included within these additions were £0.6m of internally generated assets related to investment in digital platforms such as Totara©, the Group wide LMS, with the remainder a mix of off-the shelf software and upgrades to existing technology platforms.

Property, plant and equipment decreased by £0.5m to £6.0m (2018: £6.5m) reflecting additions of £1.0m offset by depreciation of £1.4m. The main addition in the year was the fit-out of the new Leicester office for Accountancy.

Deferred consideration receivable
Following the disposal of ICP in July 2018, the Group recognised £2.2m of deferred consideration receivable, which will be paid over five years. The amount recognised represents the total amount due discounted to present value. The unwind of the £0.6m discount will continue to be recognised as a credit to profit and loss in net finance costs over the next four years.

Trade and other receivables
Trade and other receivables were up £0.9m at £29.1m (2018: £28.2m). Within this, trade receivables were essentially unchanged at £23.1m (2018 £22.9m), with the movement being driven by an increase in prepayments.

Trade and other payables
Trade and other payables increased by £2.4m from £54.8m to £57.2m. Within this subscriptions and deferred revenue increased by £2.4m or 8.5% to £30.8m (2018: £28.4m). Around half of this increase was due to timing of invoices. The remaining trade and other payables remained constant at £26.4m.

Current tax liabilities
Current tax liabilities decreased from £0.7m to £0.3m, reflecting the reduction in adjusting items subject to taxation for the year ended 30 June 2019.

Deferred consideration payable
The liability for deferred consideration decreased by £1.1m from £2.6m at 30 June 2018 to £1.5m at 30 June 2019. This reflects the settlement of the final amount owing for SWAT of £1.3m in September 2018, partly offset by the increase in deferred consideration mainly in respect of Interactive Medica. The remaining balances are all due for repayment within twelve months.

Net debt and cashflow
Net debt, which includes cash and cash equivalents, bank loans (excluding capitalised loan arrangement fees) and bank overdrafts, was £33.9m (30 June 2018: £39.6m). Net debt at the year end was 1.4 times adjusted EBITDA (2018: 1.5 times). Cash conversion for the year ended 30 June 2019 was 123% (2018: 108%), slightly higher than expected. The improvement reflects strong cash collections in the latter part of the year. Post the year end on 3 July 2019, the Group extended its debt facilities to expire on 3 July 2023 with an option to extend to October 2024.

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 which include the use of derivative products such as forwards and swaps subject to Board approval. The Group uses interest rate swap contracts to mitigate part of the interest rate volatility risk. These swaps have resulted in an asset of £0.0m (2018: £0.1m) and a liability of £0.2m (2018: £0.4m) at 30 June 2019.

On 3 July 2019 the Group entered into a number of foreign currency transactions to mitigate possible exchange rate fluctuations on its 2019/20 financial results. $12.5m USD were sold forward to mature during the 2019/2020 financial year at an average rate of $1.27 and €3.0m EUR were sold forward at an average rate of €1.11 with similar maturities.

Share capital
During the year 125,494 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 the number of ordinary shares outstanding at 30 June 2019 to 87,539,567 (2018: 87,414,073).

Dividend
A final dividend of 5.0p per share (2018: 4.8p) will be proposed at the AGM. If approved, it will be paid on 15 November 2019 to shareholders on the register as at 18 October 2019, with an associated ex-dividend date of 17 October 2019. This will give a full year dividend of 9.1p (2018: 8.8p) and dividend cover of 1.9 times (2018: 2.3 times).

Richard Amos
Chief Financial Officer

Case Study

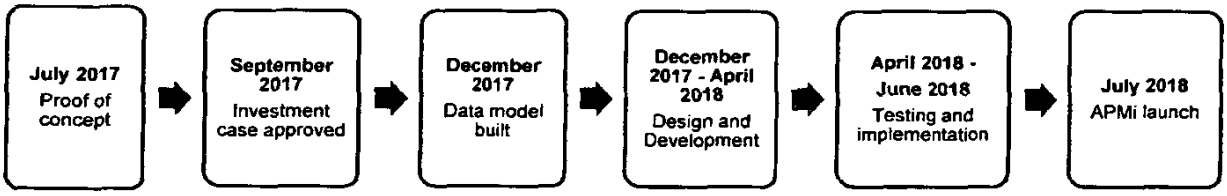
New product development APMi

Investment in new product development is a key element supporting the Group's strategy of focusing on organic growth. Our French Healthcare business APM has been at the heart of this drive in the last year through the launch of its new solution APM intelligence 'APMi'.

This project also demonstrates how we are leveraging successes realised elsewhere in the business to drive organic growth. The APMi product was inspired by the model used by our leading UK business HSJ for their similar product serving the UK market. Capitalising on the experience of HSJ, management identified that a similar opportunity existed in the French healthcare market, which drove the initial investment proposal.

As a new digital product for an international market, APMi is helping drive all three elements of our strategy set out on pages 15 to 16.

A year in the making...from concept to launch



What is APMi?

APMi is a digital platform that directly supports APM's existing product 'APM news', an information service for the French Healthcare market. It acts as both a source of key industry news, as well as a lead generation tool. The APMi platform facilitates comprehensive data navigation and deep insight into the information available to pharmaceutical companies and other suppliers of products and services into the French healthcare market. This allows users to maximise the potential of the information available to them, giving them a competitive advantage in their own markets and an opportunity to respond rapidly and effectively to changes and developments in the industry.

What is different about APMi?

APMi filled a gap in the French healthcare market due to its unique ability to offer such a comprehensive range of services to its customers. The product uniquely combines datasets comprising industry news and developments, offering strategic analysis to facilitate meaningful interpretation and use. This combination allows APMi to equip its users with a complex tool that is not matched by the offering of its competitors.

What do our customers think?

Since its launch early in the 2019 financial year, APMi has been well received by the market. The product has yielded revenue in line with the ambitious targets set out in the investment proposal, demonstrating effective execution of the phased development plan. A key success that has been recognised amongst the customer base is the ability of the tool to improve the culture around data use and analysis within their organisations.

"APM intelligence is giving us a unique look into our customers' concerns, which allows us to interact with them as a true partner by knowing what is on their agenda and helping them to achieve their objectives." *Hospital sales team leader*

What next for APMi?

Following the successful launch of APMi, the business is working to further enhance its offering to its customers. The dedicated development team are working to continually improve the existing product and to extend its reach both in the public and private sector. In addition to this, a key objective for the coming year is to enhance the data analytics function in order to provide bespoke solutions to customers who have unique and detailed needs around data use.

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') and Modern Slavery guidelines, other Group policies, and in accordance with delegated authority limits. The Risk Assessment covers a three year period consistent with the period of assessment used in the three year planning process and the viability statement review.

Risk is assessed across the Group by the Wilmington Risk Committee (comprising the Heads of Group Functions, Managing Directors of Businesses ('MDs') and the Chief Financial Officer) 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.

Board	**Review and confirmation** Review and confirmation by the Board with input from the Audit Committee
Audit Committee	**Process** Risks and mitigation reviewed by the Audit Committee after validation and assessment by the Risk Committee
Executive Committee	**Ongoing review and control** There is ongoing review of the risks and the controls in place to mitigate these risks
Risk Committee	**Review and assessment** The Heads of Group functions and MDs identify the key risks and develop mitigation actions The Risk Committee consolidates the businesses, functional and group risks to compile the Group's key risks

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 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 the 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, Modern Slavery and ABC policy

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 consider 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 the three year strategic plan
- Review results of assurance activities
- Escalate key risks to the Board

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.

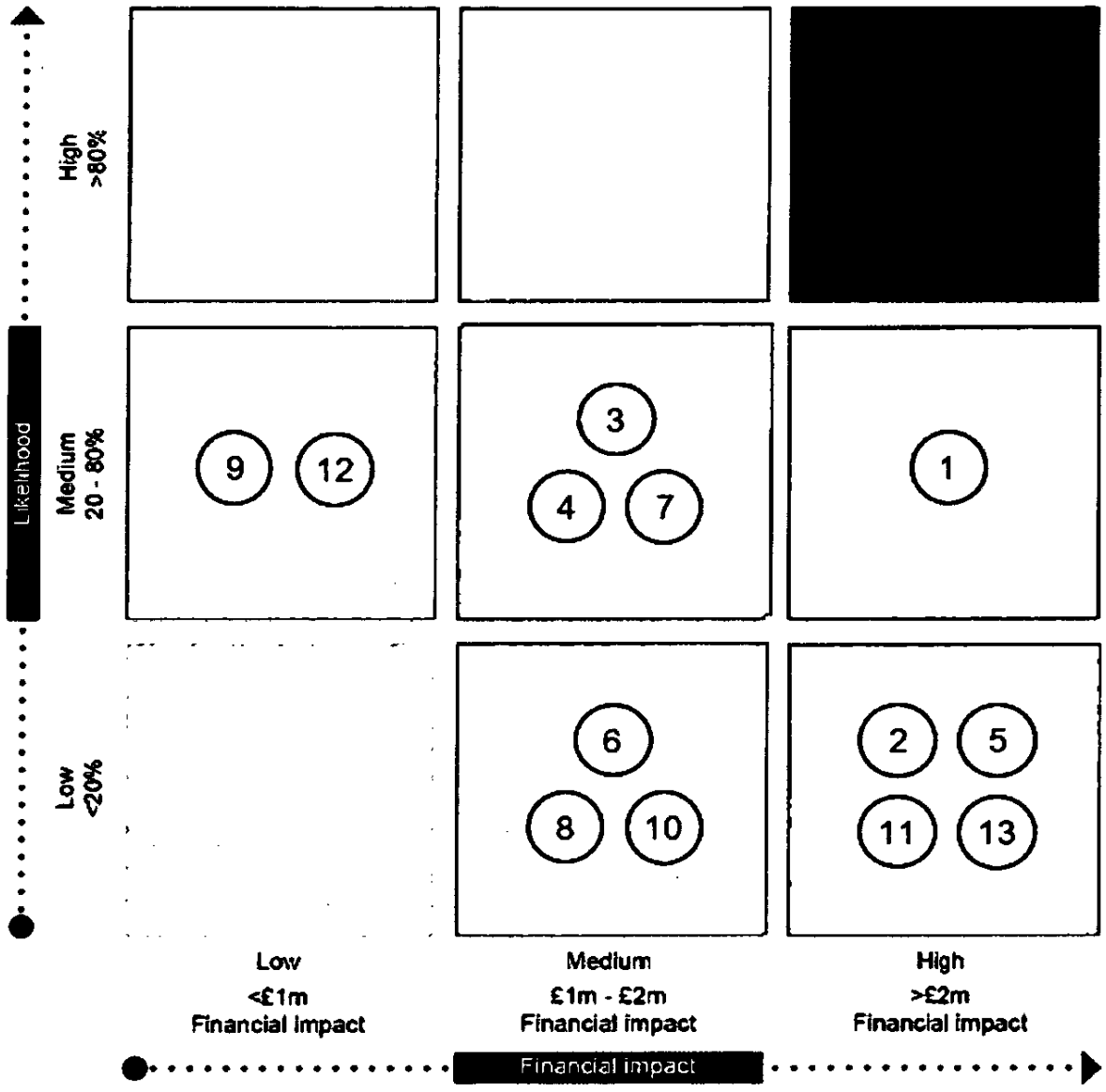
It is therefore part of day-to-day planning to make certain financial and operational investments in pursuit of growth objectives, accepting the risk that the anticipated benefits from these investments may not always be fully realised. Its acceptance of risk is subject to ensuring that potential benefits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

Principal risks

The Directors have carried out an assessment of the principal risks facing the Group – including, in the year to 30 June 2019, those that would threaten its business model, future performance, solvency or reputation. The 13 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 49 to 50.

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. Failure or significant interruption to IT systems causing disruption to client service
6. Competition across the business
7. Technology and speed of change
8. Remoteness of operations and globalisation
9. Disruption to the Accountancy Business on the integration of Mercia and SWAT
10. Dependency on key data sources
11. Cancellation of key events
12. IR35 tax reforms
13. Reputational risk

Summary of principal risks

KEY RISK 1:
Lack of organic growth
Strategic objective: 1 and 2
Change since 2018: Same risk

Description
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 those investments to not deliver an acceptable rate of return, jeopardises the ability of the Group to grow.

Mitigation
New product development ('NPD') 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.

During the year a new NPD framework was implemented. The framework is designed to i) encourage more innovation and investment opportunities ii) develop more governance and rigour around internal investment and iii) to act as a starting point for post-investment appraisal.

Depending on the size of the initiatives, Board or Investment Committee approval is required, ensuring that the Group's significant projects are aligned to the overall strategy.

During the year each business completed a three year strategic business plan which was presented to the Executive Committee. These plans were then consolidated in to one Group plan which was presented to the Board. The plan thus provides a business led roadmap of medium-term product development to support growth plans.

Mark Milner, the Group's new Chief Executive Officer, commenced his new role on 1 July 2019. Mark has an outstanding track record in sales and marketing, and in generating growth by way of product innovation, which is expected to have a positive impact on the Group's plan to grow organically.

KEY RISK 2:
Lack of changes to regulations and legislation
Strategic objective: 1 and 2
Change since 2018: Same risk

Description
Wilmington's client and customer operations are subject to wide-ranging laws, regulations and legislation, increasing operational complexity and heightening risk.

Changes to the regulatory landscape (i.e. Brexit and General Data Protection Regulation) 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.

Mitigation
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 strategic 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.

We continually seek to increase and diversify the Group's product portfolio by offering more value added products which are less dependent on changes in regulation. We have sought to increase the variable element of our cost base through actions such as outsourcing venue facilities to allow us to react more flexibly to changes in demand.

The implications of Brexit have been specifically considered on page 38 of this report.

KEY RISK 3:
Recruitment and retention of high calibre staff
Strategic objective: 1, 2 and 3
Change since 2018: Same risk

Description
As a people business we recognise that the future success of our business is dependent on attracting, developing, motivating, improving and retaining talent.

Mitigation
The Group HR Director is a member of the Executive Committee and provides leadership on retention, succession planning and talent management.

The Group operates a meritocratic culture where everyone can maximise their potential.

The Group HR Director and senior management complete a talent review every six months to ensure that talented employees are identified and given the opportunity to fulfil their potential within the Wilmington business.

The continual development of the Senior Leadership Team encourages motivation and engagement with the business. Management Development Programmes, enhance the skills of executives and managers needed in their current and future roles.

The ongoing programme of upgrading office facilities across the Group which started with the London head office and has recently included the Leicester office has markedly improved the environment in which our employees work.

The Wilmington Culture Committee was established during the year. The objective of the committee is to work with the Group's employees to improve the working environment across the business.

The Group operates a competitive remuneration package that is enhanced by share plans for certain senior management.

During the year the Group introduced a Save As You Earn scheme for UK employees to further align the interests of employees and shareholders.

Communications with staff have been improved during the year with the launch of a new intranet website and a series of communication initiatives.

KEY RISK 4:
Intellectual property rights infringement
Strategic objective: 1, 2 and 3
Change since 2018: Same risk

Description
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.

Mitigation
We take a zero tolerance approach to any intellectual property infringement and will take all necessary action to enforce our rights and proactively identify infringements.

Wilmington's policy is to litigate against any infringement of our intellectual property rights.

Operating businesses are actively encouraged to develop and protect the know-how in local jurisdictions.

KEY RISK 5:
Failure or significant interruption to IT systems causing disruption to client service
Strategic objective: 1, 2 and 3
Change since 2018: Same risk

Description
Major failures in our IT systems may result in client service being interrupted or data being lost/corrupted causing damage to our reputation and/or a decline in revenue.

There is a risk that a cyber attack on our infrastructure by a malicious individual or Group could be successful and impact critical systems used across the Group.

Mitigation
With the completion of the migration of our IT infrastructure to a UK based third-party specialist in 2018 we transformed our IT services to improve the experience for our global workforce in 21 offices. A shared hosting facility for our internal systems, giving us Tier 3 and ISO 27001 data centres for extra security and a common disaster recovery position is also in place.

We have introduced mandatory Cyber security training for all staff to increase the awareness of this increasing threat. In addition, our outsourced IT infrastructure partner pro-actively monitors our network periphery for potential cyber-attacks. We are planning further education and simulations of cyber-attacks for staff to further increase awareness and reduce this 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.

During recent years, the Group has outsourced the hosting of all websites improving resilience, efficiency and scalability.

KEY RISK 6:
Competition across the business
Strategic objective: 1 and 2
Change since 2018: Same risk
Description
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.

Mitigation
The Group operates in specialised global niche markets offering high barriers to entry.

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.

Ideas were generated about how our core businesses might develop their product offerings, and management are now working on these ideas as part of their three year strategy plans.

This will be complemented by a heightened emphasis on sales and marketing execution and on streamlining the organisation to enable it to move at a faster pace.

These are the top priorities for Mark Milner, the new Chief Executive Officer who joined on 1 July 2019.

KEY RISK 7:
Technology and speed of change
Strategic objective: 1, 2 and 3
Change since 2018: Reduced

Description
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.

Mitigation
We have initiated a new NPD (New Product Development) process to enable and encourage product innovation throughout our business. This has improved our rate of innovation to deliver 'client centric' products.

We are supplementing our technology organisation with external hires from mature digital organisations to further accelerate our digitial and technology transformation. This includes the appointment of a new Chief Technology Officer and other members of our technology function.

We have made further progress in developing products for the evolving digital learning market. Wilmington, like its larger competitors is positioning itself to take advantage of rapidly changing client demands and is investing into blended digital learning solutions, courses and packages. During 2018/2019 we have continued to invest in Totara ©, the group wide Learning Management System ('LMS'). It is now used by ~24,000 clients across 10 of our businesses.

In our operational decision-making process, we are increasingly taking a 'digital first' approach to new training product launches and in support we have invested significant resource in setting up and developing the next generation of digital training products and learning support systems.

KEY RISK 8:
Remoteness of operations and globalisation
Strategic objective: 2 and 3
Change since 2018: Same risk

Description
A key operational risk emanates from the 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.

Mitigation
Control is exercised locally in accordance with the Group's policy of autonomous management. We seek to employ high quality local experts.

The Group's acquisition model ensures retention of management and staff in acquired businesses meaning that local expertise is maintained. Divisional Managing 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 Managing Directors. The creation of central functions for IT, finance and HR provides a central insight into local operations and allows more central control than would be possible with geographically distributed functions.

We manage currency risk in local operations through maintaining borrowings in local currency to offset currency assets, forward currency contracts (held in the centre) and by matching revenue and costs in the same currency.

KEY RISK 9:
Disruption to the Accountancy Business on the integration of Mercia and SWAT
Strategic objective: 1, 2 and 3
Change since 2018: Reduced

Description

A key strategic objective during the forthcoming year is the completion of the integration of the accountancy businesses.

Accountancy, whilst under a single management team, still had two separate organisations inherited from its Mercia and SWAT heritage. Significant progress has been made integrating the business during FY 2019. This progress is ongoing particularly with regard to systems integration and will continue in FY 2020.

The integration is dependent on the effective and timely integration of business systems. Failure to achieve it could impact our ability to grow the business in the future.

Mitigation

Plans are in progress to complete the full integration of Mercia and SWAT in the year so that accountancy clients in the UK can be provided with a single integrated service.

We are taking a phased approach to minimise risk. This plan has been carefully developed using both in-house and external expertise to minimise any disruption to clients.

The Executive Committee and management in the business monitor the progress of the integration through updates provided during regular meetings. Contingency plans are established in the event of any issues or delays during the integration.

KEY RISK 10:
Dependency on key data sources
Strategic objective: 1, 2 and 3
Change since 2018: Same risk

Description
Wilmington generates a significant amount of revenue from the sale of data or the licenced access to data. This data is often sourced from third parties who sell Wilmington either exclusive or non-exclusive licences to use the data.

There could be a significant decrease in the Group's revenue if Wilmington were to lose these licences completely or in the case of exclusive arrangements if we were to lose the exclusive rights.

Mitigation
We monitor key data licence contracts across the business to ensure that all key contracts that are close to expiring are identified as early as possible.

We have close working relationships with the third parties to these contracts and aim to start negotiations to extend the contracts at an early stage to give Wilmington the best possible chance of renegotiating and extending the contracts.

KEY RISK 11:
Cancellation of key events
Strategic objective: 1 and 2
Change since 2018: Same risk

Description
The Group generates revenue from events that occur in different venues across the world. The cancellation of these events due to unforeseen circumstances that are beyond the Group's control could result in a significant decrease in revenue due to loss of delegate and sponsorship revenue.

The types of circumstance which could result in the cancellation of an event include an event venue owner going into administration or not being able to use a venue due to fire, weather or IT issues.

Mitigation
By having a portfolio of events that occur in different locations across the world at different times of the year the Group has reduced the likelihood that the cancellation of a specific event could cause a significant decrease in revenue. However certain events do contribute significantly to revenue and profit and results would be effected if the events were cancelled without replacement.

In the event of such a cancellation the Group wold seek to reschedule to meet sponsor and delegate requirements.

The Group does not currently maintain insurance cover for such cancellations as it considers the cost to be uneconomical.

KEY RISK 12:
IR35 Tax Reforms
Strategic objective: 1
Change since 2018: New Risk

Description

The Group currently engages with contractors that provide key services to Wilmington through intermediary limited companies. These services include operating as trainers, examiners and invigilators as well as supporting short-term development projects.

IR35 is tax legislation by Her Majesty's Revenue and Customs ('HMRC') that is designed to ensure the correct taxation of workers supplying their services to clients via intermediary limited companies.

The aim of IR35 is to differentiate between genuine self-employed individuals and individuals who would be an employee if the intermediary limited company was not used.

Historically, the responsibility of determining if an individual should be taxed as an employee (i.e. they are captured by the IR35 legislation) or if they are self-employed lay with the individual.

From April 2020 the introduction of the IR35 tax reforms means that the responsibility for making the assessment now lies with the end user (i.e. with the Group).

This new legislation introduces both compliance risk and commercial risk to the Group.

Non-compliance with the new legislation could result in fines from HMRC and reputational damage to the Group.

If the new legislation increases the taxes that these individuals pay, there is a risk that they will seek employment elsewhere or increase their charges to Wilmington to compensate for the additional taxes that they are incurring.

Mitigation

The Group HR director is currently working with senior management to identify the number of individuals within the business who provide their services via intermediary limited companies.

In addition, we are taking legal and tax advice to fully understand the new legislation and to ensure we are fully compliant with it.

KEY RISK 13
Reputational risk
Strategic objectives 1 and 2
Change since 2018: New Risk
Description

Much of the Group's revenue is generated by training clients in matters of regulation and compliance or by hosting events that debate such topics.

If the Group were to suffer a compliance breach itself then prospective clients may call into question its fitness to provide such training or host such events.

Mitigation

The Board maintains a zero tolerance approach to non-adherence with laws and regulations. This is clearly communicated to employees and is reinforced through the Company's internal communications.

The Board receives regular updates on changes to applicable legislation and regulation and plans to adopt them across the Group. Examples of this recently have included the adoption of rules around the Global Data Protection Regulations enacted in May 2018.

Individual businesses operate under specific independent brands, and this helps mitigate the potential fall-out across the Group of an issue in any specific business.

Removal of risks

In the June 2018 Annual Report, a key risk relating to 'Poorly evaluated and integrated acquisitions' was included. There have been no significant acquisitions made during the year and plans for future acquisitions have been de-prioritised as part of the strategy to focus on organic growth so this is no longer considered to be a key risk. Should the Group make a significant acquisition in the future consideration will be given as to whether this risk should be reintroduced as a key risk.

The June 2018 Annual Report also included a key risk related to the 'Impact of General Data Protection Regulation'. The effective date for the General Data Protection Regulation ('GDPR') was 25 May 2018. Wilmington's Data Protection Officer worked with the Group's head of marketing and legal and technology specialists to complete an extensive GDPR readiness programme. Processes are now embedded in the business to ensure that the Group is fully compliant with the requirements of GDPR. There have been no breaches of the GDPR during the year. We will continue to monitor our processes around data management to ensure compliance with GDPR. Given the strong processes that have been embedded in the business this no longer considered to be a key risk to the business.

Brexit implications

As a predominantly UK based business, we will naturally be impacted by Brexit in whatever form that takes. The majority of our business is conducted within the country of origin, and this does protect us against some of the major uncertainties around future cross-border trade.

The Board has assessed the potential impacts and is considering the implications in the event of a 'no deal' position. The main impacts are expected to be impacts on travel arrangements, changes in regulatory and tax frameworks, currency fluctuations and potential impacts on demand for business in certain areas. In respect of the last of these, our current assessment is that the risk is balanced.

There is the potential that Brexit will have a negative impact on overall customer budgets in both the short and medium terms due to the economic challenges that the changes will present. However, we anticipate that consequential changes in the regulatory and tax regimes will offer increased demand for training in the professional and compliance areas.

The potential impact on the healthcare sector at this stage is harder to gauge and will only become clearer when the path of exit is known. Changes to new drug approval processes may impact the business development activities of pharmaceutical companies. However we believe that such changes are likely to be short-term in their impact.

Viability statement
In accordance with C2.2. of the Corporate Governance Code (2016), the Directors have assessed the viability of the Group. The Directors' assessment was over a three year period to 30 June 2022, taking account of the Group's current position and the potential impact of the principal risks documented in the Strategic Report on pages 29 to 38.

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 revolving credit facility was extended on 3 July 2019 and will now expire on 3 July 2023.

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 of 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 29 to 38. 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.

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 29 to 38 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 interim results announcements. The Board also reviews and approves Trading Announcements (as appropriate).

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, and the impact of adoption of IFRS15 – Revenue from Contracts with Customers.

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 forecast, 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) 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, IT services, Company secretarial and Group taxation.

Other matters
The Group has no known issues relating to human rights or modern slavery 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 1 to 40 was approved and authorised for issue by the Board and signed on their behalf on 18 September 2019.

Richard Amos
Chief Financial Officer
18 September 2019

Directors' Report – Wilmington plc 30 June 2019

Board of Directors

Martin Morgan
Non-Executive Chairman

Appointment to the Board:	May 2018
Committee membership:	Audit Committee, Nomination Committee and Remuneration Committee
Key areas of prior experience:	Martin Morgan has over 30 years of media and B2B experience, having spent a large proportion of his career at Daily Mail and General Trust Plc ('DMGT'). Martin was Chief Executive of DMG information and subsequently held the position of Chief Executive of DMGT from 2008 to 2016. Prior to that, he held a number of senior positions at RELX Plc from 1975 to 1989. Martin is currently Chairman of Signal Media Limited, a Non-Executive Director at City of London Investment Trust, a Non-Executive Director of Ansor Limited and was a director of Euromoney Institutional Investor plc between 2008 and 2016.

Mark Milner
Chief Executive Officer

Appointment to the Board:	July 2019
Committee membership:	Nomination Committee
Key areas of prior experience:	Mark Milner joined Wilmington from Daily Mail and General Trust plc ('DMGT') where since 2001 he has held a number of senior roles. These include Chief Executive Officer of Landmark Information Group, its property information division, from 2013 to 2018. Prior to this, whilst at DMGT, Mark was Chief Executive Officer of the Digital Property Group, responsible for running its consumer-focussed property portals, PrimeLocation, Findaproperty and Globrix until their merger with Zoopla in 2012. Between 2001 and 2008 Mark held a variety of positions at Associated Northcliffe Digital Ltd, becoming Managing Director of the Specialist Division. Whilst there he was involved in the launch of Mail Online, now the world's most visited English language news site. Mark's early career was spent in commercial and sales roles in the newspaper industry.

Richard Amos
Chief Financial Officer and Company Secretary

Appointment to the Board:	March 2018
Committee membership:	None
Key areas of prior experience:	Richard Amos joined the Board on 1 March 2018 becoming Chief Financial Officer on 1 April 2018 and Company Secretary on 7 May 2019. Prior to joining Wilmington, over the previous 18 years, Richard had been CFO at a number of listed and private companies operating primarily in the technology sector. Most recently he was CFO at AIM listed Plant Impact plc and prior to that was Group Finance Director of Anite plc from 2009 until its sale in 2015. He qualified as a Chartered Accountant in 1991 having graduated with an MA in Management Studies and Engineering from Cambridge University in 1988.

Paul Dollman
Independent 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 and Air Partner plc and 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. Paul joined the Board on 16 September 2015 and was appointed Chairman of the Audit Committee on 5 November 2015.

Derek Carter
Independent 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 eleven 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
Independent 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 formerly the Commercial and Corporate Development Director on the Board at Channel 4 Television between 2007 and 2010 and was Strategy and Development Director on the Board of Capital Radio plc where she worked for seven years between 1998 and 2005. Nathalie qualified as a solicitor with Clifford Chance where she worked until 1998.

Directors' Report – Wilmington plc 30 June 2019

Corporate Governance

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 pages 15 to 16.

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. Recognising that at the heart of every successful organisation is a strong and healthy culture, supported by a robust governance structure, during the year we have continued to promote a culture guided by four core values – enabling, enhancing, collaborating and innovating. 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.

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

Compliance with the UK Corporate Governance Code during the year to 30 June 2019

Wilmington has complied, for the year ended 30 June 2019, with all relevant provisions of the Corporate Governance Code (the 'Code'), as published by the Financial Reporting Council ('FRC') in April 2016, except as outlined below:

i) For the period from 13 February 2019 to 30 June 2019 Martin Morgan held the role of Executive Chairman whilst the Group recruited a replacement for the previous CEO. This was a non-compliance with Code provision A2.1. The Board considered given it was for a temporary period that this was the most appropriate way to cover the inter-regnum period. Procedures were adopted at the Board meetings in the intervening period to ensure that there were no conflicts of duty in Martin Morgan's performance of his role. The Board are satisfied that this temporary period as an executive does not compromise Martin Morgan's ongoing role as Non-Executive Chairman.

The main principles of the Code provide the framework for the reporting model which we have consistently used in recent years. Our approach to: Leadership is described on pages 44 to 45; Effectiveness is described on pages 46 to 47; Risk management and internal controls is described on page 47; Remuneration is described on page 47 and Relations with shareholders is described on page 47.

Compliance with the UK Corporate Governance Code from 1 July 2019

In July 2018, the Financial Reporting Council ('FRC') published the latest edition of the Code. This included changes which impact the guidance on the independence of Directors, the tenure of the Chair of the Board, Board and Committee composition, workforce and other stakeholder engagement and remuneration. The Code applies for periods beginning on or after 1 January 2019. In the case of Wilmington it became applicable from 1 July 2019. The Board has put in place provisions to ensure compliance with the revised Code such that it believes it is in compliance with the new Code except for the following matters:

i) The Code introduces changes in relation to Directors' Remuneration, a number of which we already incorporate in our Directors' Remuneration Policy such as the application of malus and clawback to variable remuneration. As we will seek shareholder approval for a new Policy at the AGM in 2020, we will review the way in which we address the updated Code as part of that process. In particular, we will consider our approach to the application of a post-vesting holding period to PSP awards (we currently require all participants to hold no less than 50% of any vested shares (net of taxes) for a minimum of two years post vesting) and the development of a formal policy for post-employment shareholding requirements. The new Code also references alignment between Executive Director and wider workforce pension provision. Our current Executive Directors receive a pension contribution (or cash equivalent) of 10% of salary; while we do not propose that this be changed as part of the Policy renewal, we will consider our approach to pension provision for any newly appointed Executive Director.

ii) The 2018 Code removes the small company exemption that the Company has previously taken to allow the Chairman to be a member of the Audit Committee. The Board, advised by the Nomination Committee currently believe that having the Chairman on the Audit Committee is a positive benefit, considering his experience and independence. As such it intends to explain this non-compliance in next year's Annual Report although it will keep the matter under regular review.

Composition and independence

The Board reviews Non-Executive Director independence on an annual basis and takes into account the individual's professional experience, 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 apart from the Chairman who was considered independent on appointment.

Half of the board members were independent Non-Executive Directors throughout the year. Biographical details of all the current Directors are set out on pages 41 and 42.

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

As at 30 June 2019, the Wilmington Board had one female Non-Executive Director, Nathalie Schwarz, representing 17% of board membership. The Executive Committee Membership (excluding those that sit on the Board) is split 33% female and 67% male (2018: 100% male). The Senior Leadership Team (excluding those that sit on the Board or Executive Committee) is split 47% female and 53% male (2018: 38% female and 62% male). The Group's employees are split 64% female and 36% male (2018: 63% female and 37% male).

Shareholder engagement
The Board regards it as important to maintain an active dialogue with our shareholders. Further details regarding engagement with shareholders are set out on page 47. The Board receives regular reports from the Executives, the Chairman and from advisors on feedback from shareholder meetings.

Leadership

The Board
The Company is controlled through the Board of Directors which, at 30 June 2019, comprised an Executive Chairman, one other Executive and three Non-Executive Directors. Post the year end, on 1 July 2019 Mark Milner joined as Chief Executive Officer and the Chairman reverted to his previous non-Executive status. Short biographies of each Director are set out on pages 41 and 42. The Board focuses on the formulation of strategy, governance and the establishment of policies, stewardship of resources and review of business performance.

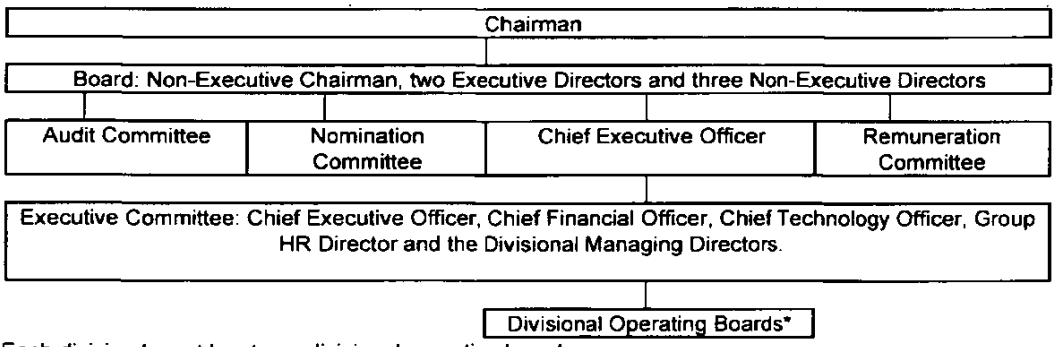
The Board may exercise all the powers of the Company, subject to the Company's Articles of Association (the 'Articles'), the Companies Act 2006 and any directions given by the shareholders by special resolution. The Articles may be amended by a special resolution of the Company's shareholders.

The Board meets as often as necessary to discharge its duties effectively. In the financial year ended 30 June 2019, eight main Board meetings were scheduled and the Directors' attendance record is set out on page 46.

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. During the year the Audit Committee met twice, the Remuneration Committee five times and the Nomination Committee four times.

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 the Divisional Managing Directors.

Governance framework



*Each division has at least one divisional operating board

Length of tenure of Directors
Number of complete years of service as a Director at 1 July 2019:

Martin Morgan	1 year
Mark Milner	
Richard Amos	1 year
Derek Carter	7 years
Nathalie Schwarz	7 years
Paul Dollman	3 years

Balance of Directors

Female	17%	Executive	33%
Male	83%	Independent Non-Executive	67%

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

Non-Executive Chairman
Martin Morgan

Executive Directors
Mark Milner
Richard Amos

Independent Non-Executive Directors
Derek Carter (Senior Independent Director)
Nathalie Schwarz
Paul Dollman

Chairman and Chief Executive Officer
The roles of the Chairman and the Chief Executive Officer are currently and normally held by separate individuals with separate responsibilities clearly defined by the Board. Unusually, from 13 February 2019 to 30 June 2019 Martin Morgan held the combined role as interim Executive Chairman whilst a new Chief Executive Officer was recruited. He subsequently resumed his Non-Executive position on Mark Milner's appointment on 1 July 2019. The Board are satisfied that this temporary period as an executive does not compromise Martin Morgan's ongoing role as Non-Executive Chairman.

The Chairman is primarily responsible for the effective working of the Board, ensuring that each Director, including 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 Chairman was considered independent on appointment. 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.

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 (there were no requests from shareholders to meet the SID during the year); and
- Meeting with the other Non-Executive Directors on the Board once a year to assess the Chairman's performance, taking into account the views of the Executive Directors.

Company Secretary
The Board is supported in its operation by the Company Secretary who ensures that Board processes are followed and good corporate governance standards are maintained. All directors have access to the advice and services of the Company Secretary. On 7 May 2019 Richard Amos, the current Chief Financial Officer took on the additional role of Company Secretary following the departure from the Group of Daniel Barton, the previous incumbent. The Board would like to formally thank Daniel for his contribution over the previous three years.

Effectiveness

Meetings
The Board has a formal schedule of matters specifically reserved to it for decision which it reviews periodically. This schedule includes approval of acquisitions, disposals and items of 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 and Chief Financial Officer provide a review of the business and its performance, 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;
- The response to the trading update of 6 July 2018 including the commissioning of the business review conducted with external consultants and its subsequent review and action;
- The Group's financial results and key business developments including the recovery plans for the UK Healthcare businesses;
- The identification and appointment of the new Chief Executive Officer;
- The approval for and execution of the disposal of ICP;
- The approval of plans and monitoring progress of the relocation of the Leicester office;
- The Group's debt and capital structure including the arrangements for extending the debt facilities;
- Dividend policy;
- Regulatory and governance issues;
- The development of the Group's people including a six monthly talent review;
- The Group's Risk Register; and
- Insurance policy and cover.

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

Where additional meetings are required between main 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
Martin Morgan (Non-Executive Chairman)	8	8
Pedro Ros (former Chief Executive Officer)	4	5
Richard Amos (Chief Financial Officer)	8	8
Derek Carter (Non-Executive)	8	8
Nathalie Schwarz (Non-Executive)	8	8
Paul Dollman (Non-Executive)	8	8

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 have 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, external presentations and circulation of briefing material. Individual Directors are also expected to take responsibility for identifying their training needs and to ensure they are adequately informed about the Group and their responsibilities as a Director. The Board is confident that all its members have the knowledge, ability and experience to perform the functions required of a Director of a listed company.

Access to independent advice
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.

Board evaluation and performance review
During the year the Board conducted a formal internal annual evaluation of its own performance, of each of its sub-committees and of each individual Director. The Board considered the need for external facilitation of this process but decided it was unnecessary at this stage in its development.

The review concluded that the Board and its sub-committees are operating effectively. Opportunities for improvement were identified, including to the process previously adopted for evaluating the performance of the Chairman. This was consequently resolved in the year. Additionally as shown above, the Board noted that its diversity did not fully reflect the position across the Group and resolved to consider this when making new appointments. It however noted that it had considered this during the recent processes for executive appointments without success.

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, plus 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 main roles and responsibilities of the Nomination Committee are set out in written terms of reference which are available on the Company's website www.wilmingtonplc.com/investors/corporate-governance/roles-board. Details of the Nomination Committee's activities can be found in the Nomination Committee Report on pages 51 to 52.

Audit Committee
The Audit Committee is composed of all the Non-Executive Directors including the Chairman. The Audit Committee Chairman is Paul Dollman. The Board considers that Paul has the necessary recent and relevant experience to fulfil the role.

The main roles and responsibilities of the Audit Committee are set out in written terms of reference which 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 49 and 50.

Remuneration Committee
The Remuneration Committee is chaired by Nathalie Schwarz and consists of all the Non-Executive Directors including the Chairman. It is responsible for recommending to the Board the framework and policy for Executive Directors' remuneration and for setting the remuneration of the Chairman, Executive Directors and Senior Management. 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 at least twice a year, and takes advice from the Chief Executive Officer and external advisors 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.

The main roles and responsibilities of the Remuneration Committee are set out in written terms of reference which are available on the Company's website www.wilmingtonplc.com/investors/corporate-governance/roles-board. Further details of the Group's policies on remuneration and service contracts can be found in the Directors' Remuneration Report on pages 53 to 60.

Risk management and internal controls

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 section on risks and uncertainties facing the business on pages 29 to 38.

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. Copies of the presentations are available on the Company's website www.wilmingtonplc.com/investors/reports-and-presentations. The Board regularly receives updates on investor relations matters.

The Chairman is available on request to attend meetings with major shareholders. Since his appointment on 1 May 2018, the Chairman attended a number of such meetings. As referred to earlier, the SID is available to shareholders if they have concerns which other contacts have failed to resolve.

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.

Directors' Report – Wilmington plc 30 June 2019

Constructive use of the Annual General Meeting
The Annual General Meeting will be held on 5 November 2019 and a separate notice convening the meeting is being sent out with this Report and financial statements. Details of resolutions to be proposed and an explanation of the items of special business can be found in the circular that accompanies the notice convening the meeting. Separate votes are held for each proposed resolution.

All Directors attend the Annual General Meeting at which they have the opportunity to meet with shareholders. After the formal business has been concluded, the Chairman will welcome questions from shareholders.

Substantial shareholdings
As at 31 August 2019, 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	%
Aberforth Partners LLP	11,399,664	13.02%
Premier Fund Managers Limited	7,160,000	8.18%
Artemis Investment Management	6,060,539	6.92%
Strategic Equity Capital plc	5,626,167	6.43%
Chelverton Asset Management Limited	4,290,000	4.90%
Ameriprise Financial, Inc.	4,135,755	4.72%
NFU Mutual Insurance Society Limited	3,682,512	4.21%
Schroders plc	3,600,000	4.11%
Standard Life Aberdeen plc	3,244,936	3.71%
Brian D Gilbert	2,735,000	3.12%

By order of the Board and signed on its behalf by:

Martin Morgan
Chairman
18 September 2019

Directors' Report – Wilmington plc 30 June 2019

Audit Committee Report

Dear Shareholder
It is my pleasure to present the Audit Committee report for the year ended 30 June 2019.

Committee meetings
The Committee met twice 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 including any significant financial reporting judgements contained in them;
- Reporting to the Board the Company's assessment of any new accounting standards;
- 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 29 to 38;
- 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 to the steps to be taken;
- To annually assess the internal audit requirements of the Company;
- 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

- Undertook a competitive audit tender process and recommended to the Board a preferred firm to be appointed for the audit of the 30 June 2019 financial statements;
- Assessed and reported to the Board on whether the Annual Report and Accounts were fair, balanced and understandable;
- 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 2018;
- Reviewed and agreed the external auditors' audit plan in advance of their audit for the year ended 30 June 2019;
- Discussed the report received from the external auditors regarding their audit in respect of the year ended 30 June 2019; which included comments on their findings on internal control and a statement on their independence and objectivity;
- Considered key accounting matters and new accounting standards;
- Reviewed the Group's whistle blowing policy, ensuring that it met FCA rules and good standards of corporate governance; and
- Reviewed, together with the Board, the Risk Assessment and Viability Review.

During 2019 the Committee considered our approach to the requirements of the Financial Reporting Council's 2018 UK Corporate Governance Code ('UK Code') which is applicable to Wilmington plc from 1 July 2019. The UK Code states that the Company Chairman should not be a member of the Audit Committee. However the Committee, in conjunction with the Board, believes that given the size of Wilmington plc and Martin Morgan's extensive, relevant experience that it is appropriate that he remain a member. This decision will be assessed annually.

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 goodwill and intangible assets. 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 carrying values were appropriate and no impairments were 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) Application of IFRS 15:
The Committee considered the transition approach and impact of implementing IFRS 15 'Revenue from Contracts with Customers' from 1 July 2018 including the judgements made and the presentation of the impacts, see notes 1 and 29 to the financial statements.

External audit

PricewaterhouseCoopers LLP had been in place as auditors of Wilmington plc for ten years following a tender process in 2009. Their performance had been reviewed annually and audit partner rotation requirements were observed. As indicated in last year's Annual Report and in accordance with EU audit legislation a competitive tendering process was entered into for the provision of the external statutory audit of the Group for the year ended 30 June 2019.

The process was concluded in December 2018 when the Board appointed the Committee's preferred choice of Grant Thornton UK LLP as the Company's new auditors.

There are no matters in connection with PricewaterhouseCoopers LLP's resignation as auditors which, in the view of the Board, need to be brought to the attention of shareholders.

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 independence of Grant Thornton UK LLP was assessed as part of the audit tender process.
- 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 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 advisor 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;
- 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; and
- 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.

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. During this year, £15,000 (2018: £79,000) was paid by the Group to the external auditors for audit related other services.

Internal Audit

There is currently no formal internal audit function which the Committee deems appropriate given the size and complexity of the business and the mitigating controls in place. The Committee will continue to consider the Company's internal audit requirements annually.

Attendance table

	Committee meetings attended	Committee meetings eligible to attend
Paul Dollman (Chairman)	2	2
Martin Morgan	2	2
Derek Carter	2	2
Nathalie Schwarz	2	2

Approved on behalf of the Audit Committee by:

Paul Dollman
Chairman of the Audit Committee
18 September 2019

Directors' Report – Wilmington plc 30 June 2019

Nomination Committee Report

Dear Shareholder
I am pleased to present the Nomination Committee report for the year ended 30 June 2019.

Key responsibilities
The key responsibilities of the Committee are to:

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

Main activities of the Committee during the year and subsequent to the year end
The Committee met four times during the year to 30 June 2019. The key matters considered at these meetings were:

i) Board composition

Chief Executive Officer
Following Pedro Ros' departure as Chief Executive Officer on 13 February 2019, the Nomination Committee met to consider the requirements for his replacement and the process that should be undertaken to conduct the search. The Committee took into account various considerations including feedback that Martin Morgan had received from senior executives within the Group on their views on the skills required. The Committee, working with the HR Director developed a job specification and decided to conduct an independent external recruitment process run by the Inzito Partnership who had supported the Group in the recruitment of Martin Morgan as Group Chairman in 2018, but otherwise has no connection with the Company. The process to recruit the new Chief Executive officer was run by Derek Carter and the Group HR Director who conducted all first interviews. Candidates for the short list then met all other members of the Board and gave a presentation to the full Board who ultimately decided on the appointment. The appointment of the successful candidate, Mark Milner was announced on 16 May 2019 and he joined on 1 July.

Company Secretary
The Committee considered the requirement for Company Secretarial support following Daniel Barton's notice of resignation from the role with effect from 7 May 2019. It noted that Richard Amos, Chief Financial Officer, had previously fulfilled both roles simultaneously at previous appointments. It considered the implications of this including the impact of combining the roles. It concluded by recommending to the Board (who are responsible for the appointment of the Company Secretary) that appointing Richard Amos as Company Secretary was the most appropriate structure for the current time, noting that he would be supported in completion of the role by the newly appointed Group Head of Legal.

In addition to the above, 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) Board evaluation
During the year the Committee led the Board and sub-committee evaluation process, details of which are included in the Governance review on pages 43 and 44. As part of that process the Non-Executive directors met without the Chairman present to evaluate his performance. They concluded that he had made a very positive contribution in the period since joining and in particular in dealing with the departure of the previous Chief Executive Officer and covering the inter-regnum until Mark Milner's appointment.

iii) 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.

iv) Other senior management representation
The Committee maintained oversight over the various senior management changes that occurred across the Group over the year including the appointment of Tamara Kahn as Divisional Director for Compliance. Regular updates were received from the executives on the progress of the searches and the plans for dealing with reporting line changes that resulted from certain of the departures.

v) Worker Representation

In preparation for the new requirements for worker representation that took effect from 1 July 2019 as part of the revised requirements of the Combined Code, the Committee discussed the various options that are permitted. The Committee concluded that identifying an existing Board director with specific additional focus on worker representation was the more appropriate course of action for the Group at this time. Accordingly Derek Carter has been appointed as the Director responsible for Worker Representation.

Attendance table

	Committee meetings attended	Committee meetings eligible to attend
Derek Carter (Chairman)	4	4
Martin Morgan	4	4
Nathalie Schwarz	4	4
Paul Dollman	4	4
Pedro Ros	1	2

Approved on behalf of the Nomination Committee by:

Derek Carter
Chairman of the Nomination Committee
18 September 2019

Directors' Report – Wilmington plc 30 June 2019

Directors' Remuneration Report

Remuneration Committee Chairman's Annual Statement

Dear Shareholder
On behalf of the Committee I am pleased to present the Remuneration report for the period ended 30 June 2019. 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 2019 and how the Directors' Remuneration Policy will be operated for the year commencing 1 July 2019. The Annual Report on Remuneration is subject to an advisory vote at the next Annual General Meeting due to be held on 5 November 2019.

The Directors' Remuneration Policy sets out the forward-looking remuneration policy. The Company's most recent Directors' Remuneration Policy was approved at the 2017 AGM, with over 99% of votes in favour of it, and took effect following the close of that meeting. No changes are proposed to the policy and, accordingly, shareholders will not be asked to vote on the policy at the 2019 Annual General Meeting.

In accordance with the applicable legislation, the Company will seek shareholder approval for a new Directors' Remuneration Policy at the 2020 AGM.

Review of 2019

As described in the Strategic Report section of this Annual Report, Wilmington's revenue has increased by 1.5% on an organic basis which represents a positive shift from the declines in the previous two years. However increased costs have resulted in adjusted profit falling in the year. Consequently, an annual bonus to Executive Directors of 24.7% of base salary (prorated for time served in the period where relevant) is due for performance against targets set by the Committee for the 2019 financial year. Further information in relation to the assessment of the annual bonus performance measures is included on page 60.

In addition, the financial performance in the last three years results in an estimated 33.3% of the 2016 Performance Share Plan ('PSP') vesting, as described on page 57, based on the performance to 30 June 2019.

As outlined in the Nomination Committee Report on pages 51 and 52, on 16 May 2019 the Company announced that Mark Milner would be joining as Chief Executive Officer replacing Pedro Ros. The Board welcomes Mark Milner who started his appointment on 1 July 2019. Mark Milner has been hired on a reward package consistent with that in place previously for Pedro Ros and consistent with our Directors' Remuneration Policy. Mark Milner's salary on appointment of £350,000 is less than his predecessor and his annual bonus and LTIP opportunities are the same. No 'buy-out' or other joining award was made to Mark in respect of his recruitment.

The remuneration arrangements in relation to Pedro Ros leaving the business were determined in line with the Directors' Remuneration Policy. Details of the remuneration earned by Pedro Ros prior to his departure is included in the single total figure of remuneration table on page 55. Information in relation to other elements is included on page 59.

Between Pedro Ros stepping down from the Board on 13 February and Mark Milner's appointment on 1 July, Martin Morgan assumed the interim position of Executive Chairman, he was paid an amount of £96,000 for this role. In recognition of Richard Amos' increased responsibilities during this period, the Committee paid him an additional amount of salary of £38,000.

The Remuneration Committee recognises the benefits of encouraging wider employee share ownership and of incentivising and rewarding employees in shares to provide alignment with shareholders and consequently an all employee SAYE share plan, which was approved by shareholders at the 2018 Annual General Meeting, was implemented in the year.

Outlook for 2020

For the current financial year:

- It is intended that Richard Amos' salary will be increased by 2.0% for 2019/20. This increase is in line with base salary increases for the wider employee population. Mark Milner will not be eligible for a salary increase due to length of service.

  The annual bonus potential for Executive Directors remains unchanged at up to a maximum of 100% of base salary dependent on key financial performance targets. There are clear financial targets based on the achievement of adjusted profit, return on equity ('ROE') and return on sales. The Committee is satisfied that these are challenging and, for the maximum bonus to be earned, will demonstrate significant improvement in the profit performance of the business. In addition to the normal discretion that the Remuneration Committee has to amend the bonus outcome if any formulaic output does not reflect its assessment of overall business performance, a specific profit underpin was also applied to the bonus for the first time in 2018/19 and this will continue to be applied in 2019/20. Regardless of achievement of any other metric, no amount will be payable in respect of any element of the bonus unless the underpin is met.

- It is intended that the PSP awards for 2019/20 will be made on a similar basis to the 2018/19 awards with Mark Milner receiving the equivalent of 100% of his salary and Richard Amos receiving the equivalent of 75% of his salary.

- 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. The performance conditions for the awards in respect of 2019/20 will be the same as those for the awards granted in respect of 2018/19.

The Financial Reporting Council's 2018 UK Corporate Governance Code applies to Wilmington with effect from 1 July 2019. That Code introduces changes in relation to Directors' Remuneration, a number of which we already incorporate in our Directors' Remuneration Policy such as the application of malus and clawback to variable remuneration.

As we will seek shareholder approval for a new Policy at the AGM in 2020, we will review the way in which we address the updated Code as part of that process. In particular, we will consider our approach to the application of a post-vesting holding period to PSP awards (we currently require all participants to hold no less than 50% of any vested shares (net of taxes) for a minimum of two years post vesting) and the development of a formal policy for post-employment shareholding requirements.

The new Code also references alignment between Executive Director and wider workforce pension provision. Our current Executive Directors receive a pension contribution (or cash equivalent) of 10% of salary; while we do not propose that this be changed as part of the Policy renewal, we will consider our approach to pension provision for any newly appointed Executive Director. At the same time, we will implement the new disclosure requirements in relation to Directors' Remuneration, which similarly apply to Wilmington with effect from 1 July 2019.

Approved on behalf of the Remuneration Committee by:

Nathalie Schwarz
Chairman of the Remuneration Committee
18 September 2019

Annual Report on Remuneration

Certain details set out on pages 53 to 66 of this report have been audited by Grant Thornton UK LLP.

Introduction (unaudited information)

The Committee has an established policy on the remuneration of Executive and Non-Executive Directors.

The key principles for Executive Directors 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 Directors of the highest calibre, without paying more than is necessary.
- A significant proportion of Executive Directors' 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.

Non-Executive Directors' remuneration is set at a level which reflects market conditions and is sufficient to attract individuals with appropriate knowledge and experience. Fees are set with regard to the time commitment for the role.

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.

2019	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[10]	233	17	58	61	23	392
Richard Amos[11]	292	32	62	—	25	411
Martin Morgan[12]	96	—	—	—	—	96
Non-Executive Directors						
Martin Morgan	125	—	—	—	—	125
Derek Carter	48	—	—	—	—	48
Nathalie Schwarz	48	—	—	—	—	48
Paul Dollman	48	—	—	—	—	48

2018	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	367	35	—	126	37	565
Anthony Foye	203	22	—	49	—	274
Richard Amos	83	10	—	—	8	101
Non-Executive Directors						
Mark Asplin	102	—	—	—	—	102
Derek Carter	48	—	—	—	—	48
Nathalie Schwarz	48	—	—	—	—	48
Paul Dollman	48	—	—	—	—	48
Martin Morgan	21	—	—	—	—	21

a) Total salary and fees — the amount of salary/fees received in the year.

b) Taxable benefits — the taxable value of benefits received in the year (i.e. car allowance and private medical insurance) plus in relation to Richard Amos the value of the SAYE scheme entered into in the year.

c) Annual bonus — the cash value of the bonus earned in respect of the year. A description of performance against the objectives which applied for the financial year is provided on page 56.

d) 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. A description of performance against the targets which applied for the awards vesting in respect of performance in the financial year is provided on page 57. The PSP awards vesting in respect of the year ended 30 June 2019 will vest on the third anniversary of the date of grant, the estimated value of the vested shares shown above is based on the three month average share price to 30 June 2019 (£2.05). The PSP awards vesting in respect of the year ended 30 June 2018 vested on 16 September 2018 (the third anniversary of the date of grant). The value of the vested shares shown

[10] Pedro Ros stood down as a Director on 13 February 2019. Details of his pay for loss of office can be found on page 59.

[11] An amount of £38,000 is included in Richards Amos' salary to reflect his increased responsibilities in the period between Pedro Ros stepping down as CEO and the new CEO being appointed on 1 July 2019.

[12] Following Pedro Ros stepping down as Chief Executive Officer, Martin Morgan acted as interim Executive Chairman from 13 February 2019 until 1 July 2019.

above is based on the share price on 16 September 2018 of £1.83; in the 2018 Directors' Remuneration Report the value included was an estimated value based on the three month average share price to 30 June 2018 (£2.49). In each case, the value includes the value of dividends that would have accrued on vested shares during the performance period which are paid to the participants.

Total salary and fees

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.

For the year ended 30 June 2019 (audited information)
Executive Directors' salaries increased by 2.0% in 2018/19 compared to 2017/18. This increase was in line with the average base salary increases for the wider employee population.

For the year ended 30 June 2020 (unaudited information)
It is intended that Richard Amos' salary will be increased by 2.0% for 2019/20. This increase is in line with base salary increases for the wider employee population. Mark Milner will not be eligible for a salary increase due to length of service.

Annual bonus
For the year ended 30 June 2019 (audited information)
Bonuses were subject to 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, as follows:

- 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 tax, adjusting items, impairment of goodwill, amortisation of intangible assets excluding computer software, provision for the Executive Directors' 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.
- For the first time in 2018/19 an additional profit underpin also applied to the bonus, no amount in respect of any element of the bonus would be paid unless the underpin was achieved, regardless of the achievement of any other metric. The underpin is based on budgeted profit before tax, adjusting items, impairment of goodwill, amortisation of intangible assets excluding computer software, provision for the Executive Directors' bonuses, and any other adjustments as deemed appropriate by the Remuneration Committee.

The following provides the adjusted profit, ROE (for Annual Bonus) and ROS target reference points together with the out-turns for 2018/19:

	Minimum target set	Maximum target set	Performance out-turn	Bonus earned as a % of base salary
Adjusted profit (for Annual bonus)	£22,490,000	£25,900,000	£20,479,000	0.0%
ROE (for Annual bonus)	25.0%	27.0%	51.7%	20.0%
ROS (for Annual bonus)	17.5%	19.5%	18.0%	4.7%
Total				24.7%

The profit underpin required that the underpin measure of profit was at least £19,818,000. Since this was achieved, bonuses of 24.7% of salary in line with the performance targets were earned.

Pedro Ros' bonus was prorated to reflect his period of active service during the financial year.

For the year ended 30 June 2020 (unaudited information)
The Committee has agreed that the metrics used to determine the annual bonus for 2019/20 remain unchanged and the maximum bonus opportunity will remain at 100% of base salary. The bonus will be subject to stretching targets. In line with the prior year, a profit underpin will also apply to the bonus for 2019/20. No amount will be payable in respect of any element of the bonus unless the underpin is achieved, regardless of achievement of any other metric. 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 2019 (audited information)

The PSP awards granted on 15 September 2016 that are due to vest on 16 September 2019 were subject to EPS growth, ROE (for PSP) and relative TSR performance against the FTSE SmallCap index over a three year period to 30 June 2019. 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)[13]	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%	(5.6%)	00.0%
ROE (for PSP)	25.0% - 29.0%	44.0%	33.3%
TSR	Median or above	106 out of 147[14]	0.0%
Total			33.3%

Pedro Ros will, therefore, be entitled to 33.33% of the shares over which his award was granted, as reduced to reflect his active time served during the performance period as set out on page 59.

As disclosed in the Company's Directors' Remuneration report for the year ended 30 June 2018, Anthony Foye was entitled to retain his PSP awards granted on 15 September 2016 in respect of 25,514 shares. Anthony Foye will, therefore, be entitled to 33.3% of these shares.

Each participant will be entitled to a payment in respect of dividends that would have accrued on vested shares during the performance period. As noted in the statement from the Chairman of the Remuneration Committee, all participants will be required to retain at least 50% of the shares they acquire (after sales to cover any tax liabilities) until at least the second anniversary of the vesting date.

Awards granted during the year

In respect of the year ended 30 June 2019 the following PSP awards were granted on 28 September 2018:

Name	Type of award	Number of shares	Face value at grant £	% of award vesting at minimum threshold
Pedro Ros	PSP	203,422	369,516	25.0%
Richard Amos	PSP	103,746	188,455	25.0%

[13] Three year adjusted EBITA less impairment and adjusting items included in operating expenses divided by the average Equity attributable to the owners of the parent

[14] The performance out-turn for the TSR is based on 'all companies' data

The face value is based on a price of 181.65 pence being the average share price for the five business days immediately preceding the awards being granted on 28 September 2018. The performance conditions for these awards are the same as the performance conditions detailed in the table above. The number of shares awarded represented 100% of Pedro Ros' salary and 75% of Richard Amos' salary at the time of the grant. Pedro Ros' award lapsed following his leaving the business, see page 59 for full details.

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 post vesting.

The following SAYE option was granted on 29 March 2019:

Name	Number of shares under option	Per share exercise price	Vesting date
Richard Amos	7,105	£1.52	29 March 2022

For the year ended 30 June 2020 (unaudited information)
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. The performance conditions for the awards in respect of 2019/20 will be the same as those for the awards granted in respect of 2018/19.

The quantum of PSP awards to be granted in respect of 2018/19 will be confirmed by the Remuneration Committee in advance of the grant date, it is intended to be 100% of salary as regards the Chief Executive Officer and 75% of salary as regards the Chief Financial Officer.

Shareholding guidelines and statement of Directors' share awards (audited information)
Shareholding guidelines for Executives have been adopted, linked to the out-turn from the PSP. At the time Awards vest under the PSP (or any other Executive plan established in the future), Executive Directors are 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 does not apply to participants in the scheme other than the Executive Directors.

As stated on page 63, in the formulation of a new Directors' Remuneration Policy for approval at the 2020 AGM, we will consider our approach to the application of a post vesting holding period to PSP awards and the development of formal policy for post-employment shareholding requirements.

It should be noted that as at the date of signing this report Richard Amos held approximately 19.1% of his pre-tax base salary in shares, which have been acquired since his appointment. 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 those persons who served as Directors during the year, and of their families, as at the earlier of the date of retirement from the board and the signing of the accounts on 18 September 2019 are as follows:

	Beneficial/ Non-Beneficial	At 30 June 2018	Movement in year	At 18 September 2019 (or, if earlier, date of retirement from Board)	At 18 September 2019 (or, if earlier, date of retirement from Board) Percentage
Pedro Ros	Beneficial	135,000	40,000	175,000	0.20%
Derek Carter	Beneficial	25,000	—	25,000	0.03%
Paul Dollman	Beneficial	25,000	15,000	40,000	0.05%
Richard Amos	Beneficial	—	24,250	24,250	0.03%
Martin Morgan	Beneficial	—	50,000	50,000	0.06%

As at 30 June 2019 the Company's share price was 199.00p and its highest and lowest share prices during the year ended 30 June 2019 were 229.00p and 165.00p respectively. Interests are shown as a percentage of shares in issue at 30 June 2019 (or, if earlier, date of retirement from the Board).

Executive Directors interests under share schemes (audited information)
Awards held under the PSP and SAYE scheme by each person who served as a Director during the year ended 30 June 2019 are as follows:

	Award date	Number of shares at 1 July 2018	Granted during the year	Lapsed during the year	Exercised during the year	Number of shares at 30 June 2019 (or, if earlier, date of retirement from the Board)*	Date which awards vest
Pedro Ros (PSP)	16 Sept 2015	100,136	—	(39,123)	(61,013)	—	16 Sept 2018
Pedro Ros (PSP)	15 Sept 2016	110,355	—	(21,519)	—	88,836	16 Sept 2019
Pedro Ros (PSP)	13 Sept 2017	171,374	—	(90,314)	—	81,060	13 Sept 2020
Pedro Ros (PSP)	28 Sept 2018	—	203,422	(203,422)	—	—	28 Sept 2021
Richard Amos (PSP)	28 Sept 2018	—	103,746	—	—	103,746	28 Sept 2021
Richard Amos (SAYE)	29 Mar 2019	—	7,105	—	—	7,105	29 Mar 2022

*unvested and, in the case of PSP Awards subject to performance conditions.

Dilution (unaudited information)
Awards under the 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 2019, the headroom under the Company's 5.0% and 10.0% limits was 308,822 and 3,997,189 shares respectively, out of an issued share capital of 87,539,567 shares.

In recognition of the limited headroom for discretionary schemes it is intended that the awards to be granted under those schemes in respect of the financial year ending 30 June 2020 will be settled with shares bought in the market by the Company's Employee Share Ownership Trust.

Pensions related benefits
For the year ended 30 June 2019 (audited information)
The Company made pension contributions totalling £23,254 (2018: £36,725) on behalf of Pedro Ros, reflective of 10% of his annual salary for the period served. Richard Amos did not participate in a pension scheme but was paid an amount of £25,496 in the year in lieu of pension contributions, reflective of 10% of his annual salary.

For the year ending 30 June 2020 (unaudited)
It is expected that Richard Amos will continue to not participate in a pension scheme and an amount equal to 10% of his basic salary will be paid in lieu of pension contributions. An amount equal to 10% of Mark Milner's basic salary will be paid to him in lieu of pension contributions.

Payments for loss of office (audited information)
Pedro Ros retired from the Board on 13 February 2019 and following a period of gardening leave left the business on 30 June 2019. Payments for loss of office made to Pedro Ros were determined in accordance with the shareholder approved Directors' Remuneration Policy. His remuneration earned to 13 February 2019 is included in the single total figure of remuneration table on page 55. Pedro Ros received payments in lieu of the salary, contractual benefits and pension contribution that would have been paid for the balance of his notice period; this amounted to £412,172 in total and was paid monthly through payroll until 30 June 2019 followed by a lump sum in July 2019.

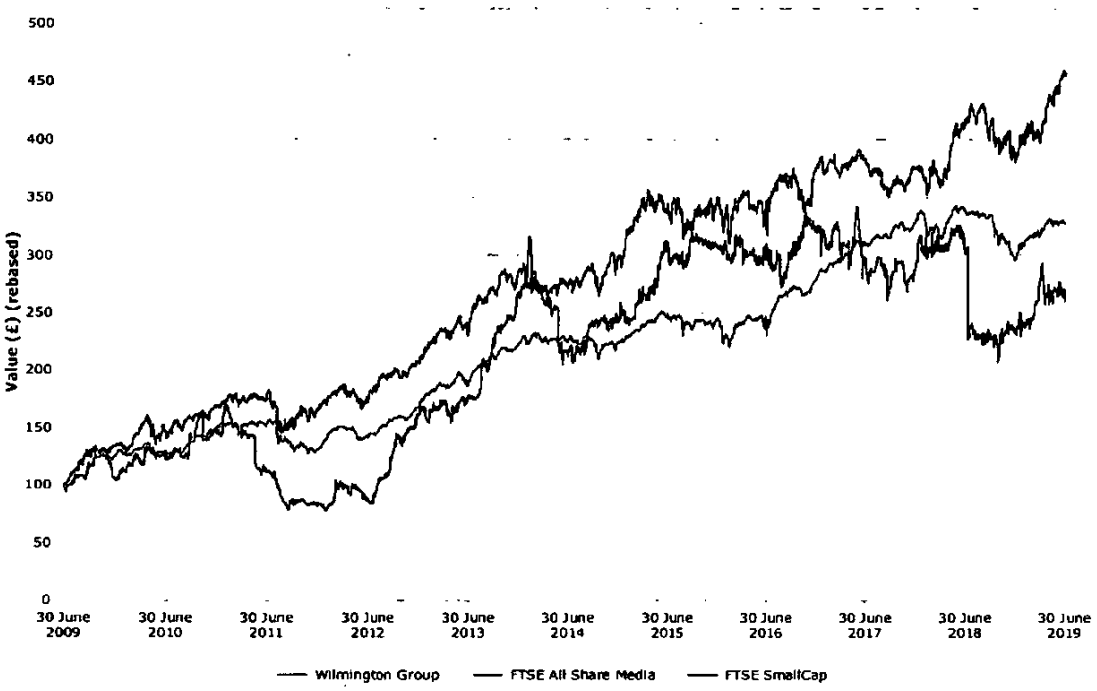
Pedro Ros' outstanding PSP awards were treated in line with the shareholder approved Directors' Remuneration Policy and in recognition of his contribution to the Group. To reflect the limited time served during the performance period his 2018 awards lapsed in full. In line with the policy and best practice, Pedro Ros' 2016 and 2017 outstanding awards will continue and vest subject to satisfaction of the applicable performance conditions and a reduction to reflect the proportion of the vesting period for which he was in active service, as follows:

Award	Shares subject to award	Performance Period	Vesting date	Shares subject to award following time-based reduction
September 2016	110,355	Three financial years ending 30 June 2019	16 September 2019	88,836*
September 2017	171,374	Three financial years ending 30 June 2020	13 September 2020	81,060
September 2018	203,422	Three financial years ending 30 June 2021	28 September 2021	—

*This award is estimated to vest at 33.33% as referred to on page 57.

Performance graph and table (unaudited information)

The following graph shows, for the year ended 30 June 2019 and for each of the previous nine 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 the Committee believe they contain the most comparable companies against which to appraise the Company's share performance.



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 %
2018/19 Pedro Ros	392	21.8%	33.33%
2017/18 Pedro Ros	565*	—	60.93%
2016/17 Pedro Ros	814	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%	—

*Restated to reflect the value of the relevant PSP award at the date of vesting as referred to on page 55.

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

The percentage change in salary, taxable benefits and annual bonus between 2017/18 and 2018/19 for the Chief Executive Officer and for all employees in the Group was:

	Salary	Taxable benefits	Annual bonus
Chief Executive Officer	2.0%	2.0%	n/a*
Employee population	2.0%	—	(31.0%)

*No Executive Director earned a bonus in respect of the financial year ended 30 June 2018.

Relative importance of spend on pay (unaudited information)
The difference in actual expenditure between 2017/18 and 2018/19 on remuneration for all employees in comparison to distributions to shareholders by way of dividend are set out in the table below:

	2017/18 £'000	2018/19 £'000	Change (%)
Expenditure on remuneration for all employees	44,130	45,647	3.44%
Distributions to shareholders by way of a dividend	7,514	7,787	3.63%

Details of the Remuneration Committee, advisors 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 41 and 42. The Committee has also received assistance from the Chief Executive Officer and interim Executive Chairman with respect to the remuneration of the other Executive Director and on the Company's remuneration policy more generally. Neither individual is in attendance when his own remuneration is discussed.

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

Committees advisors	2018/19 £'000
Aon Hewitt Limited provided advice to the Committee on performance analysis.	8
Deloitte LLP provided advice to the Committee on executive remuneration, including annual bonus performance measures and the preparation of the Directors' Remuneration Report.	13

Deloitte LLP was appointed by the Committee in 2013; the Group also engages Deloitte LLP to provide tax advisory services and advice in relation to the Company's share plans. Deloitte is a member of the Remuneration Consultants Group and, as such, voluntarily operates under the Code of Conduct in relation to executive remuneration consulting in the UK. 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 (Chairman)	December 2011	5	5
Derek Carter	December 2011	5	5
Martin Morgan	May 2018	5	5
Paul Dollman	September 2015	4	5

Statement of voting at general meeting (unaudited information)
At the AGM held on 1 November 2018 the Annual Report on Remuneration received the following votes from shareholders:

Annual Report on Remuneration	Total number of votes	% of votes cast
For	74,072,625	99.98%
Against	18,398	0.02%
Total votes cast (for and against)	74,091,023	
Votes withheld	—	
Total votes (including withheld votes)	74,091,023	

At the AGM held on 1 November 2018 the Company's SAYE Plan received the following votes from shareholders:

Annual Report on Remuneration	Total number of votes	% of votes cast
For	74,074,498	100%
Against	-	-
Total votes cast (for and against)	74,074,498	
Votes withheld	16,525	
Total votes (including withheld votes)	74,091,023	

At the AGM held on 2 November 2017 the Directors' Remuneration Policy received the following votes from shareholders:

Directors' Remuneration Policy	Total number of votes	% of votes cast
For	69,681,554	99.99%
Against	8,300	0.01%
Total votes cast (for and against)	69,689,854	
Votes withheld	—	
Total votes (including withheld votes)	69,689,854	

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
Mark Milner	July 2019	12 months
Richard Amos	March 2018	12 months
Non-Executive Directors	**Date of initial appointment**	**Notice period**
Martin Morgan	May 2018	6 months
Derek Carter	Dec 2011	3 months
Nathalie Schwarz	Dec 2011	3 months
Paul Dollman	Sept 2015	3 months

Directors' Remuneration Policy

The table below sets out the Company's Directors' Remuneration Policy which was approved at the AGM on 2 November 2017, except that date specific references have been amended and the illustrations of the application of the remuneration policy in 2018/2019 have not been included. No changes have been made to the policy since it was approved.

	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 out-turn 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	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.
- 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.

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-rata 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.

Directors' Report – Wilmington plc 30 June 2019

Directors' report and other statutory information

The Directors present their report together with the audited consolidated financial statements for the year ended 30 June 2019. The Directors' report comprises pages 41 to 70 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.

Board membership	pg 41
Dividends	pg 27
Directors' long term incentives	pg 53
Corporate governance report	pg 43
Future developments of the business of the Group	pg 4
Employee equality, diversity and involvement	pg 43
Events after the reporting period	pg 124
Subsidiaries of the Group	pg 104
Financial risk management	pg 108

Notice concerning forward-looking statements
This Annual Report contains forward-looking statements. Although the Group believes that the expectations reflected in such forward-looking statements are reasonable, these statements are not guarantees of future performance and are subject to a number of risks and uncertainties and actual results and events could differ materially from those currently being anticipated as reflected in such forward-looking statements.

The terms 'expect', 'estimate', 'forecast', 'target', 'believe', 'should be', 'will be' and similar expressions are intended to identify forward-looking statements. Factors which may cause future outcomes to differ from those foreseen in forward-looking statements include, but are not limited to, those identified under 'Principal Risks and Uncertainties' on pages 29 to 38 of this Annual Report.

The forward-looking statements contained in this Annual Report speak only as of the date of publication of this Annual Report and the Group therefore cautions readers not to place undue reliance on any forward-looking statements. Except as required by any applicable law or regulation, the Group expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained in this document to reflect any change in the Group's expectations or any change in events, conditions or circumstances on which any such statement is based.

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 10 Whitechapel High Street, London E1 8QS.

Branches outside the UK
The Group operates one branch outside the UK in Singapore.

Research and development activities
The Group invests in research and development to support the development of its businesses which can rely on technology to deliver their information, education and networking services. Examples of investments undertaken in the year are included in the Financial Review on pages 25 to 27.

Political donations
No political donations were made during the year (2018: nil).

Directors and Directors' interests
Details of the remuneration, service contracts, letters of appointment and interests in the share capital of the Company of the Directors who have served during the year are set out in the Report on Directors' Remuneration on pages 53 to 66.

All Directors are equally accountable for the proper stewardship of the Company's affairs. Executive and Non-Executive Directors offer themselves for election or re-election at each Annual General Meeting as a result of the Company deciding to adopt best practice guidelines and the 2016 UK Corporate Governance Code.

Except as disclosed in note 26 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.

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 them or the cost associated with their defence, the Group has in place 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 employees and, where appropriate, consulting with them.

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. At 30 June 2019, 46,584 shares were held in Treasury (2018: 46,584), which represents 0.1% (2018: 0.1%) of the share capital of the Company.

No shares have been purchased during the year to 30 June 2019. The Company seeks authority from its shareholders at each Annual General Meeting to purchase its own shares.

On 19 September 2018, 125,494 ordinary shares were issued in respect of the vesting of the 2015 PSP Share Awards to employees (including Executive Directors).

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 2019, the Company had only one authorised class of share, namely ordinary shares of 5p each, of which there were in issue 87,539,567 (2018: 87,414,073). 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.

Subject to various conditions, if the Company is taken over, all share awards and options will vest and may be exercised.

Except for share awards and options, and the banking arrangements described above there are no special conditions or agreements in place which would take effect, alter or terminate in the event of a takeover.

Apart from the interests of the Directors disclosed in the Report on Directors' Remuneration and the substantial interests listed on page 48 there are no individuals or entities with significant holdings, either direct or indirect, in the Company.

Corporate governance
The Company's statement on corporate governance can be found in the Corporate Governance Report on pages 43 and 44 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 expires on 3 July 2023 with an option to extend it to 3 October 2024.

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

- the level of demand for the Group's products;
- the outcome of Brexit as highlighted on page 38; 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. Further details of the banking covenants can be found on page 111.

After reviewing the Group's budget, forecasts and 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.

Directors' Report – Wilmington plc 30 June 2019

Annual General Meeting
A separate notice convening the Annual General Meeting of the Company to be held at the head office, 10 Whitechapel High Street, London E1 8QS on 5 November 2019 will be sent out with this Annual Report and financial statements.

By order of the Board and signed by

Richard Amos
Company Secretary
18 September 2019

Directors' Report – Wilmington plc 30 June 2019

Statement of directors' responsibilities in respect of the financial statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the 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 and profit or loss of the Company and group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable IFRSs as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements;

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

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

The directors are responsible for preparing the annual report in accordance with applicable law and regulations. Having taken advice from the Audit Committee, the directors consider the annual report and the financial statements, taken as a whole, provides the information necessary to assess the Company's performance, business model and strategy and is fair, balanced and understandable.

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

To the best of our knowledge:

- the Group financial statements, 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 or loss of the Company and the undertakings included in the consolidation taken as a whole; and
- the Strategic Report and Directors' Report include a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

Approved on behalf of the board by:

Richard Amos
Chief Financial Officer
18 September 2019

Independent Auditor's Report to the Members of Wilmington plc

Report on the audit of the financial statements

Opinion

Our opinion on the financial statements is unmodified
We have audited the financial statements of Wilmington plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 June 2019 which comprise the consolidated income statement, consolidated statement of comprehensive income, group and company balance sheets, group and company statements of changes in equity, group and company cashflow statements and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the parent company's affairs as at 30 June 2019 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and, as regards the Group financial statements, Article 4 of the IAS Regulation.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to principal risks, going concern and viability statement
We have nothing to report in respect of the following information in the annual report, in relation to which the ISAs (UK) require us to report to you whether we have anything material to add or draw attention to:

- the disclosures in the annual report set out on pages 29 to 38 that describe the principal risks and explain how they are being managed or mitigated;
- the directors' confirmation, set out on pages 29 to 38 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 directors' statement, set out on page 39 of 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 and the parent company's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements;
- whether the directors' statement relating to going concern required under the Listing Rules in accordance with Listing Rule 9.8.6R(3) is materially inconsistent with our knowledge obtained in the audit; or
- the directors' explanation, set out on page 39 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.

Overview of our audit approach
- Overall materiality: £972,000, which represents 5% of the Company's adjusted profit before taxation;
- Key audit matters for the Group were identified as assessment of the carrying value of goodwill and intangible assets and recognition of revenue, and;
- The audit of all subsidiaries was performed by the group audit team in the Wilmington offices in the UK, with the exception of the French subsidiaries which are audited by a component auditor. Audit procedures were performed on sufficient entities to cover 85% of Group revenues and 88% of group earnings before tax.

Independent Auditor's Report to the Members of Wilmington plc

Key audit matters

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

Key Audit Matter – Group	*How the matter was addressed in the audit – Group*
Assessment of the carrying value of goodwill and intangible assets The Group holds £77.5 million of goodwill on its balance sheet. In accordance with International Accounting Standard 36: Impairment of Assets ('IAS 36') goodwill is subject to an annual impairment test. The Group also have intangible assets of £23.2 million which have been allocated to cash generating units during the performance of the goodwill impairment test. We consider that the carrying value of the goodwill and intangible assets is a significant risk due to the level of management judgement included in the inputs into the impairment calculation, such as the rate used to discount future cash flows, cash flow forecasts and growth rates. We therefore identified the assessment of the carrying value of goodwill and intangible assets as a significant risk, which was one of the most significant assessed risks of material misstatement.	Our audit work included, but was not restricted to: • Obtaining management's impairment review model and testing the mathematical accuracy; • Assessing the appropriateness of the asset amounts included in the carrying value of each of the cash generating units by agreeing to underlying accounting records; • Assessing the discount rate applied, including an assessment by our valuation specialists and benchmarking the rate against that used by competitors; • Performing sensitivity analysis around the value in use calculation performed by management; • Considering the assumptions applied by management when forecasting future performance and comparing historical budgets to actual performance in order to assess the accuracy of budgets prepared by management. The Group's accounting policies on goodwill and intangible assets are shown in note 1(f) and (n) to the financial statements and related disclosures are included in notes 12 and 13. The Audit Committee identified goodwill and intangible asset impairment as a significant issue in its report on page 49, where the Audit Committee also described the action that it has taken to address this issue. **Key observations** Based on our audit work we found the judgements made by management in assessing the carrying value of goodwill and intangible assets to be balanced and reasonable.
Recognition of revenue The Group enters into a high volume of revenue transactions and different timing of recognising revenue, there are therefore inherent complexities in relation to the occurrence of revenue recognition. In addition, the year ended 30 June 2019 is the first in which the Group has adopted IFRS 15 (Revenue from Contracts with Customers) this has resulted in changes to revenue recognition. We therefore identified the occurrence recognition of revenue recognition as a significant risk, which was one of the most significant assessed risks of material misstatement.	Our audit work included, but was not restricted to: • Assessing the design effectiveness of relevant controls, and for two entities within the Group testing the operating effectiveness of these relevant controls through inquiry, observation and inspection; • Evaluating management's assessment of the impact of IFRS 15 against the requirements of the standard and testing a sample of revenue items affected by the implementation of IFRS 15 to underlying contracts and agreements; • Performing substantive testing on a sample of revenue transactions throughout the year across each of the significant revenue streams to assess whether revenue is recognised in accordance with the contract terms and to confirm occurrence. The Group's accounting policy on revenue recognition is shown in note 1(h) to the financial statements and related disclosures are included in note 3. The Audit Committee identified revenue recognition and the implementation of IFRS 15 as significant issues in its report on page 49, where the Audit Committee also

Key Audit Matter – Group	*How the matter was addressed in the audit – Group*
	described the action that it has taken to address this issue. **Key observations** Our testing did not identify any significant deficiencies in the operation of controls over revenue and we found that IFRS 15 has been implemented in an appropriate and consistent manner. Overall, our assessment is that judgements made by management in respect of revenue recognition are reasonable.
Key Audit Matter – Parent	**How the matter was addressed in the audit – Parent**
There are no key audit matters in relation to the parent company.	

Our application of materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality in determining the nature, timing and extent of our audit work and in evaluating the results of that work.

Materiality was determined as follows:

Materiality measure	**Group**	**Parent company**
Financial statements as a whole	£972,000 which is 5% of adjusted profit before tax, as per note 2. This benchmark is considered the most appropriate because this is a key performance indicator for the Group.	£583,000 which is 0.44% of total assets. This benchmark is considered the most appropriate because the company does not trade and holds material investments in subsidiary companies and receivable amounts from subsidiary companies
Performance materiality used to drive the extent of our testing	60% of financial statement materiality.	60% of financial statement materiality.
Specific materiality	We determined a lower level of specific materiality for related party transactions of £10,000.	We determined a lower level of specific materiality for related party transactions of £10,000.
Communication of misstatements to the audit committee	£48,600 and misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.	£29,150 and misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.

An overview of the scope of our audit

Our audit approach was based on a thorough understanding of the Group's business and is risk based, and in particular included:

- evaluation by the group audit team of identified components to assess the significance of that component and to determine the planned audit response based on a measure of materiality;
- a full statutory audit of the parent company;
- for those components that were evaluated as significant, either a full-scope or targeted audit approach was taken based on their relative materiality to the Group and our assessment of the audit risk. For significant components requiring a full-scope approach, we evaluated controls over the financial reporting systems identified as part of our risk assessment and addressed critical accounting matters. We then undertook substantive testing on significant transactions and material account balances;
- significant components were identified as Wilmington plc, Wilmington Holdings No.1 Limited, Wilmington Shared Services Limited, Wilmington Publishing & Information Limited, Axco Information Services Limited, Wilmington Healthcare Limited and ICA Commercial Services Limited. These entities were subject to full scope audit procedures and represent 39% of group revenues and 36% of group profit before tax. All work in relation to these components was performed by the Group audit team;
- a number of further components were identified for targeted testing on specific balances. These work on these entities was targeted according to the nature of the balances within these entities. All work in relation to these components was performed by the group audit team, with the exception of APM International SAS, where the work was performed by a component auditor under the direction of the group audit team.

- work performed over full scope entities and targeted procedures entities covered 85% of total revenues, 96% of total assets and 88% of total earnings before tax.
- our audit covered all of the goodwill of the Group.
- the remaining operations of the Group were subject to analytical procedures in line with their significance to the Group's results and financial position.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

The objectives of our audit are to identify and assess the risks of material misstatement of the financial statements due to fraud or error; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud or error; and to respond appropriately to those risks. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We obtained an understanding of the legal and regulatory frameworks applicable to the Company and the Group and the sector in which they operate. We determined that the following laws and regulations were most significant: the Companies Act 2006, the UK Corporate Governance Code and taxation laws.
- We understood how the Company and the Group is complying with those legal and regulatory frameworks by making inquiries to the management and the Group's head of legal. We corroborated our inquiries through our review of board minutes and papers provided to the Audit Committee.
- We assessed the susceptibility of the Company's and the Group's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the Group engagement team included:
  - identifying and assessing the design effectiveness of controls management has in place to prevent and detect fraud
  - understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process;
  - challenging assumptions and judgments made by management in its significant accounting estimates;
  - identifying and testing journal entries, in particular any journal entries posted with unusual account combinations;
  - assessing the extent of compliance with the relevant laws and regulations.
- We communicated relevant laws and regulations identified at group level to the component auditors and both the group engagement team and component auditors performed the audit procedures as above.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report and financial statements set out on pages 1 to 70, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 the other information, we are required to report that fact.

We have nothing to report in this regard.

In this context, we also have nothing to report in regard to our responsibility to specifically address the following items in the other information and to report as uncorrected material misstatements of the other information where we conclude that those items meet the following conditions:

- Fair, balanced and understandable set out on page 39 by the directors that they consider the annual report and financial statements taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's performance, business model and strategy, is materially inconsistent with our knowledge obtained in the audit; or

- Audit committee reporting set out on page 49 to 50; or
- Directors' statement of compliance with the UK Corporate Governance Code set out on page 43 – the parts of the directors' statement required under the Listing Rules relating to the Company's compliance with the UK Corporate Governance Code containing provisions specified for review by the auditor in accordance with Listing Rule 9.8.10R(2) do not properly disclose a departure from a relevant provision of the UK Corporate Governance Code.

Our opinions on other matters prescribed by the Companies Act 2006 are unmodified
In our opinion, the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report under the Companies Act 2006
In the light of the knowledge and understanding of the Group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of directors for the financial statements
As explained more fully in the statement of directors' responsibilities set out on page 70, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Other matters which we are required to address
Following the recommendation of the Audit Committee, we were appointed by the Board on 13 December 2018 to audit the financial statements for the year ending 30 June 2019 and subsequent financial periods.

The period of total uninterrupted engagement is one year, covering the year ended 30 June 2019

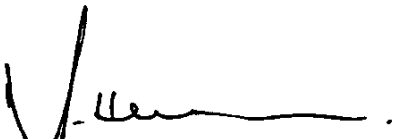
The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Group or the Parent company and we remain independent of the Group and the Parent company in conducting our audit.

Our audit opinion is consistent with the additional report to the audit committee.

Independent Auditor's Report to the Members of Wilmington plc

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Mark Henshaw
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London
18 September 2019

Consolidated Income Statement for the year ended 30 June 2019

	Notes	Year ended 30 June 2019 £'000	Year ended 30 June 2018 Restated £'000
Continuing operations			
Revenue	3	**122,525**	121,342
Operating expenses before amortisation of intangibles excluding computer software, impairment of goodwill and intangible assets and adjusting items		**(101,074)**	(97,532)
Amortisation of intangible assets excluding computer software	4b	**(5,049)**	(6,432)
Impairment of goodwill and intangible assets	4b	**—**	(8,561)
Adjusting items	4b	**(1,443)**	(4,573)
Operating expenses	5	**(107,566)**	(117,098)
Other income – gain on sale of subsidiary	4a	**1,906**	—
Operating profit		**16,865**	4,244
Net finance costs	6	**(2,103)**	(1,969)
Share of net loss of associates and joint ventures accounted for using the equity method		**(50)**	—
Profit before tax		**14,712**	2,275
Taxation	7	**(3,519)**	(2,620)
Profit/(loss) for the year		**11,193**	(345)
Attributable to:			
Owners of the parent		**11,149**	(392)
Non-controlling interests	24	**44**	47
		11,193	(345)
Earnings per share attributable to the owners of the parent:			
Basic (p)	9	**12.74**	(0.45)
Diluted (p)	9	**12.64**	(0.45)
Adjusted earnings per share attributable to the owners of the parent:			
Basic (p)	9	**17.44**	19.80
Diluted (p)	9	**17.30**	19.65

The notes on pages 84 to 124 are an integral part of these consolidated financial statements.

Consolidated Statement of Comprehensive Income for the year ended 30 June 2019

	Year ended 30 June 2019 £'000	Year ended 30 June 2018 Restated £'000
Profit/(loss) for the year	**11,193**	(345)
Other comprehensive income/(expense):		
Items that may be reclassified subsequently to the Income Statement		
Fair value movements on interest rate swaps, net of tax	**32**	339
Currency translation differences	**643**	(896)
Net investment hedges, net of tax	**(424)**	177
Other comprehensive income/(expense) for the year, net of tax	**251**	(380)
Total comprehensive income/(expense) for the year	**11,444**	(725)
Attributable to:		
Owners of the parent	**11,400**	(772)
Non-controlling interests	**44**	47
	11,444	(725)

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 84 to 124 are an integral part of these financial statements.

Balance Sheet as at 30 June 2019

	Notes	Group 2019 £'000	2018 Restated £'000	2017 Restated £'000
Non-current assets				
Goodwill	12	**77,535**	77,103	86,028
Intangible assets	13	**23,213**	27,305	31,911
Property, plant and equipment	14	**5,967**	6,463	4,444
Deferred consideration receivable	11b	**2,221**	—	—
Deferred tax assets	21	**555**	976	1,195
Derivative financial instruments	17	**23**	113	—
		109,514	111,960	123,578
Current assets				
Trade and other receivables	16	**29,112**	28,233	28,444
Cash and cash equivalents		**7,921**	10,789	10,687
		37,033	39,022	39,131
Assets held for sale		—	317	—
		37,033	39,339	39,131
Total assets		**146,547**	151,299	162,709
Current liabilities				
Trade and other payables	18	**(57,168)**	(54,752)	(55,218)
Current tax liabilities		**(312)**	(722)	(1,932)
Deferred consideration – cash settled		**(1,550)**	(1,320)	(177)
Borrowings	19	—	—	(925)
		(59,030)	(56,794)	(58,252)
Non-current liabilities				
Borrowings	19	**(41,790)**	(50,380)	(49,353)
Deferred consideration – cash settled		—	(1,286)	(2,305)
Derivative financial instruments	17	**(226)**	(356)	(662)
Deferred tax liabilities	21	**(2,633)**	(3,087)	(4,585)
Provisions for future purchase of non-controlling interests		—	—	(100)
		(44,649)	(55,109)	(57,005)
Total liabilities		**(103,679)**	(111,903)	(115,257)
Net assets		**42,868**	39,396	47,452
Equity				
Share capital	22	**4,377**	4,371	4,362
Share premium	22	**45,225**	45,225	45,225
Treasury shares	22	**(96)**	(96)	(96)
Share based payments reserve		**839**	1,108	898
Translation reserve		**3,288**	2,645	3,541
Accumulated losses		**(10,765)**	(13,939)	(6,564)
Equity attributable to owners of the parent		**42,868**	39,314	47,366
Non-controlling interests	24	—	82	86
Total equity		**42,868**	39,396	47,452

The notes on pages 84 to 124 are an integral part of these consolidated financial statements. The financial statements on pages 77 to 124 were approved and authorised for issue by the Board and signed on their behalf on 18 September 2019.

Richard Amos
Chief Financial Officer

Mark Milner
Chief Executive Officer

Registered number: 03015847

Balance Sheet as at 30 June 2019

	Notes	Company 2019 £'000	2018 £'000	2017 £'000
Non-current assets				
Investments in subsidiaries	15	**49,420**	49,420	49,420
Deferred tax assets	21	**164**	224	285
Derivative financial instruments	17	**23**	113	—
		49,607	49,757	49,705
Current assets				
Trade and other receivables	16	**80,990**	91,727	84,863
Cash and cash equivalents		**787**	265	70
		81,777	91,992	84,933
Total assets		**131,384**	141,749	134,638
Current liabilities				
Trade and other payables	18	**(30,520)**	(36,860)	(28,337)
Current tax liabilities		**(173)**	—	—
Borrowings	19	**(2,707)**	(1,992)	(4,761)
		(33,400)	(38,852)	(33,098)
Non-current liabilities				
Borrowings	19	**(13,147)**	(15,837)	(14,572)
Derivative financial instruments	17	**(226)**	(356)	(662)
		(13,373)	(16,193)	(15,234)
Total liabilities		**(46,773)**	(55,045)	(48,332)
Net assets		**84,611**	86,704	86,306
Equity				
Share capital	22	**4,377**	4,371	4,362
Share premium	22	**45,225**	45,225	45,225
Treasury shares	22	**(96)**	(96)	(96)
Share based payments reserve		**839**	1,108	898
Retained earnings		**34,266**	36,096	35,917
Total equity		**84,611**	86,704	86,306

The notes on pages 84 to 124 are an integral part of these consolidated financial statements. The financial statements on pages 77 to 124 were approved and authorised for issue by the Board and signed on their behalf on 18 September 2019.

Wilmington plc, the parent company, recorded a profit of £5,530,000 (2018: £7,001,000) during the year.

Richard Amos
Chief Financial Officer

Mark Milner
Chief Executive Officer

Statements of Changes in Equity for the year ended 30 June 2019

	Share capital, share premium and treasury shares (note 22) £'000	Share based payments reserve £'000	Translation reserve £'000	Accumulated losses £'000	Total £'000	Non-controlling interests (note 24) £'000	Total equity £'000
Group							
At 30 June 2017 Restated	49,491	898	3,541	(6,564)	47,366	86	47,452
(Loss)/profit for the year	—	—	—	(392)	(392)	47	(345)
Other comprehensive (expense)/income for the year	—	—	(896)	516	(380)	—	(380)
	49,491	898	2,645	(6,440)	46,594	133	46,727
Transactions with owners:							
Dividends	—	—	—	(7,514)	(7,514)	(62)	(7,576)
Issue of share capital	9	(384)	—	375	—	—	—
Share based payments	—	594	—	—	594	—	594
Tax on share based payments	—	—	—	(15)	(15)	—	(15)
Movements in non-controlling interest	—	—	—	(345)	(345)	11	(334)
At 30 June 2018 Restated	**49,500**	**1,108**	**2,645**	**(13,939)**	**39,314**	**82**	**39,396**
Profit for the year	—	—	—	11,149	11,149	44	11,193
Other comprehensive income/(expense) for the year	—	—	643	(392)	251	—	251
	49,500	1,108	3,288	(3,182)	50,714	126	50,840
Transactions with owners:							
Dividends	—	—	—	(7,787)	(7,787)	(34)	(7,821)
Issue of share capital	6	(472)	—	466	—	—	—
Share based payments	—	203	—	—	203	—	203
Tax on share based payments	—	—	—	(48)	(48)	—	(48)
Movements in non-controlling interest	—	—	—	(214)	(214)	(92)	(306)
At 30 June 2019	**49,506**	**839**	**3,288**	**(10,765)**	**42,868**	**—**	**42,868**

The notes on pages 84 to 124 are an integral part of these consolidated financial statements.

Statements of Changes in Equity for the year ended 30 June 2019

	Share capital, share premium and treasury shares (note 22) £'000	Share based payments reserve £'000	Retained earnings £'000	Total £'000
Company				
At 30 June 2017	49,491	898	35,917	86,306
Profit for the year	—	—	7,001	7,001
Other comprehensive income for the year	—	—	332	332
	49,491	898	43,250	93,639
Dividends to shareholders	—	—	(7,514)	(7,514)
Issue of share capital	9	(384)	375	—
Share based payments	—	594	—	594
Tax on share based payments	—	—	(15)	(15)
At 30 June 2018	49,500	1,108	36,096	86,704
Profit for the year	—	—	5,530	5,530
Other comprehensive income for the year	—	—	9	9
	49,500	1,108	41,635	92,243
Dividends to shareholders	—	—	(7,787)	(7,787)
Issue of share capital	6	(472)	466	—
Share based payments	—	203	—	203
Tax on share based payments	—	—	(48)	(48)
At 30 June 2019	**49,506**	**839**	**34,266**	**84,611**

The notes on pages 84 to 124 are an integral part of these consolidated financial statements.

Cash Flow Statements for the year ended 30 June 2019

	Notes	Group Year ended 30 June 2019 £'000	Group Year ended 30 June 2018 £'000	Company Year ended 30 June 2019 £'000	Company Year ended 30 June 2018 £'000
Cash flows from operating activities					
Cash generated from operations before adjusting items	28	**26,439**	25,665	**14,012**	15,161
Cash flows for adjusting items - operating activities		**(810)**	(2,951)	**(415)**	(1,220)
Cash flows from share based payments		**(33)**	(50)	**(33)**	(50)
Cash generated from operations		**25,596**	22,664	**13,564**	13,891
Interest paid		**(1,943)**	(1,934)	**(739)**	(904)
Tax paid		**(3,943)**	(4,738)	**(2,127)**	(3,333)
Net cash generated from operating activities		**19,710**	15,992	**10,698**	9,654
Cash flows from investing activities					
Purchase of businesses net of cash acquired		**(79)**	(1,595)	**—**	—
Sale of subsidiary net of cash disposed		**60**	—	**—**	—
Deferred consideration paid		**(1,522)**	(205)	**—**	—
Purchase of non-controlling interests		**(224)**	(335)	**—**	—
Cash flows for adjusting items - investing activities		**(405)**	(1,118)	**(74)**	(272)
Purchase of property, plant and equipment		**(1,332)**	(3,089)	**—**	—
Proceeds from disposal of property, plant and equipment		**112**	55	**—**	—
Purchase of intangible assets		**(2,324)**	(1,934)	**—**	—
Net cash used in investing activities		**(5,714)**	(8,221)	**(74)**	(272)
Cash flows from financing activities					
Dividends paid to owners of the parent		**(7,787)**	(7,514)	**(7,787)**	(7,514)
Dividends paid to non-controlling interests		**(34)**	(62)	**—**	—
Share issuance costs		**(6)**	(8)	**(6)**	(8)
Fees relating to new and extended loan facility		**(24)**	(22)	**(24)**	(22)
Increase in bank loans		**6,000**	9,127	**6,000**	11,126
Decrease in bank loans		**(15,399)**	(8,012)	**(9,000)**	(10,000)
Net cash used in financing activities		**(17,250)**	(6,491)	**(10,817)**	(6,418)
Net (decrease)/increase in cash and cash equivalents, net of bank overdrafts		**(3,254)**	1,280	**(193)**	2,964
Cash and cash equivalents, net of bank overdrafts at beginning of the year		**11,033**	9,762	**(1,727)**	(4,691)
Exchange gain/(loss) on cash and cash equivalents		**142**	(9)	**—**	—
Cash and cash equivalents, net of bank overdrafts at end of the year		**7,921**	11,033	**(1,920)**	(1,727)
Reconciliation of net debt					
Cash and cash equivalents at beginning of the year		**10,789**	10,687	**265**	70
Cash classified as held for sale		**244**	—	**—**	—
Bank overdrafts at beginning of the year		**—**	(925)	**(1,992)**	(4,761)
Bank loans at beginning of the year	19	**(50,665)**	(49,781)	**(16,122)**	(15,000)
Net debt at beginning of the year		**(39,632)**	(40,019)	**(17,849)**	(19,691)
Net (decrease)/increase in cash and cash equivalents, net of bank overdrafts		**(3,112)**	1,271	**(193)**	2,964
Net repayment/(drawdown) in bank loans		**9,399**	(1,115)	**3,000**	(1,126)
Exchange (loss)/gains on bank loans		**(524)**	231	**(25)**	4
Cash and cash equivalents at end of the year		**7,921**	10,789	**787**	265
Cash classified as held for sale		**—**	244	**—**	—
Bank overdrafts at the end of the period		**—**	—	**(2,707)**	(1,992)
Bank loans at end of the year	19	**(41,790)**	(50,665)	**(13,147)**	(16,122)
Net debt at end of the year		**(33,869)**	(39,632)	**(15,067)**	(17,849)

The notes on pages 84 to 124 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 10 Whitechapel High Street, London E1 8QS.

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 historical 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 (£'000) 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) 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 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

The adoption of IFRS 15 and IFRS 9 has led to changes in the Group's accounting policies which are detailed below. Other amendments to IFRSs effective for the period ending 30 June 2019 have not had an impact on the Group.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 provides a single, principles based five-step model to be applied to all sales contracts. It is based on the transfer of control of goods and services to customers and replaces the separate models for goods, services and construction contracts previously included in IAS 11 *Construction Contracts* ('IAS 11') and IAS 18 *Revenue* ('IAS 18').

The major change is the requirement to identify and assess the satisfaction of delivery of each performance obligation in contracts in order to recognise revenue.

Following an assessment of the financial impact of the changes required from the adoption of this new standard, there is no material change to the Consolidated Income Statement of the Group.

1. Statement of accounting policies (continued)
b) New standards and interpretations applied (continued)
A performance obligation is a promise in a contract with a customer to transfer to the customer either a good or a service. A performance obligation can either be distinct good or service or a series of distinct goods or services that are substantially the same that have the same pattern of transfer to the customer.

Revenue is recognised at a point in time when a performance obligation is satisfied by transferring a good or service to the customer. An asset is transferred when the customer obtains control of that asset.

Revenue is recognised over time when a performance obligation is satisfied by the customer simultaneously receiving and consuming the benefits over the period of the contract.

When payment is received in advance of a performance obligation being satisfied it is recorded on the balance sheet as deferred revenue. Revenue is then recognised at the point in time or over the period that the performance obligation is satisfied.

The adoption of IFRS 15 affects the recognition of revenue on education services provided by the Risk & Compliance and Professional Divisions.

Revenue from blended training courses comprising multiple products or services used to be recognised on milestones which were estimated by management based on the stage of completion of the course but is now recognised as one performance obligation on a straight-line basis over the period of provision of the training course.

Revenue from online training courses used to be recognised at the point that access to the training was first granted to the customer but is now recognised as one performance obligation on a straight-line basis over the period of access to the online training material.

The consolidated balance sheet has been adjusted by the requirement to net down deferred revenue against trade receivables for amounts that have been invoiced but are not yet due. This balance sheet adjustment has not affected the net assets of the Group.

The Group has adopted IFRS 15 on 1 July 2018 using the 'full' retrospective approach. As a result, the prior period results have been restated as detailed in note 29.

A revised Group accounting policy in alignment with the adoption of IFRS 15 has been implemented as set out in (h) below.

IFRS 9 Financial Instruments

IFRS 9 *Financial Instruments* ('IFRS 9') replaces the classification and measurement models for financial instruments in IAS 39. The Group has assessed its balance sheet assets in accordance with the new classification requirements. There has been no change in the measurement for any of the Group's financial assets or liabilities.

In addition, IFRS 9 introduces an 'expected loss' model for the assessment of impairment of financial assets. The 'incurred loss' model under IAS 39 required the Group to recognise impairment losses when there was objective evidence that an asset was impaired. Under the expected loss model, impairment losses are recorded if there is an expectation of credit losses, even in the absence of a default event. However, as permitted by IFRS 9, the Group applies the 'simplified approach' to trade receivable balances. Due to the general quality and short-term nature of the trade receivables, there is no significant impact on introduction of the 'simplified approach'.

The Group applies the hedge accounting requirements under IFRS 9 and its hedging activities are discussed in note 20 of the Annual Report with movements on hedging reserves disclosed on the Consolidated Statement of Changes in Equity. The Group's existing hedging arrangements have been assessed as compliant with IFRS 9. The adoption of IFRS 9 from 1 July 2019 does not have a material impact on the Group's reported results.

1. Statement of accounting policies (continued)
b) New standards and interpretations applied(continued)
The following table presents the Group's financial instruments, showing their original measurement category under IAS 39 and new measurement categories under IFRS 9, as at 1 January 2018. There has been no measurement change to any of the financial instruments upon adoption of IFRS 9.

Financial instrument	IAS 39 classification	IFRS 9 classification
Financial assets		
Cash and cash equivalents	Loan and receivable	Amortised cost
Trade receivables	Loan and receivable	Amortised cost
Other receivables	Loan and receivable	Amortised cost
Derivatives used in designated hedge relationships	Fair value – hedging instrument	Fair value – hedging instrument
Derivatives not used in designated hedge relationships	Fair value – through consolidated income statement	Fair value – through consolidated income statement
Financial liabilities		
Trade and other payables	Amortised cost	Amortised cost
Deferred consideration payable	Fair value – through consolidated income statement	Fair value – through consolidated income statement
Borrowings	Amortised cost	Amortised cost
Derivatives used in designated hedge relationships	Fair value – hedging instrument	Fair value – hedging instrument
Derivatives not used in designated hedge relationships	Fair value – through consolidated income statement	Fair value – through consolidated income statement

Impairment
There has been no material adjustment required on transition to IFRS 9 to the loss allowance against financial assets.

c) Critical accounting judgements, 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 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 assesses 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 and intangible assets
Management makes estimates and assumptions in measuring the carrying amount of goodwill and intangible assets. In considering whether goodwill and intangible assets have 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.

d) 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)

e) 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.

f) 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.

g) 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.

h) Revenue

Revenue is measured at the fair value of consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales-related taxes.

The Group's revenue comprises three different types of product and service; information, education and networking, across all three divisions.

1. Statement of accounting policies (continued)
h) Revenue (continued)

Information

- Subscription income for online services, information and journals is normally received in advance and is therefore recorded as deferred revenue on the balance sheet. Revenue is then recognised evenly over-time as the performance obligations are satisfied over the term of the subscription. These revenue streams relate to one performance obligation that is settled over time using the outputs method on a straight line basis as the customer simultaneously receives and consumes the benefit from the service.
- Revenue is recognised on the sale of books, journals, hard copy training material, research projects and similar publications once the product has been delivered to the customer. These revenue streams relate to one performance obligation that is settled at a point in time as Wilmington has a right to payment once control of the asset is transferred to the customer.
- Advertising in hard copy publications is recognised on the issue of the related publication. This revenue stream relates to one performance obligation that is settled at a point in time as Wilmington has a right to payment once the advertising is published in the hard copy publication.
- Marketing and advertising services revenues are recognised over the period of the advertising subscription or over the period when the marketing service is provided. When payment is received in advance it is recorded on the balance sheet as deferred revenue and revenue is then recognised over-time as the performance obligations are satisfied over the term of the contract. These revenue streams relate to one performance obligation that is settled over time using the outputs method on a straight line basis as the customer simultaneously receives and consumes the benefit from the service.
- Revenue from the licence of static data reports is recognised once the data has been delivered to the customer. This revenue stream relates to one performance obligation that is settled at a point in time as Wilmington has a right to payment once control of the asset is transferred to the customer.
- Revenue from the licence of static data reports where the customer has access to the data for a finite period of time and the reports have significant updates during that period is recognised over the period of the contract. When payment is received in advance it is recorded on the balance sheet as deferred revenue and revenue is then recognised over-time as the performance obligations are satisfied over the term of the contract. This revenue stream relates to one performance obligation that is settled over time using the outputs method on a straight line basis as the customer simultaneously receives and consumes the benefit from the service.
- Revenue from licences to dynamic data that is updated on an ongoing basis is recognised over the period of the contract. When payment is received in advance it is recorded on the balance sheet as deferred revenue and revenue is then recognised over-time as the performance obligations are satisfied over the term of the contract. This revenue stream relates to one performance obligation that is settled over time using the outputs method on a straight line basis as the customer simultaneously receives and consumes the benefit from the service.

Education

- Revenue from training courses where the training is delivered as an ongoing process, is recognised on a straight-line basis over the period that the training is provided to the customer. When payment is received in advance it is recorded on the balance sheet as deferred revenue and revenue is then recognised over-time as the performance obligations are satisfied over the term of the contract. This revenue stream relates to one performance obligation that is settled over time using the outputs method on a straight line basis as the customer simultaneously receives and consumes the benefit from the service.
- Revenue from training courses where the Group provides in-house training to corporate customers is recognised on completion of the training course. This revenue stream relates to one performance obligation that is settled at a point in time as Wilmington has a right to payment once the service has been delivered to the customer.
- Revenue from the memberships of professional organisations is recognised on a straight-line basis over the period of membership. When payment is received in advance it is recorded on the balance sheet as deferred revenue and revenue is then recognised over-time as the performance obligations are satisfied over the term of the contract. This revenue stream relates to one performance obligation that is settled over time using the outputs method on a straight line basis as the customer simultaneously receives and consumes the benefit from the service.

Networking

- Networking revenue comprises exhibitions, conferences and events (collectively known as events). Revenue typically includes attendee fees, event sponsorship and advertising which is recognised when the event is held. Customers and sponsors are often required to pay in advance before commencement of the event, and these advance receipts are recognised as deferred revenue on the balance sheet from the point at which they become due. This revenue stream relates to one performance obligation that is settled at a point in time as Wilmington has a right to payment once the service has been delivered to the customer.

1. Statement of accounting policies (continued)

i) Operating expenses

In accordance with IAS 1 paragraph 102, 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. Costs 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 central administrative and management functions and are expensed to the Income Statement as incurred.

j) 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.

k) Adjusting items

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

This 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.

l) 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.

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.

1. Statement of accounting policies (continued)

m) Dividends

Dividend distributions are recognised in the consolidated financial statements when the shareholder's 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.

n) 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 annum
Databases	8-20% per annum
Customer relationships	8-33% per annum
Brands	5-20% per annum
Publishing rights and titles	5-10% 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.

o) 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 annum
Fixtures and fittings	10-33% per annum
Computer equipment	25-33% per annum
Motor vehicles	25% per annum

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.

p) Investments in subsidiaries

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

q) Financial instruments

Financial assets

The Group classifies its non-derivative financial assets as 'amortised cost' for the purposes of IFRS 9. Management determines the classification at initial recognition and re-evaluates this designation at each reporting date.

Loans and other receivables

Loans and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and other 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 other receivables are classified as current assets if they mature within twelve months of the reporting date, but are otherwise classified as non-current assets.

The Group classifies its loans and other receivables as 'amortised cost' for the purposes of IFRS 9.

1. Statement of accounting policies (continued)
q) Financial instruments (continued)
Trade receivables
Trade 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.

The Group assesses for doubtful debts (impairment) using the expected credit losses model as required by IFRS 9. For trade receivables, the Group applies the simplified approach which requires expected lifetime losses to be recognised from the initial recognition of the receivables.

The Group classifies its trade receivables as 'fair value through consolidated statement of comprehensive income – debt instrument' for the purposes of IFRS 9.

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.

The Group classifies cash and cash equivalents as 'amortised cost' for the purposes of IFRS 9.

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
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.

The Group classifies trade and other payables as 'amortised cost' for the purposes of IFRS 9.

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 twelve months of the balance sheet date, but are otherwise classified as non-current liabilities.

The Group classifies loans and other borrowings as 'amortised cost' for the purposes of IFRS 9.

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.

1. Statement of accounting policies (continued)
Financial instruments and hedge accounting (continued)
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 'fair value through consolidated income statement' for the purposes of IRFS 9 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.

To the extent that the hedge is effective, changes in the fair value of derivatives designated as hedging instruments in cash flow hedges are recognised in other comprehensive income and included within the cash flow hedge reserve in equity. Any ineffectiveness in the hedge relationship is recognised immediately in profit or loss.

At the time the hedged item affects profit or loss, any gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss and presented as a reclassification adjustment within other comprehensive income. However, if a non-financial asset or liability is recognised as a result of the hedged transaction, the gains and losses previously recognised in other comprehensive income are included in the initial measurement of the hedged item.

If a forecast transaction is no longer expected to occur, any related gain or loss recognised in other comprehensive income is transferred immediately to profit or loss. If the hedging relationship ceases to meet the effectiveness conditions, hedge accounting is discontinued.

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.

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 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. The social security contributions payable in connection with the grant of the share awards will be treated as a cash-settled transaction.

1. Statement of accounting policies (continued)

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. The share premium reserve represents the amount paid to the Company by shareholders above the nominal value of shares issued.

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 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 2018.

International Financial Reporting Standards (IFRS/IAS)		Effective for accounting periods starting after
IFRS 16	Leases*	1 January 2019
IFRIC Interpretation 23	Uncertainty over Income Tax Treatments	1 January 2019
Amendments to IAS 28	Long-term Interests in Associates and Joint Ventures	1 January 2019

*Standard endorsed by the EU.

Management is currently assessing the impact of the above new standards. During the year to 30 June 2020 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.

IFRS 16 - Leases

IFRS 16 is effective for accounting periods beginning on or after 1 January 2019. The date of initial application of IFRS 16 for the Group is 1 July 2019.

IFRS 16 prescribes a single lessee accounting model that requires the recognition of a right-of-use asset and corresponding liability for all leases with terms over twelve months, unless the underlying asset is of low value. The liability is initially measured at the present value of future lease payments for the lease term. The right-of-use asset is depreciated, with the depreciation charge and the interest on the corresponding lease liability being recognised in the income statement over the lease term. In the cash flow statement the total amount of cash paid in respect of lease payments is separated into a principal portion within financing activities, and an interest portion within operating activities.

The Group will adopt the modified retrospective approach to application, using transitional reliefs available. It will not restate comparatives but will recognise a cumulative adjustment to the opening balance of retained earnings at 1 July 2019. The Group will also make use of the relief not to reassess whether a contract contains a lease, and therefore the definition of a lease under IAS 17 will continue to apply to leases entered into before the date of transition. Additionally, the Group will make use of the relief to exclude any leases with a remaining term less than twelve months at the date of transition.

On implementation of IFRS 16 there will be a material increase in lease liabilities, along with a corresponding increase in right of use assets within property, plant and equipment. The Group's significant leases relate to property and the undiscounted commitments under non-cancellable operating leases in accordance with IAS 17 total £17.4m for continuing operations at 30 June 2019 (30 June 2018: £17.4m).

The Group does not anticipate that the adoption of the remaining standards and interpretations that are effective for the year ending 30 June 2020 will have a material effect on its financial statements.

2. Measures of profit
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 subsidiary;
- share of loss of equity accounted investment; and
- finance costs.

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

	Year ended 30 June 2019 £'000	Year ended 30 June 2018 Restated £'000
Profit before tax	**14,712**	2,275
Amortisation of intangible assets excluding computer software	**5,049**	6,432
Impairment of goodwill and intangibles	**—**	8,561
Adjusting items (included in operating expenses)	**1,443**	4,573
Other income - gain on sale of subsidiary	**(1,906)**	—
Adjusted profit before tax	**19,298**	21,841
Share of loss of equity accounted investment	**50**	—
Finance costs	**2,103**	1,969
Adjusted operating profit ('Adjusted EBITA')	**21,451**	23,810
Depreciation of property, plant and equipment included in operating expenses	**1,359**	917
Amortisation of intangible assets - computer software	**1,477**	1,302
Adjusted EBITA before depreciation ('Adjusted EBITDA')	**24,287**	26,029

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.

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 2019 £'000	Profit Year ended 30 June 2019 £'000	Revenue Year ended 30 June 2018 Restated £'000	Profit Year ended 30 June 2018 Restated £'000
Risk & Compliance	**42,453**	**12,670**	42,149	12,188
Healthcare	**46,310**	**7,337**	44,681	9,899
Professional	**33,762**	**5,808**	34,512	6,191
Group total	**122,525**	**25,815**	121,342	28,278
Unallocated central overheads	**—**	**(4,152)**	—	(3,827)
Share based payments	**—**	**(212)**	—	(641)
	122,525	**21,451**	121,342	23,810
Amortisation of intangible assets excluding computer software		**(5,049)**		(6,432)
Impairment of goodwill and intangibles		**—**		(8,561)
Adjusting items (included in operating expenses)		**(1,443)**		(4,573)
Other income - gain on sale of subsidiary		**1,906**		—
Finance costs		**(2,103)**		(1,969)
Share of loss of equity accounted investment		**(50)**		—
Profit before tax		**14,712**		2,275
Taxation		**(3,519)**		(2,620)
Profit/(loss) for the financial year		**11,193**		(345)

3. Segmental information (continued)

a) Business segments (continued)

There are no intra-segmental revenues which are material for disclosure. Unallocated central overheads represent central 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 2019 £'000	Year ended 30 June 2018 Restated £'000
UK	**69,839**	71,592
Europe (excluding the UK)	**22,055**	20,628
North America	**20,829**	18,201
Rest of the World	**9,802**	10,921
Total revenue	**122,525**	121,342

c) Timing of revenue recognition

The timing of the Group's revenue recognition is as follows:

	Year ended 30 June 2019 £'000	Year ended 30 June 2018 Restated £'000
Revenue from products and services transferred at a point in time	**51,054**	45,156
Revenue from products and services transferred over time	**71,471**	76,186
Total revenue	**122,525**	121,342

The value of revenue recognised in the year which was included in subscriptions and deferred revenue at the start of the year was £28,384,000 (year ended 30 June 2018: £29,861,000). The value of revenue recognised in the reporting period from performance obligations satisfied or partially satisfied in previous periods was £nil (year ended 30 June 2019: £nil).

The Group has applied the practical expedient of paragraph 63 of IFRS 15 not to adjust the promised amount of consideration for the effects of a financing component, as it is expected that the period between the transfer of goods or services, and when the customer pays for that good or service, will be less than one year.

The Group has applied the practical expedient of paragraph 93 of IFRS 15 to recognise the incremental costs of obtaining a contract as an expense when incurred, because the amortisation period of any such asset that the entity otherwise would have recognised is one year or less.

The Group has applied the practical expedient of paragraph 121 of IFRS 15 not to disclose the transaction price allocated to the remaining performance obligations, as required by paragraph 120 of IFRS 15, as the Group's contracts are all for one year or less.

4. Profit from continuing operations

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

	Year ended 30 June 2019 £'000	Year ended 30 June 2018 £'000
Depreciation of property, plant and equipment – included in operating expenses	**1,359**	917
Amortisation of intangible assets - computer software	**1,477**	1,302
Profit on disposal of property, plant and equipment	**36**	(11)
Rentals under operating leases	**2,661**	2,942
Share based payments (including social security costs)	**212**	641
Amortisation of intangible assets excluding computer software	**5,049**	6,432
Impairment of goodwill and intangibles	**—**	8,561
Adjusting items (included in operating expenses)	**1,443**	4,573
Gain on sale of subsidiary	**(1,906)**	—
Foreign exchange gain (including forward currency contracts)	**(55)**	(229)
Fees payable to the auditors for the audit of the Company and consolidated financial statements	**87**	117
Fees payable to the auditors and their associates for other services:		
– The audit of the Company's subsidiaries pursuant to legislation	**154**	183
– Other assurance services	**—**	74
– Tax compliance services	**—**	5
– Audit related other services	**15**	—

Fees payable to the auditors in the year ended 30 June 2018 were due to PricewaterhouseCoopers LLP.

b) Adjusting items:

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

	Year ended 30 June 2019 £'000	Year ended 30 June 2018 £'000
Costs relating to successful and aborted acquisitions, disposals and integration	**74**	721
Increase in liability for deferred consideration	**489**	330
	563	1,051
Impairment of loan receivable	**331**	—
Costs associated with the change in CEO	**549**	—
Adjusting items relating to property portfolio review and IT infrastructure transformation	**—**	3,090
Restructuring and rationalisation costs	**—**	432
Other adjusting items (included in operating expenses)	**1,443**	4,573
Amortisation of intangible assets excluding computer software	**5,049**	6,432
Impairment of goodwill and intangible assets (note 12)	**—**	8,561
Total adjusting items (classified in profit before tax)	**6,492**	19,566

Successful and aborted acquisition, disposal and integration costs relate to transaction fees on the acquisition of The Training Consultants Limited and the disposal of International Company Profile FZ LLC. The increase in the liability for deferred consideration relates to adjustments to deferred consideration in respect of SWAT Group Limited ('SWAT'), Interactive Medica Limited, The Training Consultants Limited and Evantage Consulting Limited. The impairment of loan receivable relates to the write off of the receivable from the joint venture Axco Digital Insurer Ratings PTE. Ltd (Singapore) in the year.

5. Operating expenses

	Year ended 30 June 2019			Year ended 30 June 2018		
	Cost of sales £'000	**Administration £'000**	**Total £'000**	Cost of sales £'000	Administration £'000	Total £'000
Operating expenses before depreciation, amortisation and impairment	**93,626**	**4,612**	**98,238**	90,845	4,468	95,313
Depreciation of property, plant and equipment	**1,359**	**—**	**1,359**	917	—	917
Amortisation of intangible assets - computer software	**1,477**	**—**	**1,477**	1,302	—	1,302
Operating expenses before amortisation of intangible assets excluding computer software and impairment	**96,462**	**4,612**	**101,074**	93,064	4,468	97,532
Amortisation of intangible assets - databases	**1,745**	**—**	**1,745**	1,933	—	1,933
Amortisation of intangible assets - customer relationships	**1,501**	**—**	**1,501**	2,038	—	2,038
Amortisation of intangible assets - brands	**1,185**	**—**	**1,185**	1,272	—	1,272
Amortisation of intangible assets - publishing rights and titles	**618**	**—**	**618**	1,189	—	1,189
Goodwill and intangibles impairment charge (note 12)	**—**	**—**	**—**	—	8,561	8,561
Other adjusting items (note 4)	**—**	**1,443**	**1,443**	—	4,573	4,573
Operating expenses	**101,511**	**6,055**	**107,566**	99,496	17,602	117,098

6. Net finance costs

	Year ended 30 June 2019 £'000	Year ended 30 June 2018 £'000
Finance costs comprise:		
Interest payable on bank loans and overdrafts	**1,921**	1,804
Unwinding of the discount on royalty payments receivable	**(127)**	—
Amortisation of capitalised loan arrangement fees	**309**	165
	2,103	1,969

Included within amortisation of capitalised loan arrangement fees is £143,000 relating to the write off of the remaining fees on the 2015 debt facility following its renewal in July 2019.

7. Taxation

	Year ended 30 June 2019 £'000	Year ended 30 June 2018 Restated £'000
Current tax		
UK corporation tax at current rates on UK profits for the year	**2,163**	2,208
Adjustments in respect of previous years	**(106)**	63
	2,057	2,271
Foreign tax	**1,153**	1,114
Adjustments in respect of previous years	**350**	(41)
Total current tax	**3,560**	3,344
Deferred tax credit	**(41)**	(765)
Effect on deferred tax of change in corporation tax rate	**—**	41
Total deferred tax	**(41)**	(724)
Taxation	**3,519**	2,620

7. Taxation (continued)

Factors affecting the tax charge for the year:

The effective tax rate is higher (2018: higher) than the average rate of corporation tax in the UK of 19.00% (2018: 19.00%). The differences are explained below:

	Year ended 30 June 2019 £'000	Year ended 30 June 2018 Restated £'000
Profit before tax	**14,712**	2,275
Profit before tax multiplied by the average rate of corporation tax in the year of 19.00% (2018: 19.00%)	**2,795**	432
Tax effects of:		
Impairment of goodwill not deductible for tax purposes	**—**	1,627
Foreign tax rate differences	**384**	384
Adjustment in respect of previous years	**244**	22
Other items not subject to tax	**96**	114
Effect on deferred tax of change of corporation tax rate	**—**	41
Taxation	**3,519**	2,620

It was announced on 23 November 2016 that the UK corporation tax rate will be reduced from 19% to 17% from 1 April 2020. Deferred tax assets and liabilities are measured at the rates that are expected to apply in the periods of the reversal.

The Company's profits for this accounting year are taxed at an effective rate of 23.9% (2018 restated: 24.2%).

Included in other comprehensive income are a tax charge of £8,000 (2018: £80,000) and a tax credit of £99,000 (2018: £42,000 charge) 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 £475,000 (2018: £1,876,000).

8. Dividends

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

	Year ended 30 June 2019 Pence per share	Year ended 30 June 2018 Pence per share	Year ended 30 June 2019 £'000	Year ended 30 June 2018 £'000
Final dividends recognised as distributions in the year	**4.8**	4.6	**4,200**	4,019
Interim dividends recognised as distributions in the year	**4.1**	4.0	**3,587**	3,495
Total dividends paid			**7,787**	7,514
Final dividend proposed	**5.0**	4.8	**4,375**	4,194

9. Earnings per share

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

- amortisation of intangible assets excluding computer software;
- impairment of goodwill and intangible assets;
- adjusting items (included in operating expenses);
- share of loss of equity accounted investment; and
- other income - gain on sale of subsidiary.

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

	Year ended 30 June 2019 £'000	Year ended 30 June 2018 Restated £'000
Earnings from continuing operations for the purpose of basic earnings per share	**11,149**	(392)
Add/(remove):		
Amortisation of intangible assets excluding computer software	**5,049**	6,432
Impairment of goodwill and intangibles	**—**	8,561
Adjusting items (included in operating expenses)	**1,443**	4,573
Other income – gain on sale of subsidiary	**(1,906)**	—
Tax effect of adjustments above	**(475)**	(1,876)
Adjusted earnings for the purposes of adjusted earnings per share	**15,260**	17,298

	Number	Number
Weighted average number of ordinary shares for the purposes of basic and adjusted earnings per share	**87,513,422**	87,379,469
Effect of dilutive potential ordinary shares:		
Future exercise of share awards and options	**719,509**	645,240
Weighted average number of ordinary shares for the purposes of diluted and adjusted diluted earnings per share	**88,232,931**	88,024,709
Basic earnings per share	**12.74p**	(0.45)p
Diluted earnings per share	**12.64p**	(0.45)p
Adjusted basic earnings per share ('Adjusted Earnings Per Share')	**17.44p**	19.80p
Adjusted diluted earnings per share	**17.30p**	19.65p

10. Results of Wilmington plc

Wilmington plc, the parent company, recorded a profit of £5,530,000 (2018: £7,001,000) during the year.

11. Acquisitions and disposals

a) Acquisition – The Training Consultants Limited – 5 July 2018

On 5 July 2018 Bond Solon Training Limited, a wholly owned subsidiary of Wilmington plc, acquired the entire issued share capital of The Training Consultants Limited (TTC), a UK based provider of accredited intelligence and investigative skills training. TTC was acquired for an initial consideration of £229,848 including £150,620 worth of cash on the balance sheet, with an additional £125,000 paid on 5 July 2019, subject to the continued employment of a key member of the management team.

Acquisition related costs of £30,012 have been expensed as adjusting items, in addition to £125,000 in respect of the deferred consideration (see note 4b).

TTC is a complementary addition to Wilmington, further diversifying the offering of the Professional division.

b) Disposal – International Company Profile FZ LLC – 18 July 2018

On 18 July 2018 Wilmington Publishing and Information Limited (a wholly owned subsidiary of Wilmington plc) sold the trade and assets of International Company Profile ('ICP'), including its 100% shareholding in International Company Profile FZ LLC, the statutory entity incorporated in Dubai, to its management team. The sale was effective from 1 July 2018.

ICP was the credit reporting business previously held within the Risk & Compliance division and was classified as held for sale at 30 June 2018.

The profit on disposal of International Company Profile was £1,906,000 which is calculated as follows:

	£'000
Sale price	300
Royalty payments	2,700
Undiscounted consideration	3,000
Discount of royalty payments	(606)
Fair value of consideration	**2,394**
Property, plant and equipment	9
Intangible assets	58
Cash	240
Trade receivables	100
Other receivables	81
Net assets disposed of	**488**
Profit on disposal of ICP	**1,906**

The sale price for ICP was £3,000,000, which includes future royalty payments of £2,700,000 which have been accounted for as deferred consideration. The deferred consideration receivable is accounted for as a financial asset at amortised cost.

In accordance with IFRS 3: Business combinations and IAS 10: Consolidated Financial Statements, the royalty payments have been accounted for as consideration as part of the disposal transaction because the business sale agreement and royalty licence agreement were entered into at the same time, to achieve the same overall commercial effect, and both arrangements were dependent on each other.

At 30 June 2019 the fair value of the future royalty payments was £2,221,050. The royalty payments are due to be paid in instalments from 18 July 2020 to 18 July 2023.

c) Non-controlling interest acquired – 29 March 2019

On 29 March 2019 the Group purchased the remaining 8.75% shareholding in Wilmington Millennium Limited for £223,514, making it a wholly owned subsidiary.

12. Goodwill

Cost	**£'000**
At 1 July 2017	110,188
Additions	588
Fair value adjustment	(762)
Exchange translation differences	(190)
At 30 June 2018	**109,824**
Exchange translation differences	432
At 30 June 2019	**110,256**
Accumulated impairment	
At 1 July 2017	24,160
Impairment	8,561
At 30 June 2018 and 30 June 2019	**32,721**
Net book amount	
At 30 June 2019	**77,535**
At 30 June 2018	77,103
At 30 June 2017	86,028

Goodwill arising on business combinations is not amortised but reviewed for impairment on an annual basis, or more frequently if there are indications that goodwill may be impaired. Impairment reviews were performed by comparing the carrying value of goodwill with the recoverable amount of the cash-generating units ('CGU') to which goodwill has been allocated. Recoverable amounts for cash-generating units are the higher of fair value less costs of disposal, and value in use.

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 10.5% (2018: 12.3%) across all CGUs in the UK. A pre-tax discount rate of 11.3% (2018: 13.5%) has been used for Compliance Week, FRA and Ark USA that all operate in North America. A pre-tax discount rate of 11.6% (2018: 12.3%) has been used for Inese, which operates in Spain. A pre-tax discount rate of 11.0% (2018: 12.3%) has been used for APM, which operates in France.

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 long-term growth rates used are based on management's expectations of future changes in the markets for each CGU and are 2.0% (2018: 2.0%).

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

Compliance week

For Compliance Week, the value in use exceeds the carrying value by 6% (2018: 17%). The reduction in headroom is largely as a result of changes in the assumptions of ongoing investment requirements in the business. 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 6.0% in each of the next three years; or

- An increase in the pre-tax discount from 11.3% to 12.0%.

During the year, integration activities to bring the UK healthcare assets into a single UK Healthcare business were completed. As a result of this, it will not be possible going forward to identify the cash flows generated by HSJ and Evantage independently from the other UK Healthcare businesses. Therefore HSJ and Evantage have been included in a single UK Healthcare CGU as at 30 June 2019.

CGU	30 June 2019 £'000	30 June 2018 £'000
UK Healthcare	**21,182**	21,181
Axco and Pendragon	**11,150**	11,150
Accountancy	**8,307**	8,307
Others	**36,896**	36,465
	77,535	77,103

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 2017	9,946	16,143	24,355	13,341	30,289	94,074
Additions	1,934	—	—	—	—	1,934
Acquisitions	583	611	514	348	—	2,056
Disposals	(2,161)	—	—	—	—	(2,161)
Reclassification to held for sale	(111)	—	—	—	—	(111)
Exchange translation differences	2	(13)	(67)	(56)	—	(134)
At 30 June 2018	**10,193**	**16,741**	**24,802**	**13,633**	**30,289**	**95,658**
Additions	2,324	—	—	—	—	2,324
Acquisitions	—	—	—	—	104	104
Disposal	(326)	—	—	—	—	(326)
Exchange translation differences	(17)	30	167	124	—	304
At 30 June 2019	**12,174**	**16,771**	**24,969**	**13,757**	**30,393**	**98,064**
Accumulated amortisation						
At 1 July 2017	7,004	10,110	14,987	4,188	25,874	62,163
Charge for the year	1,302	1,933	2,038	1,272	1,189	7,734
Acquisitions	528	—	—	—	—	528
Disposals	(2,161)	—	—	—	—	(2,161)
Reclassification to held for sale	(53)	—	—	—	—	(53)
Exchange translation differences	22	5	71	36	8	142
At 30 June 2018	**6,642**	**12,048**	**17,096**	**5,496**	**27,071**	**68,353**
Charge for the year	1,477	1,745	1,501	1,185	618	6,526
Disposals	(251)	—	—	—	—	(251)
Exchange translation differences	(18)	17	123	101	—	223
At 30 June 2019	**7,850**	**13,810**	**18,720**	**6,782**	**27,689**	**74,851**
Net book amount						
At 30 June 2019	**4,324**	**2,961**	**6,249**	**6,975**	**2,704**	**23,213**
At 30 June 2018	3,551	4,693	7,706	8,137	3,218	27,305
At 30 June 2017	2,942	6,033	9,368	9,153	4,415	31,911

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					
At 1 July 2017	3,161	5,239	4,292	534	13,226
Additions	2,122	436	787	68	3,413
Acquisitions	—	119	123	—	242
Disposals	—	(1,760)	(1,289)	(142)	(3,191)
Reclassification to held for sale	—	—	(11)	—	(11)
Exchange translation differences	—	(1)	(2)	—	(3)
At 30 June 2018	**5,283**	**4,033**	**3,900**	**460**	**13,676**
Additions	248	324	302	135	1,009
Acquisitions	—	—	13	—	13
Disposals	—	(786)	(477)	(198)	(1,461)
Exchange translation differences	—	14	7	—	21
At 30 June 2019	**5,531**	**3,585**	**3,745**	**397**	**13,258**
Accumulated depreciation					
At 1 July 2017	820	3,956	3,767	239	8,782
Charge for the year	142	649	468	90	1,349
Disposals	—	116	114	—	230
Acquisitions	(3)	(1,760)	(1,289)	(95)	(3,147)
Reclassification to held for sale	—	—	(2)	—	(2)
Exchange translation differences	—	—	1	—	1
At 30 June 2018	**959**	**2,961**	**3,059**	**234**	**7,213**
Charge for the year	325	491	452	91	1,359
Disposals	—	(693)	(467)	(153)	(1,313)
Acquisitions	—	—	13	—	13
Exchange translation differences	—	11	8	—	19
At 30 June 2019	**1,284**	**2,770**	**3,065**	**172**	**7,291**
Net book amount					
At 30 June 2019	**4,247**	**815**	**680**	**225**	**5,967**
At 30 June 2018	4,324	1,072	841	226	6,463
At 30 June 2017	2,341	1,283	525	295	4,444

Included in land, freehold and leasehold buildings is £970,000 (2018: £970,000) of non-depreciated land.

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

15. Investments in subsidiaries

Company	Shares in subsidiary undertakings £'000
Cost less provision at 1 July 2018 and 30 June 2019	**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 2019. 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 2019 under Section 479A of the Companies Act 2006.

Name of company	UK company number	Registered address	Business	Percentage owned
Adkins & Matchett (UK) Limited+	3402949	WCH	Provision of professional training	100
Adkins, Matchett & Toy (Hong Kong) Limited (incorporated and operates in *Hong Kong*)	n/a	HAL	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+	2931372	WCH	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+	3023875	WCH	Holding company	100
Ark Publishing Limited	3795674	WCH	Dormant	100
Axco Insurance Information Services Limited+	3073807	WCH	Provision of international compliance and regulatory information for the global insurance industry	100
Bond Solon Training Limited+	2271977	WCH	Witness training and conferences	100
Central Law Management Limited	2437276	WCH	Dormant	100
Central Law Training (Scotland) Limited +	SC187504	TON	Professional education, post-qualification training and legal conferences	100
Central Law Training Limited+	2158821	WCH	Professional education, post-qualification training and legal conferences	100
CLT International Limited+	6309789	WCH	Certified professional training	100
Evantage Consulting Limited	4297858	WCH	Consultancy to the pharmaceutical industry	100
HCP Consulting Limited	4160769	WCH	Dormant	100
ICA Audit Limited+	4519229	WCH	Facilitation of ISO certification for businesses	100
Interactive Medica AB	n/a	GRV	Pan-European provider of cloud based insight, CRM and KAM offerings to the pharmaceutical industry	100
Interactive Medica Limited +	5947851	WCH	Pan-European provider of cloud based insight, CRM and KAM offerings to the pharmaceutical industry	100
Interactive Medica SL	n/a	ALC	Pan-European provider of cloud based insight, CRM and KAM offerings to the pharmaceutical industry	100

15. Investments in subsidiaries (continued)

International Compliance Association**+	4429302	WCH	*Professional association; a not for profit organisation*	100
International Compliance Training (Middle East) LLC (incorporated and operates in UAE)	n/a	GAT	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
International Compliance Training SDN. BHD (incorporated and operates in Malaysia)	n/a	VER	Training courses in international compliance and money laundering	100
ICA Commercial Services Limited+	4363296	WCH	Training courses in international compliance and money laundering	100
JMH Publishing Limited+	4097904	WCH	Provider of specialist and accredited online education for the healthcare industry	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+	1464141	WCH	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*+	5997573	WCH	Provision of business intelligence, data analysis, workflow tools and other services to the healthcare industry	100
Pendragon Professional Information Limited	3612096	WCH	Dormant	100
Practice Track Limited+	2290840	WCH	Marketing support services for the accountancy profession	100
Quorum Courses Limited	2623737	WCH	Dormant	100
Quorum International Limited	4110814	WCH	Dormant	100
Quorum Training Limited	2096887	WCH	Dormant	100
Smee and Ford Limited+	1964639	WCH	Provision of legacy information	100
SWAT Group Limited+	9572812	WCH	Holding company	100
SWAT Holdings Limited+	6276353	WCH	Holding company	100
SWAT UK Limited+	3041771	WCH	Training and support services to the accountancy profession	100
The Matchett Group Limited+	1221570	WCH	Dormant	100
The Training Consultants Limited+	5922993	WCH	Providing accredited intelligence and investigative skills training	100
Waterlow Information Services Limited	2779805	WCH	Dormant	100
WCLTS**	SC263368	WCH	Dormant	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 Finance Limited+	4461497	WCH	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 Group Limited	2942046	WCH	Dormant	100
Wilmington Healthcare Limited+	2530185	WCH	Provision of reference information to the healthcare industry	100
Wilmington Holdings No 1 Limited*	8313253	WCH	Holding company	100
Wilmington Holdings US Inc. (incorporated and operates in the US)	n/a	ORA	Holding company	100

15. Investments in subsidiaries (continued)

Wilmington Inese SL (incorporated and operates in Spain)	n/a	AGP	Provision of Spanish language subscription based publications	100
Wilmington Insight Limited+	2691102	WCH	Holding company	100
Wilmington Legal Limited+	2522603	WCH	Holding company	100
Wilmington Millennium Limited+	8069752	WCH	Provision of legacy information	100
Wilmington plc Employee Share Ownership Trust	n/a	WCH	Trust	n/a
Wilmington Publishing & Information Limited	3368442	WCH	Provision of information and events for professional markets	100
Wilmington Risk & Compliance Limited	2787083	WCH	Dormant	100
Wilmington Shared Services Limited	8314442	WCH	Provision of shared services	100

On 29 March 2019 the Group purchased the remaining 8.75% shareholding in Wilmington Millennium Limited for £223,514 making it a wholly owned subsidiary. 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
Avda.del General Peron, 27 – 10 Plta, Madrid	AGP
Calle Alcalá 87, 3º Izda, Madrid, 28009	ALC
33 Avenue de la Republique, 75011 Paris	AVE
The Capel Building, Mary's Abbey, Dublin 7, Ireland	CAP
Cloughoge Business Park, Newry, Countydown, Northern Ireland	CLO
Level 3, Gate Village, Building 2, Dubai International Financial Centre, PO Box 506745, Dubai	GAT
Grev Magnigatan 5, 11455 Stockholm	GRV
Haleson Building, 1 Jubilee Street, Central Hong Kong	HAL
1209 Orange Street, Delaware 19801	ORA
146 Robinson Road, #08-01, Singapore 068909	ROB
Tontine House, 8 Gordon Street, Glasgow, Scotland G1 3PL	TON
Unit 30-01, Vertical Business Suite, Bangsar South, No.8, Jalan Kerinchi, 59200, Kuala Lumpur	VER
10 Whitechapel High Street, London E1 8QS	WCH
122 W, 34th Street, 18th Floor, Manhattan, New York, NY 10120	WES
333 West North Avenue, Suite 373, Chicago	WNA

16. Trade and other receivables

	Group		Company	
	30 June 2019 £'000	30 June 2018 £'000	**30 June 2019 £'000**	30 June 2018 £'000
Current				
Trade receivables	**23,058**	22,869	**—**	—
Prepayments and other receivables	**6,054**	5,364	**139**	149
Amounts due from subsidiaries	**—**	—	**80,851**	91,578
	29,112	28,233	**80,990**	91,727

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

17. Derivative financial investments

	Group and Company	
	30 June 2019 £'000	30 June 2018 £'000
Non-current assets		
Interest rate swaps - maturing in November 2020	**23**	113
Non-current liabilities		
Interest rate swaps - maturing in November 2020	**(226)**	(356)

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

18. Trade and other payables

	Group		Company	
	30 June 2019 £'000	30 June 2018 Restated £'000	**30 June 2019 £'000**	30 June 2018 £'000
Trade and other payables	**26,374**	26,368	**1,447**	716
Subscriptions and deferred revenue	**30,794**	28,384	**—**	—
Amounts due to subsidiaries	**—**	—	**29,073**	36,144
	57,168	54,752	**30,520**	36,860

On the 24 April 2019 Wilmington plc entered a loan agreement with APM International SAS, initially repayable on 30 June 2019. Subsequently, the repayment date was extended to 30 June 2020. At 30 June 2019 the value of the loan is £1,789,549. All other amounts due to subsidiaries are interest free, unsecured and repayable on demand.

19. Borrowings

	Group		Company	
	30 June 2019 £'000	30 June 2018 £'000	**30 June 2019 £'000**	30 June 2018 £'000
Current liability				
Bank overdrafts	**—**	—	**2,707**	1,992
	—	—	**2,707**	1,992
Non-current liability				
Bank loans	**41,790**	50,665	**13,147**	16,122
Capitalised loan arrangement fees	**—**	(285)	**—**	(285)
Bank loans net of loan arrangement fees	**41,790**	50,380	**13,147**	15,837

At 30 June 2019 the Group was in an overall net credit position in respect of its bank balances and overdrafts. This position comprised the net of gross overdraft balances of £3.8m (2018: £9.0m) and cash positions of £4.9m (2018: £10.1m) held at Barclays Bank PLC in certain UK companies included in the offsetting agreement.

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 £42m (30 June 2018: £51m) amount drawn down on the revolving credit facility at a rate of LIBOR plus a margin of between 1.50 and 2.25% 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 40% of the applicable margin (2018: 40% of the applicable margin).

Group policy for interest rate risk management

The Group policy for interest rate risk management 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.

This is achieved by borrowing at a floating rate and using interest rate swaps as hedges of the variability in cash flows attributable to movements in interest rates. The Group applies a hedge ratio of 1:1.

The Group determines the existence of an economic relationship between the hedging instrument and hedged item based on the reference interest rates, tenors, repricing dates and maturities and the notional or par amounts.

The Group assesses whether the derivative designated in each hedging relationship is expected to be effective in offsetting changes in cash flows of the hedged item using the hypothetical derivative method.

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 (2018: £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.

The interest rate profile of the Group's interest-bearing financial instruments as reported to the management of the Group is as follows:

	Nominal amount	
	30 June 2019	30 June 2018
	£'000	£'000
Financial liabilities	**41,790**	47,664
Effects of interest rate swaps	**(20,892)**	(20,680)
	20,898	26,984

The amounts related to items designated as hedging instruments were as follows:

		Carrying amount		
At 30 June 2019	Nominal amount £'000	Asset £'000	Liability £'000	Line item in the financial statements where the hedging instrument is included
Interest rate swaps	5,892	23	-	Derivative financial instruments
Interest rate swaps	15,000	-	(226)	Derivative financial instruments
	20,892	**23**	**(226)**	

20. Financial instruments and risk management (continued)
Interest rate risk (continued)
The amounts related to items designated as hedged instruments were as follows:

	Carrying amount			
At 30 June 2018	Nominal amount £'000	Asset £'000	Liability £'000	Line item in the financial statements where the hedging instrument is included
Interest rate swaps	5,680	113	-	Derivative financial instruments
Interest rate swaps	15,000	-	(356)	Derivative financial instruments
	20,680	**113**	**(356)**	

During the period ended 30 June 2019

Change in value used for calculating hedge ineffectiveness £'000	Change in value of hedging instrument recognised in OCI £'000	Hedge ineffectiveness recognised in profit or loss £'000	Line item in profit or loss that includes hedge ineffectiveness	Amount reclassified from hedging reserve to profit or loss £'000	Line item affected in profit or loss because of the reclassification
-	(32)	-	N/A	-	N/A

During the period ended 30 June 2018

Change in value used for calculating hedge ineffectiveness £'000	Change in value of hedging instrument recognised in OCI £'000	Hedge ineffectiveness recognised in profit or loss £'000	Line item in profit or loss that includes hedge ineffectiveness	Amount reclassified from hedging reserve to profit or loss £'000	Line item affected in profit or loss because of the reclassification
-	(399)	-	N/A	-	N/A

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 2019, 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	(288)	—
Interest rate swap	—	208
	(288)	208

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.

20. Financial instruments and risk management (continued)
Foreign currency risk (continued)

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 $11.0m (2018: $19.2m) has been designated as a net investment hedge relating to the Group's interest in Compliance Week, FRA. The reduction in the year was due to the external debt being paid down through profits generated by the businesses. A further €2.4m (2018: €2.4m) has been designated as a net investment hedge relating to the Group's interest in Interactive Medica.

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 2 July 2018, the Group sold $3.0m to 19 October 2018 at a rate of 1.3192.
- On 2 July 2018, the Group sold €1.0m to 16 November 2018 at a rate of 1.1242.
- On 2 July 2018, the Group sold €1.0m to 18 January 2019 at a rate of 1.1222.
- On 2 July 2018, the Group sold $5.0m to 15 March 2019 at a rate of 1.3292.
- On 2 July 2018, the Group sold €1.0m to 18 April 2019 at a rate of 1.1190.
- On 2 July 2018, the Group sold $5.0m to 17 May 2019 at a rate of 1.3336.

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 2019, 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	(173)	211	—	—
Trade receivables (including the effect of forward currency contracts)	(26)	31	—	—
Currency translation differences	—	—	(275)	336
Net investment hedges	—	—	981	(1,199)
Profit before tax arising overseas	(625)	764	—	—
	(824)	1,006	706	(863)

*+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.

20. Financial instruments and risk management (continued)
Liquidity and capital risk (continued)

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 3 July 2019 Wilmington plc extended its revolving credit facility through to 3 July 2023 (with the option to extend for a further year). The terms of the old and extended facility are included below:

Old facility that expired on 3 July 2019
The Group had a £65m revolving credit facility with Barclays Bank PLC, HSBC Bank plc and The Royal Bank of Scotland plc from 1 July 2015. The facility comprised of a revolving credit facility of £60m and an overdraft facility across the Group of £5m. In addition, the extended facility also provides for an accordion option whereby the unsecured committed bank facility may be increased by up to £35m to a total commitment of £100m if required subject to majority lending bank consent. 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. The extended facility comprised of a revolving credit facility of £80.0m and an overdraft facility across the Group of £5.0m. On 24 November 2017 the revolving credit facility was reduced by £10.0m to £75.0m, to decrease the non-utilised portion and the associated non-utilisation fee.

Extended facility that is effective from 3 July 2019 and expires on 3 July 2023 (with an option to extend for a further year)
The Group has a £65m revolving credit facility with Barclays Bank PLC, The Governor and Company of the Bank of Ireland and The Royal Bank of Scotland plc from 3 July 2019. The facility comprised of a revolving credit facility of £60m and an overdraft facility across the Group of £5m. In addition, the extended facility also provides for an accordion option whereby the unsecured committed bank facility may be increased if required subject to majority lending bank consent. Interest is charged on the amount drawn down at between 1.50 and 2.25 (the 'Margin') per cent above LIBOR depending upon leverage, and drawdowns are made for periods of up to six months in duration. Interest is charged on the drawn element of the overdraft facility at 1.50% and 2.25% per cent above the Barclays bank base rate depending upon leverage. The Group also pays a fee of 40% of the applicable Margin on the undrawn element of the credit facility and the undrawn overdraft.

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

	30 June 2019 £'000	30 June 2018 £'000
Expiring within one year	—	—
Expiring after more than one year	**28,210**	19,335

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 2019	Within 1 Year £'000	1–2 Years £'000	2–5 Years £'000	More than 5 Years £'000	Total £'000
Bank overdrafts	36	36	72	—	144
Bank loans including interest	432	432	42,654	—	43,518
Trade payables and accruals	26,662	—	—	—	26,662
	27,130	**468**	**42,726**	—	**70,324**

At 30 June 2018	Within 1 Year £'000	1–2 Years £'000	2–5 Years £'000	More than 5 Years £'000	Total £'000
Bank overdrafts	36	36	—	—	72
Bank loans including interest	504	50,884	—	—	51,388
Trade payables and accruals	27,026	—	—	—	27,026
Provisions for future purchase of non-controlling interests	—	—	—	—	—
	27,566	50,920	—	—	78,486

20. Financial instruments and risk management (continued)
Liquidity and capital risk (continued)

Company

At 30 June 2019	Within 1 Year £'000	1–2 Years £'000	2–5 Years £'000	More than 5 Years £'000	Total £'000
Bank overdrafts	2,743	36	72	—	2,851
Bank loans including interest	432	432	14,011	—	14,875
Trade payables, accruals and amounts due to subsidiary undertakings	30,520	—	—	—	30,520
	33,695	**468**	**14,083**	—	**48,246**

At 30 June 2018	Within 1 Year £'000	1–2 Years £'000	2–5 Years £'000	More than 5 Years £'000	Total £'000
Bank overdrafts	2,028	36	—	—	2,064
Bank loans including interest	504	16,626	—	—	17,130
Trade payables, accruals and amounts due to subsidiary undertakings	36,860	—	—	—	36,860
	39,392	16,662	—	—	56,054

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 banks cannot meet their obligations as they fall due.

Group policy
The Group policy is to assess the creditworthiness and financial strength of customers at inception and on an ongoing basis. The Group also reviews the credit rating of its banks. Cash is held in banks with a credit rating between AA and A- per Fitch at 18 September 2019, with the exception of £0.2m which is held in Allied Irish with a rating of BBB-.

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 the expected credit loss allowance. The Group applies a simplified approach to measure the expected credit loss allowance for trade receivables classified at amortised cost, using the twelve month expected loss provision.

The expected credit loss on trade receivables is estimated using a provision matrix by reference to past default experience and credit rating, adjusted as appropriate for current observable data.

The following table details the risk profile of trade receivables based on the Group's provision matrix.

As at 30 June 2019	Not due £'000	0–30 days £'000	30–60 days £'000	61-90 days £'000	91-120 days £'000	120+ days £'000	Total £'000
Gross carrying amount	14,922	2,682	1,836	1,140	695	2,235	23,510
Expected credit loss rate	0.03%	0.3%	1.7%	6.2%	12.5%	13.6%	-
Expected credit loss	(5)	(9)	(32)	(71)	(87)	(303)	(507)
Net carrying amount	14,917	2,673	1,804	1,069	608	1,932	23,003

20. Financial instruments and risk management (continued)
Credit risk (continued)

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

	30 June 2019 £'000	30 June 2018 £'000
Allowances at 1 July 2018	**769**	522
Additions charged to income statement	**117**	537
Allowances used	**(234)**	(140)
Allowances reversed	**(145)**	(150)
Allowances at 30 June 2019	**507**	769

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.

Group

At 30 June 2019	**Fair value through income or expense**	**Fair value – hedging instrument £'000**	**Amortised cost £'000**	**Total £'000**
Financial assets				
Cash and cash equivalents	**—**	**—**	7,921	**7,921**
Trade and other receivables	**—**	**—**	28,914	**28,914**
	—	**—**	**36,835**	**36,835**
Financial liabilities				
Trade and other payables	(1,550)	**—**	(26,350)	**(27,900)**
Bank loans	**—**	**—**	(41,790)	**(41,790)**
Interest rate swaps	**—**	(203)	**—**	**(203)**
	(1,550)	**(203)**	**(68,140)**	**(69,893)**

At 30 June 2018	Fair value through income or expense	Fair value – hedging instrument £'000	Amortised cost £'000	Total £'000
Financial assets				
Cash and cash equivalents	**—**	**—**	10,789	10,789
Trade and other receivables	**—**	**—**	26,262	26,262
	—	**—**	37,051	37,051
Financial liabilities				
Trade and other payables	(2,606)	**—**	(27,293)	(29,899)
Bank loans	**—**	**—**	(50,665)	(50,665)
Interest rate swaps	**—**	(243)	**—**	(243)
	(2,606)	(243)	(77,958)	(80,807)

Company

At 30 June 2019	**Fair value through income or expense**	**Fair value – hedging instrument £'000**	**Amortised cost £'000**	**Total £'000**
Financial assets				
Cash and cash equivalents	**—**	**—**	787	**787**
Trade and other receivables	**—**	**—**	80,926	**80,926**
	—	**—**	**81,713**	**81,713**
Financial liabilities				
Trade and other payables	**—**	**—**	(30,520)	**(30,520)**
Bank overdrafts	**—**	**—**	(2,707)	**(2,707)**
Bank loans	**—**	**—**	(13,147)	**(13,147)**
Interest rate swaps	**—**	(203)	**—**	**(203)**
	—	**(203)**	**(46,374)**	**(46,577)**

20. Financial instruments and risk management (continued)
Credit risk (continued)

At 30 June 2018	Fair value through income or expense	Fair value – hedging instrument £'000	Amortised cost £'000	Total £'000
Financial assets				
Cash and cash equivalents	—	—	265	265
Trade and other receivables	—	—	91,727	91,727
Forward currency contracts	—	—	—	—
	—	—	91,992	91,992
Financial liabilities	—			
Trade and other payables	—	—	(36,860)	(36,860)
Bank overdrafts	—	—	(1,992)	(1,992)
Bank loans	—	—	(15,837)	(15,837)
Interest rate swaps	—	(243)	—	(243)
	—	(243)	(54,689)	(54,932)

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 2019	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	—	—	—	—
– Deferred consideration payable	—	—	(1,550)	(1,550)
Financial liabilities at fair value through equity				
– Derivative financial instruments designated for hedging	—	(203)	—	(203)
Total liabilities	—	**(203)**	**(1,550)**	**(1,753)**

At 30 June 2018	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	—	—	—	—
– Deferred consideration payable	—	—	(2,606)	(2,606)
Financial liabilities at fair value through equity:				
– Derivative financial instruments designated for hedging	—	(243)	—	(243)
Total liabilities	—	(243)	(2,606)	(2,849)

20. Financial instruments and risk management (continued)
Credit risk (continued)
The deferred consideration payable of £1.5m (2018: £2.6m) relates to the acquisitions of Evantage Consulting Limited, Interactive Media Limited, and The Training Consultants Limited. The fair value of the variable portion of deferred consideration is estimated by measuring performance against contractually agreed EBITDA targets over contractually agreed measurement periods. The Group does not expect the consideration payable to change materially from that which is recorded in these financial statements.

Market risk
A foreign currency exposure arises from the Group's net investment in two of its USA subsidiaries (Wilmington Compliance Week Inc and Wilmington FRA Inc) that have a US Dollar functional currency. The risk arises from the fluctuation in spot exchange rates between Sterling and the US Dollar, which causes the value of the net investment to vary.

The hedged risk in the net investment hedge is the risk of a weakening of the US Dollar against Sterling that will result in a reduction in the carrying amount of the Group's net investment in the USA subsidiaries.

Part of the Group's net investment in its USA subsidiaries is hedged by US Dollar denominated secured bank loans of $11.0m at 30 June 2019 (30 June 2018: $19.2m), which mitigates the foreign currency risk arising from the subsidiary's net assets. The loan is designated as a hedging instrument for the changes in the value of the net investment that is attributable to changes in the GBP/USD spot rate.

A foreign currency exposure also arises from the Group's net investment in its investment in Interactive Medica SL that has a Euro functional currency. The risk arises from the fluctuation in spot exchange rates between Sterling and the Euro, which causes the value of the net investment to vary.

The hedged risk in the net investment hedge is the risk of a weakening Euro against Sterling that will result in a reduction in the carrying amount of the Group's net investment in Interactive Medica SL.

Part of the Group's net investment in its Interactive Medica SL is hedged by a Euro denominated secured bank loan of €2.4m at 30 June 2019 (30 June 2018: €2.4m), which mitigates the foreign currency risk arising from the subsidiary's net assets. The loan is designated as a hedging instrument for the changes in the value of the net investment that is attributable to changes in the GBP/Euro spot rate.

To assess hedge effectiveness, the Group determines the economic relationship between the hedging instrument and the hedged item by comparing changes in the carrying amount of the debt that is attributable to a change in the spot rate with changes in the investment in the foreign operation due to movements in the spot rate (the offset method). The Group's policy is to hedge the net investment only to the extent of the debt principal.

The amounts related to items designated as hedging instruments were as follows:

		Carrying amount		
At 30 June 2019	Nominal amount £'000	Asset £'000	Liability £'000	Line item in the financial statements where the hedging instrument is included
US dollar loans	8,642	—	8,642	Borrowings
Euro loans	2,147	—	2,147	Borrowings
	10,789	—	**10,789**	

The amounts related to items designated as hedged instruments were as follows:

		Carrying amount		
At 30 June 2018	Nominal amount £'000	Asset £'000	Liability £'000	Line item in the financial statements where the hedging instrument is included
US dollar loans	14,542	—	14,542	Borrowings
Euro loans	2,122	—	2,122	Borrowings
	16,664	—	**16,664**	

20. Financial instruments and risk management (continued)
Market risk (continued)

During the period ended 30 June 2019					
Change in value used for calculating hedge ineffectiveness £'000	Change in value of hedging instrument recognised in OCI £'000	Hedge ineffectiveness recognised in profit or loss £'000	Line item in profit or loss that includes hedge ineffectiveness	Amount reclassified from hedging reserve to profit or loss £'000	Line item affected in profit or loss because of the reclassification
—	424	—	N/A	—	N/A

During the period ended 30 June 2019	
Foreign currency translation reserve £'000	Balances remaining in the foreign currency translation reserve from hedging relationships for which hedge accounting is no longer applied £'000
(1,884)	(742)

During the period ended 30 June 2018					
Change in value used for calculating hedge ineffectiveness £'000	Change in value of hedging instrument recognised in OCI £'000	Hedge ineffectiveness recognised in profit or loss £'000	Line item in profit or loss that includes hedge ineffectiveness	Amount reclassified from hedging reserve to profit or loss £'000	Line item affected in profit or loss because of the reclassification
—	(177)	—	N/A	—	N/A

During the period ended 30 June 2018	
Foreign currency translation reserve £'000	Balances remaining in the foreign currency translation reserve from hedging relationships for which hedge accounting is no longer applied £'000
(1,460)	226

21. Deferred tax

Movements on deferred tax assets are as follows:

	Group £'000					
	Share based payments	Fair value interest rate swap	US deferred consideration	Tax losses	Other	Total
Asset at 30 June 2017 Restated	154	131	375	160	375	1,195
Deferred tax credit/(charge) in the income statement for the year	41	—	(23)	(95)	143	66
Deferred tax charge in other comprehensive income for the year	—	(80)	—	—	—	(80)
Deferred tax charge included directly in equity for the year	(11)	—	—	—	—	(11)
Effect on deferred tax of change in corporation tax rate	(6)	(5)	(77)	(32)	—	(120)
Exchange translation difference	—	—	(74)	—	—	(74)
Asset at 30 June 2018 Restated	**178**	**46**	**201**	**33**	**518**	**976**
Deferred tax (charge)/credit in the income statement for the year	(51)	—	(23)	99	(518)	**(493)**
Deferred tax charge in other comprehensive income for the year	—	(8)	—	—	—	**(8)**
Deferred tax charge included directly in equity for the year	(1)	—	—	—	—	**(1)**
Exchange translation difference	—	—	81	—	—	**81**
Asset at 30 June 2019	**126**	**38**	**259**	**132**	—	**555**

A deferred tax charge of £518,000 is included in the income statement relating to the prior year IFRS 15 adjustment (note 29). 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.

	Company £'000		
	Share based payments	Fair value interest rate swap	Total
Asset at 30 June 2017	154	131	285
Deferred tax credit in the income statement for the year	41	—	41
Deferred tax charge in other comprehensive income for the year	—	(80)	(80)
Deferred tax charge included directly in equity for the year	(11)	—	(11)
Effect on deferred tax of change in corporation tax rate	(6)	(5)	(11)
Asset at 30 June 2018 Restated	**178**	**46**	**224**
Deferred tax charge in the income statement for the year	(51)	—	(51)
Deferred tax charge in other comprehensive income for the year	—	(8)	(8)
Deferred tax charge included directly in equity for the year	(1)	—	(1)
Asset at 30 June 2019	**126**	**38**	**164**

Movements on deferred tax liabilities are as follows:

	Group £'000	Company £'000
Non-current liabilities		
Liability at 30 June 2017	4,585	—
Deferred tax credit in the Income Statement for the year	(921)	—
Acquisition of subsidiaries	(503)	—
Effect on deferred tax of change in corporation tax rate	(79)	—
Exchange translation difference	5	—
Liability at 30 June 2018	**3,087**	—
Deferred tax credit in the Income Statement for the year	(478)	—
Acquisition of subsidiaries	14	—
Exchange translation difference	10	—
Liability at 30 June 2019	**2,633**	—

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.

22. Share capital

	Number of ordinary shares of 5p each	Ordinary shares £'000	Share premium account £'000	Treasury shares £'000	Total £'000
Issued and fully paid ordinary shares					
At 30 June 2017	87,247,974	4,362	45,225	(96)	49,491
Shares issued	166,099	9	—	—	9
At 30 June 2018	87,414,073	4,371	45,225	(96)	49,500
Shares issued	125,494	6	—	—	6
At 30 June 2019	**87,539,567**	**4,377**	**45,225**	**(96)**	**49,506**

On 19 September 2018, 125,494 ordinary shares were issued in respect of the vesting of the 2015 PSP Share Awards to employees (including Directors).

At 30 June 2019, 46,584 shares (2018: 46,584) were held in Treasury, which represents 0.1% (2018: 0.1%) of the share capital of the Company.

23. Share based payments

The Group's share based payment arrangements are as follows:

a) Performance Share Plan (PSP) Awards, applying to Executives.
b) Performance Share Plan (PSP) Awards, applying to the Senior Leadership Team.
c) Company Share Option Plan ('CSOP') Options, applying to the Senior Leadership Team.
d) An employee Save As You Earn ('SAYE') scheme, for UK based employees.

An expense of £212,000 (2018: £641,000) was recognised in the Income Statement of the Group for share based payments. Of this expense £212,000 (2018: £641,000) was recognised in the parent company Income Statement.

During the year ended 30 June 2019, the following events have occurred in respect of each scheme.

a) PSP awards, applying to Executives

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 plc 2007 and 2017 Performance Share Plans:

Year of grant	Exercise price per Award	Date of vesting	Number of shares for which awards outstanding at 1 July 2018	Awards granted during year	Awards vested during year	Awards lapsed during year	Number of shares for which awards outstanding at 30 June 2019
2015	Nil	Sep 2018	149,752	—	(125,494)	(24,258)	—
2016	Nil	Sep 2019	207,578	—	—	(37,412)	170,166
2017	Nil	Sep 2020	280,677	—	—	(139,352)	141,325
2018	Nil	Sep 2021	—	523,489	—	(345,789)	177,700

125,494 awards vested on 19 September 2018 at a share price of £1.83. The fair value of the awards granted during the year was £1.56 per award.

The performance conditions of the awards granted since 2015 are based on the proportions shown below:

- 33.3% total shareholder return (TSR)
- 33.3% earnings per share (EPS)
- 33.3% return on equity (ROE)

These awards were valued using the Black Scholes and Stochastic methods with the following assumptions:

- Expected volatility (%): 24.31
- 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) PSP awards, applying to the Senior Leadership Team

Under the Wilmington plc 2017 Performance Share Plan:

Year of grant	Exercise price per Award	Date of vesting	Number of shares for which awards outstanding at 1 July 2018	Awards granted during year	Awards vested during year	Awards lapsed during year	Number of shares for which awards outstanding at 30 June 2019
2018	Nil	Sep 2021	—	223,690	—	(17,845)	205,845

The fair value of the awards granted during the year was £1.58 per award.

The performance conditions of the awards granted are based on the proportions shown below.

- 100% earnings per share (EPS)

These awards were valued using the Black Scholes method with the following assumptions:

- Expected life (years): 3
- Expected dividends (%): 4.83

c) CSOP Options

On 28 September 2018 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	Average exercise price per option £	Date of vesting	Number of shares for which options outstanding 1 July 2018	Options granted during year	Options exercised during year	Options lapsed during year	Number of shares for which options outstanding at 30 June 2019
2015	2.625	Sep 2018	160,726	—	—	—	160,726
2016	2.455	Sep 2019	275,950	—	—	(19,337)	256,613
2017	2.150	Sep 2020	364,761	—	—	(39,369)	325,392
2018	1.848	Sep 2021	—	350,117	—	(26,768)	323,349

The fair value of the options granted during the year was £0.21 per option.

These awards were valued using the Black Scholes method with the following assumptions:

- Expected volatility (%): 24.05
- Expected life (years): 6.5
- Expected dividends (%): 4.83
- 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.

d) Save As You Earn Options

On 29 March 2019, Save As You Earn Options with a per share exercise price of £1.52 over 688,612 ordinary shares in Wilmington plc (the Company) were granted under the Wilmington SAYE Plan 2018 to employees of the Company and its subsidiaries.

The exercise price of £1.52 was calculated in accordance with the rules as set out in the SAYE Scheme. The SAYE Options will normally vest and become exercisable over a three year vesting period from the date of grant and can be exercised within six months following vesting.

24. Non-controlling interests

	Net non-controlling interests £'000
At 30 June 2017	86
Profit for the year	47
Dividends paid	(62)
Movements in non-controlling interest	11
At 30 June 2018	**82**
Profit for the year	44
Dividends paid	(34)
Movements in non-controlling interest	(92)
At 30 June 2019	—

Movements in non-controlling interests relate to the purchase of the remaining 8.75% shareholding in Wilmington Millennium Limited for £223,514 in March 2019.

25. Commitments

a) The Group had, in relation to property, plant and equipment, capital commitments contracted but not provided for at 30 June 2019 of £nil (2018: £nil).

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

	Group		Company	
	30 June 2019 £'000	30 June 2018 £'000	**30 June 2019 £'000**	30 June 2018 £'000
Not later than one year	**3,015**	2,486	**1,528**	1,062
Later than one year and not later than five years	**9,350**	8,152	**7,060**	6,823
Later than five years	**5,014**	6,779	**5,014**	6,779
	17,379	17,417	**13,602**	14,664

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 £1,786,935 (2018: £1,358,120) 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 £9,305,429 from subsidiaries (2018: £10,699,710).

The former Chief Executive Officer, Pedro Ros, owns a minority shareholding in SMARP OY (a company incorporated in Finland), which provides ongoing social media services to the Group. During the year SMARP UK Limited, a subsidiary of SMARP OY invoiced £17,856 (2018: £17,856).

Close family members of key management personnel provided services for the Group during the year for lecturing, writing, production and exam marking services. The total invoiced for these services was £93,678 (2018: £95,333).

27. Staff and their pay and benefits

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

	Year ended 30 June 2019 £'000	Year ended 30 June 2018 £'000
Wages and salaries*	**45,647**	43,790
Social security costs	**4,720**	4,548
Other pension costs	**1,181**	1,035
Share based payments (including social security costs)	**212**	641
	51,760	50,014

*Excluded from wages and salaries are redundancy costs in the year of £438,000 (2018: £1,061,000).

b) Remuneration of key management personnel that held office for part or all of the year (2019: 14 people; 2018: 14* people), which includes the Directors and other key management personnel, is shown in the table below:

	Year ended 30 June 2019 £'000	Year ended 30 June 2018 £'000
Short-term employee benefits	**3,338**	2,997
Compensation for loss of office	**412**	113
Post-employment benefits	**69**	67
Share based payments	**156**	527
	3,975	3,704

More detailed information concerning Directors' remuneration, shareholdings, pension entitlement, share options and other long-term incentive plans is shown in the audited part of the Directors' Remuneration Report on pages 53 to 69, 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 2019 Number	Year ended 30 June 2018 Number
Cost of sales	**555**	539
Administration	**406**	441
	961	980

Total full time equivalents at 30 June 2019 were 860 (2018: 849).

d) Retirement benefits

The Group contributes to defined contribution pension schemes. Total contributions to the schemes during the year were £1,181,000 (2018: £1,035,000).

28. Cash generated from operations

	Group		Company	
	Year ended 30 June 2019 £'000	Year ended 30 June 2018 Restated £'000	**Year ended 30 June 2019 £'000**	Year ended 30 June 2018 £'000
Profit from continuing operations before income tax	**14,712**	2,275	**5,754**	6,964
Gain on sale of subsidiary	**(1,906)**	—	—	—
Adjusting items - excluding depreciation of property plant and equipment	**1,443**	4,141	**636**	727
Adjusting items - depreciation of property, plant and equipment	—	432	—	—
Depreciation of property, plant and equipment included in operating expenses	**1,359**	917	—	—
Amortisation of intangible assets	**6,526**	7,734	—	—
Impairment of goodwill and intangible assets	—	8,561	—	—
Loss/(profit) on disposal of property, plant and equipment	**36**	(11)	—	—
Share based payments (including social security costs)	**212**	641	**212**	641
Share of loss of equity accounted investment	**50**	—	—	—
Finance costs	**2,103**	1,969	**1,089**	1,027
Operating cash flows before movements in working capital	**24,535**	26,659	**7,691**	9,359
(Increase)/decrease in trade and other receivables	**(258)**	160	**12,817**	(3,534)
Increase/(decrease) in trade and other payables	**2,162**	(1,154)	**(6,496)**	9,336
Cash generated from operations before adjusting items	**26,439**	25,665	**14,012**	15,161

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

	Year ended 30 June 2019 £'000	Year ended 30 June 2018 Restated £'000
Funds from operations before adjusting items:		
Adjusted EBITA (note 2)	**21,451**	23,810
Share based payments (including social security costs)	**212**	641
Amortisation of intangible assets - computer software	**1,477**	1,302
Depreciation of property, plant and equipment included in operating expenses	**1,359**	917
Profit on disposal of property, plant and equipment	**36**	(11)
Operating cash flows before movement in working capital	**24,535**	26,659
Net working capital movement	**1,904**	(994)
Funds from operations before adjusting items	**26,439**	25,665
Cash conversion	**123%**	108%

	Year ended 30 June 2019 £'000	Year ended 30 June 2018 Restated £'000
Free cash flow:		
Operating cash flows before movement in working capital	**24,535**	26,659
Proceeds on disposal of property, plant and equipment	**112**	55
Net working capital movement	**1,904**	(994)
Interest paid	**(1,943)**	(1,934)
Tax paid	**(3,943)**	(4,738)
Purchase of property, plant and equipment	**(1,332)**	(3,089)
Purchase of intangible assets	**(2,324)**	(1,934)
Free cash flow	**17,009**	14,025

29. Restatement on adoption of IFRS 15

The results for the year ended 30 June 2018 have been restated following the adoption in 2018 of IFRS 15.

In the year ended 30 June 2018 the adjustment to revenue recognised under the new standard resulted in a decrease in revenue of £750,000, profit before tax of £750,000 and profit after tax of £607,000, with these adjustments affecting the Risk & Compliance and Professional divisions, with profit before tax adjustments of £711,000 and £39,000 respectively.

This adjustment resulted in a decrease in basic earnings per share from 0.25p to (0.45p), and a decrease in diluted earnings per share from 0.24p to (0.45p) for the year ended 30 June 2018.

Consolidated balance sheet at 30 June 2018

The consolidated balance sheet at 30 June 2018 has been restated following the adoption in 2018 of IFRS 15.

Deferred revenue at the balance sheet date has increased by £3,638,000 due to changes in the revenue recognition for training courses provided by the Risk & Compliance and Professional divisions.

The deferred tax asset of £458,000 has increased by £518,000 to £976,000 to reflect the cumulative tax adjustment to 30 June 2018.

Consolidated balance sheet at 30 June 2018

	Previously reported £'000	IFRS 15 adjustment – revenue recognition £'000	Restated £'000
Non-current assets: Deferred tax assets	458	518	976
Other non-current assets	110,984	—	110,984
Current assets: Trade and other receivables	28,233	—	28,233
Other current assets	11,106	—	11,106
Total assets	**150,781**	**518**	**151,299**
Current liabilities: Trade and Other Payables	(26,368)	—	(26,368)
Current liabilities: Deferred revenue	(24,746)	(3,638)	(28,384)
Other current liabilities	(2,042)	—	(2,042)
Other non-current liabilities	(55,109)	—	(55,109)
Total liabilities	**(108,265)**	**(3,638)**	**(111,903)**
Net assets	**42,516**	**(3,120)**	**39,396**
Accumulated losses	**(10,819)**	**(3,120)**	**(13,939)**

The only changes to the Statement of Comprehensive Income and Expense and the Statement of Changes in Equity for the year ended 30 June 2018 are to reflect the impact of the restatement of results for the year ended 30 June 2018.

The only changes to the Statement of Cash Flows for the year ended 30 June 2018 are to reflect the impact of the restatement of results for the year ended 30 June 2018 and the balance sheet at 30 June 2018. The adoption of IFRS 15 has not impacted the Group's cash flows or cash balances.

29. Restatement on adoption of IFRS 15 (continued)

Consolidated balance sheet at 30 June 2017

The consolidated balance sheet at 30 June 2017 has been restated following the adoption in 2018 of IFRS 15.

Deferred revenue at the balance sheet date has increased by £2,888,000 due to changes in the revenue recognition for training courses provided by the Risk & Compliance and Professional divisions.

The deferred tax asset of £820,000 has increased by £375,000 to £1,195,000 to reflect the cumulative tax adjustment to 30 June 2017.

Consolidated balance sheet at 30 June 2017

	Previously reported £'000	IFRS 15 adjustment – revenue recognition £'000	Restated £'000
Non-current assets: Deferred tax assets	820	375	1,195
Other non-current assets	122,383	—	122,383
Current assets: Trade and other receivables	28,444	—	28,444
Other current assets	10,687	—	10,687
Total assets	**162,334**	**375**	**162,709**
Current liabilities: Trade and Other Payables	(25,357)	—	(25,357)
Current liabilities: Deferred revenue	(26,973)	(2,888)	(29,861)
Other current liabilities	(3,034)	—	(3,034)
Other non-current liabilities	(57,005)	—	(57,005)
Total liabilities	**(112,369)**	**(2,888)**	**(115,257)**
Net assets	**49,965**	**(2,513)**	**47,452**
Accumulated losses	**(4,051)**	**(2,513)**	**(6,564)**

30. Events after the reporting period

Forward contracts

On 3 July 2019 the following forward contracts were entered in order to provide certainty in sterling terms of 80% of the Group's expected net US dollar and Euro income:

Currency	Amount (millions)	Maturity date	Foreign exchange rate
US dollar	1.0	12 July 2019	1.2579
US dollar	1.0	27 September 2019	1.2622
US dollar	1.0	25 October 2019	1.2637
Euro	1.0	27 November 2019	1.1095
US dollar	1.0	20 December 2019	1.2663
US dollar	1.0	31 January 2020	1.2686
Euro	1.0	31 January 2020	1.1067
US dollar	2.0	28 February 2020	1.2698
US dollar	2.0	27 March 2020	1.2708
US dollar	2.0	24 April 2020	1.2721
Euro	1.0	24 April 2020	1.1033
US dollar	1.5	29 May 2020	1.2734

Extension of debt facilities

On 4 July 2019, the Company signed a revised revolving credit facility that extends its existing facility from 1 July 2020 to 3 July 2023, with an option to further extend to 3 October 2024. The revised facility is with Barclays Bank PLC, Royal Bank of Scotland plc and The Governor and Company of the Bank of Ireland and is on materially the same terms as the previous arrangement. The initial limit on the revised facility is £65m and the agreement provides for an accordion option whereby the facility limit may be increased by up to £35m to a total commitment of £100m.

Pro Forma Five Year Financial Summary (Unaudited) – Wilmington plc 30 June 2019

	2015 £'m	2016 £'m	2017 £'m	2018 Restated £'m	**2019 £'m**
Revenue	95.1	105.7	120.3	121.3	**122.5**
Operating expenses (before adjusting items)	(74.7)	(83.1)	(97.0)	(97.5)	**(101.0)**
Adjusted EBITA	19.5	22.0	23.4	23.8	**21.5**
Other adjusting items	(1.1)	(2.4)	(3.5)	(4.6)	**(1.4)**
Gain on disposal of property	—	—	6.3	—	—
Gain on disposal of subsidiary	—	—	—	—	**1.9**
Amortisation of intangible assets excluding computer software	(6.1)	(5.4)	(6.0)	(6.4)	**(5.1)**
Impairment of goodwill and intangible assets	—	(15.7)	(2.4)	(8.6)	—
Operating profit/(loss)	12.3	(1.5)	17.8	4.2	**16.9**
Finance costs	(2.0)	(1.9)	(2.0)	(1.9)	**(2.1)**
Share of loss of equity accounted investment	—	—	—	—	**(0.1)**
Profit/(loss) on ordinary activities before tax	10.3	(3.4)	15.9	2.3	**14.7**
Taxation	(2.4)	(2.9)	(3.0)	(2.6)	**(3.5)**
Profit/(loss) on ordinary activities after tax	7.9	(6.3)	12.9	(0.3)	**11.2**
Adjusted Profit before Tax	17.5	20.3	21.4	21.8	**19.3**
Cash generated from operations before adjusting items	21.9	23.9	26.7	25.7	**26.4**
Basic earnings per ordinary share from continuing operations (pence)	8.96	(7.39)	14.72	(0.45)	**12.74**
Diluted earnings per ordinary share from continuing operations (pence)	8.83	(7.39)	14.62	(0.45)	**12.64**
Adjusted earnings per ordinary share from continuing operations (pence)	15.57	18.17	19.05	19.80	**17.44**
Interim and proposed final dividend per share (pence)	7.7	8.1	8.5	8.8	**9.1**
Dividend cover[15]	2.0	2.2	2.2	2.3	**1.9**
Return on equity (%)[16]	32.6	41.5	46.1	50.3	**46.9**
Return on equity excluding impairment[17]	32.6	35.8	33.8	33.2	**28.5**
Return on sales (%)[18]	20.5	20.8	19.4	19.6	**17.5**

The results for the financial years to 30 June 2015, 2016 and 2017 are stated in accordance with the revenue recognition policies in operations at that time. There has been no adjustment in respect of IFRS15 to these periods.

[15] Dividend cover – Adjusted earnings per ordinary share from continuing operations divided by the interim and proposed final dividend per share
[16] Return on equity – Adjusted Profit Before Tax divided by the average equity attributable to owners of the parent
[17] *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: £15.7m, year ended 30 June 2016; £2.4m, year ended 30 June 2017, £8.6m year ended 30 June 2018.
[18] Return on sales – Adjusted EBITA divided by Revenue

Advisors and Corporate Calendar – Wilmington plc 30 June 2019

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Numis Securities Limited
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Canaccord Genuity Limited
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Corporate calendar
Announcement of Final Results
19 September 2019

Annual General Meeting
5 November 2019

Announcement of Interim Results
February 2020

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