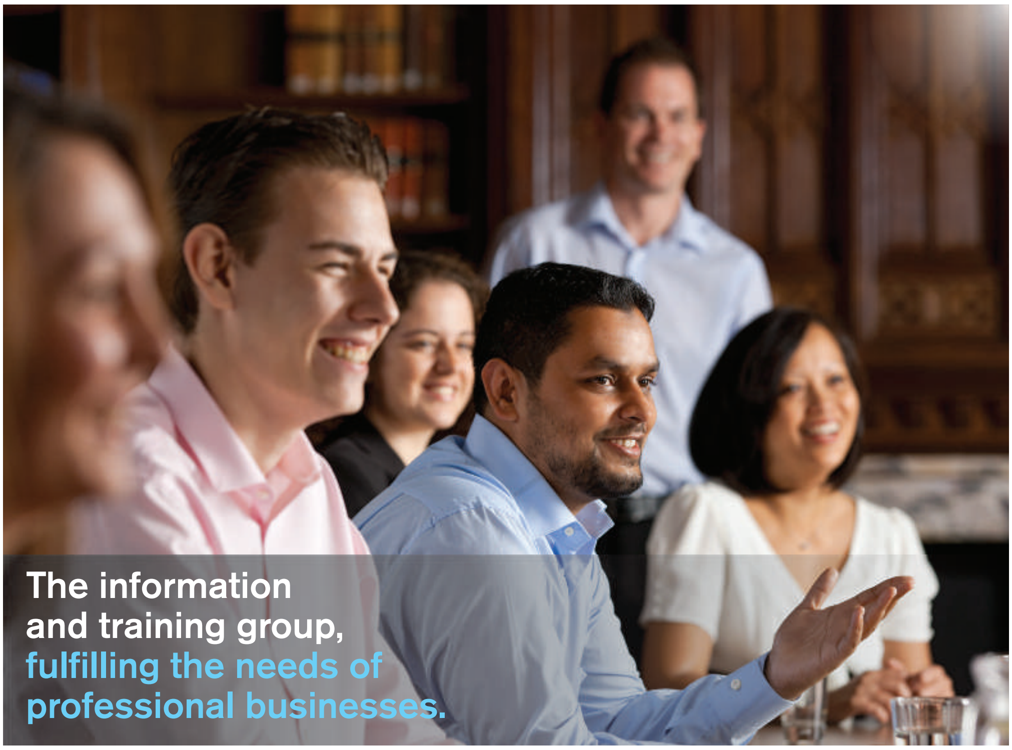
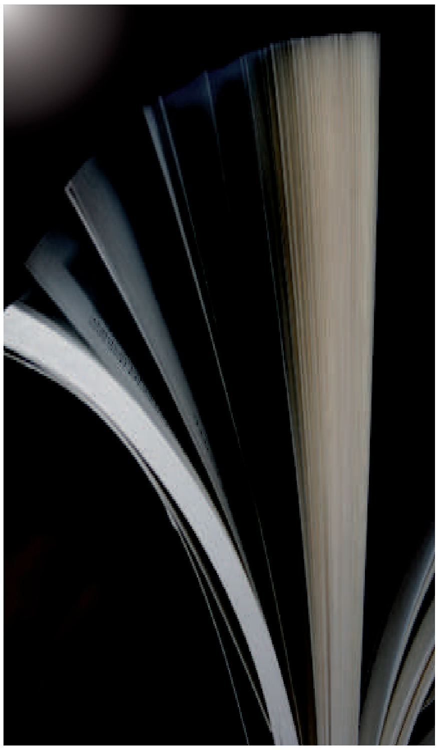
Annual Report and
Financial Statements
2010

Wilmington Group plc





Grow
Invest
Develop

Wilmington is a market leader in the provision of information and training services to fulfill the needs of professional businesses. Operating through two divisions; Training & Events, and Publishing & Information, our information and services are essential to the development of the professions we serve. Our specialist sectors are; Accountancy, Banking & Finance, Charities, Government & Public Sector, Healthcare & Pharmaceutical, Legal, Media & Entertainment and Pensions.

Contents

Our **Mission** is to develop long term, sustainable profits by fulfilling the information and training needs of professional businesses globally

Our **Strategy** to achieve this is to:

Invest in our core business to increase levels of organic **growth** and achieve long term goals

Invest in technology to manage our business and to help our clients to manage theirs

Develop and invest in strong management teams supported by a robust organisational infrastructure

Identify and make acquisitions that will **add value** and generate the best earnings enhancing returns

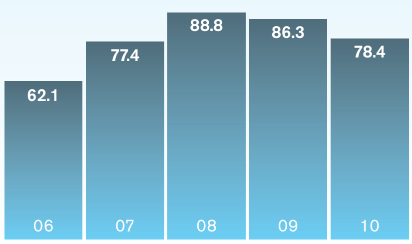
Add Value

Financial highlights

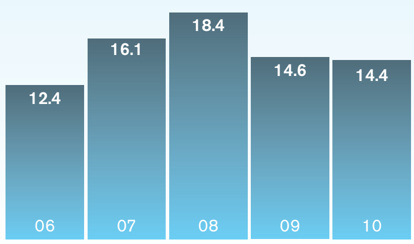
	2010 £000	2009 £000	Change %
Revenue	**78,404**	86,268	(9.1)
Adjusted EBITA (Note 3)	**14,437**	14,637	(1.4)
Adjusted Profit before Tax (Note 3)	**13,112**	13,315	(1.5)
Profit before Tax (Note 3)	**7,329**	2,850	157.2
Cash generated from operations	**15,424**	13,927	10.7
Adjusted Earnings per Share (Note 10)	**10.59p**	10.50p	0.9
Interim and proposed final dividend per share (Note 9)	**7.00p**	7.00p	0.0
Cash conversion (note 31)	**110%**	108%	

Highlights

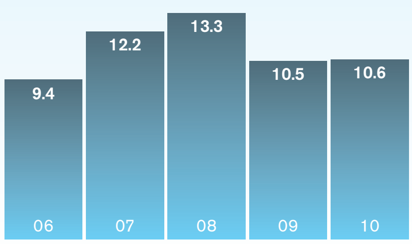
Revenue
£ millions



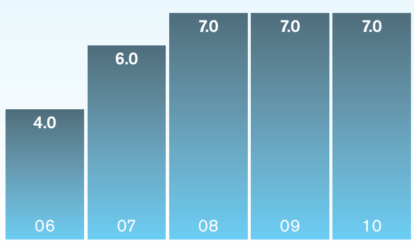
Adjusted EBITA
£ millions



Adjusted Earnings per Share
pence



Dividend per Share
pence



Wilmington
What We Do

Training & Events
This Division is a specialist training provider to the professional markets.

55% of Group Revenue

Divisional revenue analysis by source

	2010 %	2009 %
Law for Non-Lawyers	18	19
Accountancy & Tax	23	23
Banking	9	9
Trust & Compliance	19	15
Legal CPD	31	34

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

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

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

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

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

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

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

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

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

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

Key Markets
Legal, Banking & Finance, Accounting, Government & Public Sector.

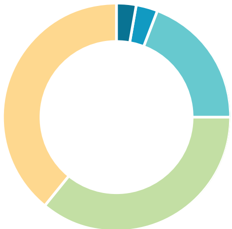
We have harnessed new technology with the success of the Legal Online webinar training programmes, providing interactive and dynamic training to users' desktops.

Wilmington
What We Do

Publishing & Information

This Division is a specialist training provider to the professional markets. This Division provides intelligence, information, solutions, databases, directories, magazines and services for key professional markets.

45% of Group Revenue



Divisional revenue analysis by source

	2010 %	2009 %
Awards & Events	3	2
Magazine Advertising	3	4
Directory Advertising	19	18
Subs & Copy Sales	36	36
Information Sales	39	40

The Publishing & Information Division provides intelligence, information, solutions, databases, directories, magazines and services to the accountancy, banking and finance, charity, healthcare, legal, media, pensions and pharmaceutical markets. Key brands include:

Wilmington Business Intelligence
combines a number of our information businesses for professional markets who's brands include:

Waterlow
Legal and professional databases in print and online.

Solicitors Journal
Printed and online legal magazines and databases.

Charity Choice
The UK's leading charity contacts database in print and online.

CaritasData
The most comprehensive and detailed databases and analysis on the UK charitable sector, provided in print and online.

AP Information Services
The leading databases of UK and international pension funds, published in print and online.

Ark
Printed and online magazines and databases for the legal, professional and knowledge management markets.

WME
Some of the leading PR and entertainment contact databases.

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

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

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

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

International Company Profile (ICP)
A leading provider of financial information on companies based in emerging markets worldwide.

Key Markets
Healthcare & Pharmaceutical, Charities, Legal, Pensions, Banking & Finance, Media & Entertainment.

We have seen the ongoing development of our online databases and information services along with the launch of new ones such as Charity Financials which provides detailed financial information on 169,000 UK charities along with powerful analytical tools for organisations looking for intelligence on the UK charities sector.

Chairman’s Statement

I am pleased to report that Wilmington has delivered a robust trading performance despite an extremely tough year for the global economy.

The first half of our financial year was impacted severely by the economic downturn with revenue from continuing operations down by 16% and Adjusted EBITA down by 21% compared to the prior year. In the second half of the year we have seen trading conditions easing with revenue down 2% and Adjusted EBITA up 20% compared to the prior year.

There are a number of positive indicators which bode well for the future performance of Group. In particular, booking levels in the legal training market have stabilised and conditions in the investment banking sector have improved. We are also encouraged by the progress made with the webinar programme (live online seminars) which has gone from strength to strength, producing significant growth in delegate numbers. A number of businesses within the Group, notably APIS, APM, Mercia, Pendragon and CLT International (trusts and compliance), have maintained good levels of revenue and profit growth throughout the period, demonstrating the strength of these assets and the overall resilience of Wilmington’s portfolio of businesses. Operational efficiencies and cost savings have also helped us to maintain profits and margins during a challenging period.

We are confident that there are many exciting opportunities for growth available to the Group. Change, particularly new legislation or regulation, usually drives information and training requirements in the professional markets we serve. We have therefore increased the level of revenue investment in our businesses to achieve organic growth.

• In collaboration with the University of the West of England, we have launched a flexible Legal Practice Course, an innovative approach to studying for busy professionals.

• We have harnessed new technology with the success of the Legal Online Webinar training programmes, providing interactive and dynamic training to users’ desktops. This technology is being extended across the Group and is being adopted by other Group businesses.

• Within our Publishing & Information Division we have seen the ongoing development of our online databases and information services along with the launch of new ones such as Charity Financials which provides detailed financial information on all 169,000 UK charities along with powerful analytical tools for organisations looking for intelligence on the UK charities sector.

David Summers OBE
Chairman

Wilmington has delivered a robust trading performance despite an extremely tough year for the global economy.

A number of businesses within the Group have maintained good levels of revenue and profit growth throughout the period, demonstrating the strength of these assets and the overall resilience of Wilmington's portfolio of businesses.

Financial Performance
The financial results for the year ended 30 June 2010 show that prompt action at the onset of the economic downturn protected profits and margins. Whilst revenue from continuing operations for the year ended 30 June 2010 declined by 9.1% to £78.4m (2009: £86.3m), Adjusted EBITA decreased by less than 1.4% to £14.4m (2009: £14.6m).

Adjusted Profit before Tax declined by 1.5% to £13.1m (2009: £13.3m). Profit before Tax has increased by 157.2% to £7.3m (2009: £2.9m), reflecting the non-recurrence of any impairment charges, reduced charges for non-recurring items and the unwinding of the discount on the provision for the future purchase of minority interests.

Adjusted Earnings per Share increased by 0.9% to 10.59p per share (2009: 10.50p). Basic Earnings per Share, which is after non-recurring items, share based payments, the unwinding of the discount on the provision for the future purchase of minority interests, amortisation and impairment increased to 5.38p (2009: 0.46p).

The quality of the operating profits continues to be underpinned by good cash flow. Operating cash flow was £15.4m (2009: £ 13.9m), representing 110% of operating profit (before taxation, amortisation and impairment and interest) (2009: 108%).

Chairman's Statement

At 30 June 2010 the net assets of the Group were £51.6m, (2009: £53.8m), with deferred revenue increasing to £14.2m (2009: £13.9m).

Wilmington has a strong balance sheet. The Group has reduced its net debt despite spending £2.2m to acquire additional minority shareholdings in two existing subsidiaries and paying an increased interim dividend of £2.9m to achieve a smoother dividend distribution throughout the year. At 30 June 2010 the Group had net debt of £16.8m (2009: £17.8m), representing 28% utilisation of our £60m facilities which are committed to March 2012. Our ratio of net debt to Adjusted EBITDA (see Note 3) was 1.1 times at the year end.

Acquisitions and Disposals

During the financial year ended 30 June 2010, no new acquisitions were made, although we acquired additional shareholdings of two existing subsidiaries.

In July 2009 we acquired the remaining 15% shareholding of Ark Group Limited. This business has been restructured with its training activities transferred to our Training & Events Division and its publishing activities integrated into our Publishing & Information Division.

In November 2009 we acquired an additional 5% shareholding of Beechwood House Publishing Limited, taking our shareholding to 85% of the company.

We are actively seeking acquisitions which complement our strategic goals and where we believe we can create value. In uncertain markets we are particularly careful to ensure that any investment we make is sustainable over the long term and will further our goal of long term profit growth. We believe that the environment for growth by acquisition is improving following some difficult years and we are confident that we will make progress in the current financial year.

Dividend

The Board is recommending that the dividend for the year is maintained at the same level as the prior year. In our Interim Management Report for the six months ended 31 December 2009 we announced the intention to move to an equal dividend distribution weighted throughout the year. The Board proposes a final dividend of 3.5 pence per share payable on 12 November 2010 to shareholders on the register on 15 October 2010. Taken together with the interim dividend of 3.5 pence per share, this makes a total dividend for the year of 7.0 pence per share (2009: 7.0 pence per share). The dividend is covered 1.5 times by Adjusted Earnings per Share from continuing operations.

Outlook

Whilst the economic outlook remains uncertain and markets are unpredictable, the Group's businesses have proved resilient and delivered a robust trading performance despite the economic downturn. We remain vigilant to the impact of changing economic conditions, but as a result of prompt action taken to reduce costs in the prior financial year, and an ongoing focus on efficiency, the Group is in a stronger position than it was this time last year. There is uncertainty surrounding the extent of Government spending cuts for those businesses with exposure to the UK public sector. However with positive indications that trading conditions are easing or stabilising in those markets that have been most impacted by the economic downturn, we remain optimistic about the Group's prospects.

We are committed to our strategy of delivering information and training to professional business markets and continue to believe that these markets will provide a good environment for medium and long term growth. As announced in our Interim Management Statement in May 2010, we believe that the time is now right to invest in overseas expansion in the banking and finance sector and in new product development, particularly with regard to deeper content and enhanced technology. We expect to invest up to £2m and to see returns in the financial year ending June 2012 and beyond.

Group revenue by source

	2010 %	2009 %	2008 %
Professional Education and Events	**37**	43	42
Magazine Advertising	**2**	2	3
Directory Advertising	**9**	8	9
Subscriptions and Copy Sales	**33**	27	26
Information Sales	**19**	20	20

We are committed to our strategy of delivering information and training to professional business markets and continue to believe that these markets will provide a good environment for medium and long term growth.

We expect to invest up to £2m over the next 12 months and to see returns in the financial year ending June 2012 and beyond.

I would like to thank my fellow Directors, Senior Managers and all of the Group's employees who have contributed to this year's results for their hard work, enthusiasm and commitment. I would particularly like to thank Rory Conwell, one of the founding directors of Wilmington and a former Chief Executive, who will be retiring from the Group and who will step down from the Board on 30 September 2010. Rory has made a substantial contribution to the development and growth of Wilmington. I wish him the very best for the future.

David L Summers OBE
Chairman
21 September 2010

Business Review

Business Objectives and Strategy
Wilmington's key strategy is to increase shareholder value by delivering sustainable and growing profits from servicing the information and training requirements of professional business markets. We believe that professional markets will provide a good environment for medium term growth and will deliver long term benefits for the Group.

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

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

Wilmington's strategy to focus on providing key products and services which are required by our professional markets has served us well during the economic downturn. This is particularly evident as our revenues and profits have continued to grow in some markets despite the difficult economic conditions.

Our strong subscriptions-based businesses reflect our investment strategy to develop and acquire businesses with not only high repeat revenues but also strong, cash generative income streams. In the long term, an increase in demand for professional information and training services both in the UK and abroad should benefit Wilmington. Our percentage of revenues outside of the UK as a percentage of total revenue has continued to grow year on year and is now at 21% (2009: 18%).
This proportion has increased partly due to our investment in the South East Asia region with the compliance and investment banking programmes.

Training & Events
Training & Events account for 55% of Group revenue producing 39% of Group trading profit. Although the very difficult trading conditions, particularly during calendar year 2009, resulted in a decline in course bookings in the legal and investment banking sectors, we are now seeing signs of stabilisation and growth, particularly in the banking sectors. We are also seeing the benefits of cost reductions, improved operating efficiency and changes to course programmes. Revenue decreased by 9.9%, to £43.0m (2009: £47.7m) while segmental profit declined by 5.1% to £6.6m (2009: £6.9m) giving increased operating margins of 15.3% (2009: 14.5%).

Central Law Training recently celebrated its 25th anniversary servicing the legal and financial markets. It is the market leader in the provision of mandatory post-qualification training for UK Lawyers. It also provides paralegal training, mandatory accreditation programmes, including a major Immigration Re-Accreditation programme, and the New York Bar course.
In total it continues to deliver more than 4,000 training courses per annum. Revenues in the second half of the financial year were broadly in line with the corresponding period in the prior year. The legal training market has been adversely affected by the recessionary conditions but we are seeing signs of stabilisation. The webinar programme (live online seminars) has gone from strength to strength and we are seeing a significant growth in delegate numbers. This technology is also being harnessed by other Group companies to deliver webinar programmes throughout the UK and internationally. Also, in collaboration with the University of West of England (UWE), we launched a flexible Legal Practice Course during the year to enable graduates to undertake the solicitor's qualification examinations in a cost effective way that can also accommodate part time working and family commitments through its innovative and flexible approach to studying. Quorum Training and Ark Group have also been integrated successfully into Central Law Training during the year.

CLT Scotland, working closely with the University of Strathclyde, is the market leader for provision of mandatory post-qualification courses for lawyers in Scotland. It also delivers a successful paralegal training programme which has been recognised as fulfilling the academic requirements for the Scottish Law Societies Registered Paralegal status.
CLT Scotland was awarded Training Provider of the Year by Scott & Co Legal Awards.
The webinar programme is also proving to be successful in Scotland.

Mercia is the leading provider of technical, marketing and training support to the accountancy profession. The Mercia Group of companies have maintained revenue and achieved profit growth over the year. Mercia has also introduced webinar programmes into the accountancy market. A particular success has been the growing adoption of websites provided by Mercia to the accountancy profession.

Charles Brady
Chief Executive

We believe that the professional markets will provide a good environment for medium term growth and will deliver long term benefits for the Group.

Wilmington's strategy to focus on providing key products and services which are required by our professional markets has served us well during the economic downturn. This is particularly evident as our revenues and profits have continued to grow in some markets despite the difficult economic conditions.

CLT International is the leading provider of trust, compliance and anti-money laundering training. Operating internationally, it has seen excellent growth in both turnover and profitability. The Singapore Compliance programme in particular performed well, with profits ahead of the prior year. The operations in the Middle East are also progressing well with a growth in intakes. CLT International is also looking at opportunities in Russia and other parts of the world, which are expected to form part of Wilmington's investment plans for the year ahead.

Bond Solon is the market leader in the UK for the provision of expert and professional witness training programmes. Bond Solon continues to be successful in winning large tenders to provide specialist training. During the year Bond Solon formed a number of strategic alliances reflecting the strength and quality of the brand. The business has maintained revenues broadly in line with the previous year. The year ahead will be challenging due to cuts in public sector spending.

Matchett Group is a leading provider of graduate entrant training to investment banks in London, New York and the Far East. It is seeing a return to strong profit growth in its core markets as well as expanding both in its product range and jurisdictional base. In addition, it provides skills and management training to large corporates and public sector bodies.

Business Review

At 30 June 2010 the Group had net debt of £16.8m (2009: £17.8m).

This reduction has been achieved despite paying shareholders an increased dividend during the period and acquiring additional shareholdings in two existing businesses. This demonstrates the strong underlying cash flows generated by the Group.

Publishing & Information
Publishing & Information accounts for 45% of Group revenue from continuing operations and contributes 61% of Group trading profit. This Division generally performed well during the economic downturn and has significantly benefitted from cost savings and an improved operating structure which has protected profit. Whilst revenues declined by 8.1% to £35.4m (2009: £38.6m), trading profit reduced by only 1.5% to £10.3m (2009: £10.4m) giving increased operating margins of 28.9% (2009: 27.0%).

This Division provides intelligence, information, solutions, databases, directories, magazines and services to the accountancy, banking and finance, charity, healthcare, legal, media, pensions and pharmaceutical markets.

Wilmington Business Intelligence (“WBI”) forms the largest business within this Division. This unit combines a number of our information businesses for professional markets including Waterlow, Charity Choice, CaritasData, Smee & Ford, Mortascreen and AP Pensions. WBI publishes a range of printed and electronic databases, online information and intelligence services, magazines and mailing data. Revenues were 7.3% lower at £17.2m (2009: £18.5m) mainly due to the difficult economic climate but partly driven by our work during the year to exit non-core products. However, a thorough review of the cost base and the resulting benefits of operational efficiencies has increased our profit margin and sheltered profits from the full impact of these revenue declines. Further progress was made during the year in the transition to becoming a fully digital business and in the development of new electronic services and higher value online intelligence tools.

Pendragon provides the leading electronic regulatory information service for the UK pensions industry. It maintained strong results despite difficult market conditions. Revenue and profits were ahead of the prior year. We continued the development of improved technology in this area and have identified additional regulatory information services as a key growth opportunity moving forward.

Binley's is the UK’s leading provider of healthcare professional information to pharmaceutical companies, healthcare companies and the public sector. We saw a slight decline in revenues and profit in this unit. However, we have continued to invest in our content and technology and believe that the market offers some compelling future growth opportunities.

APM is our specialist healthcare Press Agency based in Paris and London. APM continued to see growth during the year, including the launch of a new service covering healthcare IT, and delivered a pleasing performance.

International Company Profile is a leading provider of financial information on companies based in emerging markets worldwide. Despite a significant contraction in the credit insurance market worldwide ICP delivered a robust performance.

The Publishing & Information Division includes resilient businesses with sound long term growth prospects. The review to maximise productivity and margins undertaken earlier in the financial year has clearly yielded results. During the year this Division also exited minor activities which were not core to its strategy, enabling the business to achieve clearer focus on core market sectors. The resulting Division is a streamlined business, with a focused strategy supported by a strong operational structure.

Whilst there has been a necessary focus on efficiency over the last couple of years to respond to the cyclical downturn, this Division has continued its structural transformation towards a fully digital business. We aim to deliver increasingly valuable and unique content integrated, wherever possible, with powerful technology to increase the benefits to our clients.

The continued quality and strength of the Publishing & Information portfolio, and its strong client relationships, underpin the performance of this Division. Despite some early indications of a deterioration of trading conditions in markets with exposure to the UK public sector, we expect this Division to continue to deliver robust underlying profitability in the short term and we are excited about the significant long term profits which can be developed in our core markets from online intelligence and information solutions. We believe that now is the time to be substantially increasing the level of our investment to achieve this.

CLT On-Line
Central Law Training presented its first webinars to the legal profession in July 2008. As a result of significant investment both in technology and content the webinar programme is now being attended by over 10,000 lawyers per year. The webinar programmes have been developed for a wide range of law firms and its provision has included specific high level programmes for major City law firms. The webinar programme has now been expanded for clients within Commerce and Industry and are also now being presented to an international market.

This technology is being extended across the Group and is being adopted by other Group businesses.

Acquisitions and Disposals
We have a continually reviewed acquisition and disposal strategy, including a realistic and disciplined valuation methodology backed up by thorough post-acquisition analysis. We seek to fully justify acquisitions both in terms of return on capital and in terms of the added value we achieve in profitability and profit margins. We seek not only to secure a good rate of return on capital but also purchase assets only if we believe we can drive profit growth and improved margins from those acquisitions.

During the year Wilmington did not complete any new acquisitions but did acquire the remaining 15% shareholding of Ark Group Limited. As mentioned previously this business has been restructured with its training activities transferred to our Training & Events Division and its publishing activities integrated into our Publishing & Information Division. An additional 5% shareholding of Beechwood House Publishing Limited was also acquired, taking our shareholding to 85% of the company.

Overview of the Group's Financial Performance
In the year ended 30 June 2010 Wilmington generated revenues from continuing operations of £78.4m down 9.1% from £86.3m. Adjusted EBITA from continuing operations was down less than 1.4% at £14.4m (2009: £14.6m), resulting in operating margin increasing to 18.4% from 16.9%.

The year on year fall in revenues of 9.1% reflected a significant decline during the first half of our financial year (16%) with difficult comparators in the legal and investment banking sectors. In the second half of our financial year, during which we have seen booking levels in the legal training market stabilise and conditions in the investment banking sector improve, revenues fell by only 2%. This stabilisation of the revenue streams, together with the full benefit of costs taken out in the prior year, enabled the Group to report an increase in profits during the second half of our financial year with Adjusted EBITA increasing by 34.7% from £6.2m in the first half of the year to £8.2m in the second half of the year. This increase in second half profitability has resulted in operating margin increasing from 16.9% for the prior year to 18.4% for the current year.

Reported Profit before Tax increased by 157.2% to £7.3m from £2.9m, reflecting the absence of any impairment charges, reduced charges for non-recurring items and the unwinding of the discount on the provision for the future purchase of minority interests.

Non-recurring costs
During the year the Group incurred non-recurring costs of £0.1m (2009: £1.7m) relating to the costs of merger and acquisition activity incurred during the year as we actively sought to acquire complementary businesses.

Taxation
The Group tax charge of £2.5m represents 34.5% of the profits before tax (2009: 67.1%). The non cash charges for unwinding of the put option discount and impairment of goodwill are not allowable for UK tax purposes. Adjusting for these items, the tax charge is 32.2% (2009: 29.3%) compared to the statutory UK rate of 28%, reflecting other items not allowable for tax purposes.

Earnings per Share
Adjusted Earnings per Share from continuing operations increased by 0.9% to 10.59p (2009: 10.50p). Basic Earnings per Share from continuing operations increased to 5.38p (2009: 0.46p).

Earnings and Adjusted Earnings per Share are calculated on the weighted average number of shares in issue of 82,616,512 for the year ended 30 June 2010 (2009: 82,590,096).

Balance Sheet and Net Debt
At 30 June 2010 the Group had net debt of £16.8m (2009: £17.8m). This reduction has been achieved despite paying shareholders an increased interim dividend of £2.9m (2009: £1.9m) to achieve a smoother dividend distribution throughout the year and £2.2m acquiring additional minority shareholdings in two existing businesses. This demonstrates the strong underlying cash flows generated by the Group.

Business Review

In a competitive environment Wilmington's growth and success depends on a key asset - the abilities, skills and commitment of the people it employs.

We are fortunate to benefit from their experience, professionalism, creativity, enthusiasm and flexibility that provide the basis for a successful growing business.

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

The main risks arising from the Group's financial instruments are interest rate risk, liquidity risk and foreign currency risk. The Group's credit risk is discussed in Note 23 to the financial statements. The Board reviews and agrees policies for managing each of these risks and they are summarised below. These policies are unchanged from the previous year.

a) Interest rate risk
The Group finances its operations through a mixture of retained profits, operational cashflow and bank borrowings. Historically the Group has expanded its operations both organically and by acquisition which has led on occasions to the need for external finance. The Board has chosen a credit facility with a floating rate of interest linked to LIBOR and has hedged its interest exposure on a proportion of this facility. In November 2006 the Group entered into a 5 year £15m interest rate swap whereby it receives interest on £15m based on 3 month LIBOR and pays interest on £15m at a fixed rate of 5.23%. This derivative has been designated as a cash flow hedge in order to manage interest rate risk associated with the first £15m of the credit facility. Payments received under the swap have been matched against interest paid quarterly during the year and the entire mark to market loss on the derivative has been recognised in equity, following the Directors' assessment of the hedge's effectiveness.

The Group had net debt at 30 June 2010 of £16.8m (30 June 2009: £17.8m) and had a committed bank facility of £60m (30 June 2009: £60m), of which £18m was drawn down at 30 June 2010 (30 June 2009: £18m).

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

c) Foreign currency risk
The Group has a substantial customer base overseas. The Group maintains bank accounts in foreign currency and converts this currency to Sterling at the appropriate times minimising the exposure to exchange fluctuations. On 10 March 2010 the Group sold forward US$1.0m to December 2010 at an average rate of 1.4972. These contracts were entered into in order to provide certainty in Sterling terms of the bulk of the net US$ income of the Matchett business. Any gain or loss on this contract is recognised in the Income Statement.

Key Financial and Operational Targets
At a Group level we have five key financial and operational targets. In addition, each of the operating divisions monitors a number of key performance indicators. This year we delivered an improved performance against the majority of our financial and operational targets.
By continuing to focus on these essential benchmarks we have been able to concentrate on mitigating the adverse effects of the global recession and produce what we consider to be creditable results whilst establishing a more resilient and efficient platform to support future growth.

CLT International
Over the past year CLT International has witnessed considerable expansion both in the range of regulatory and compliance related programmes that it presents and also in the development of its geographical marketplace.

With an ever increasing portfolio of programmes being presented in primarily the financial and banking sectors, CLT International is now working in over 30 jurisdictions worldwide. The recent development and presentation of programmes in Russia is indicative of the Company's growing strength. Following the great success of the establishment of its Singapore operation, the company is now perfectly poised to take advantage of other opportunities now being presented in South East Asia.

The success of the company is flowing from a highly researched and significant investment strategy.

CLT International

1. Adjusted Profit before Tax
This measure indicates the trading profits of the Group, after bank and interest charges, but before amortisation and impairment of intangible assets and goodwill, non-recurring items, the unwinding of the discount on the provision for the future purchase of minority interests and share based payments. Amortisation is a non-cash technical adjustment which does not necessarily reflect the inherent value of assets. This is particularly the case where the value of assets has been enhanced as a consequence of management action.

In the year ended 30 June 2010 Adjusted Profit before Tax from continuing operations reduced marginally by 1.5% to £13.1m (2009: £13.3m).

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

In the year ended 30 June 2010, Adjusted Earnings per Share from continuing operations increased by 0.9% to 10.59p per share (2009: 10.50p). The increase was partly due to the Group acquiring additional shares in two existing businesses and also reflects the slightly better overall performance achieved by wholly owned businesses.

3. Cash flow
The quality of the operating profits is underpinned by the strong cash flow. The Group's business is strongly cash generative; operating cash flow for the year ended 30 June 2010 of £15.4m was 110% of operating profit before interest, amortisation and impairment of intangible assets and goodwill (2009: £13.9m, 108%). Free cash flow, which is calculated after deduction from operating cash flow of capital expenditure, payment of corporation tax and payment of interest, was £10.6m (2009: £6.6m).

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

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

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

The Group analyses its revenue streams on the following basis:

- Subscription and copy sales 33% of revenue (2009: 27%);
- Professional education and events 37% of revenue (2009: 43%);
- Information sales and professional services 19% of revenue (2009: 20%);
- Directory advertising 9% of revenue (2009: 8%);
- Magazine advertising 2% of revenue (2009: 2%).

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

5. Adjusted Operating Margin
The adjusted operating margin reflects the quality of the Group's revenue streams. Improving and maintaining the adjusted operating margin is a key goal for the Group. Reflecting the reduced cost base and improved operational efficiency our adjusted operating margin for the year just ended increased to 18.4%, compared to 16.9% in 2009.

Whilst we constantly seek to improve the Group's operating margin, in May we announced that we would invest up to £2m over the next 12 months in overseas expansion in the banking and finance sector and in new product development particularly with regards to deeper content and enhanced technology. This investment, which will be expensed as incurred, will depress margins in the short term.

Business Review

Wilmington's Directors and executive management continue to believe that the best way for the Group to prosper and return to growth is to retain and attract the very best people.

Only by continuing to develop the skills of our current teams and by recruiting the very best new talent can Wilmington continue to grow at a sustainable rate.

Principal risks
The key challenges facing Wilmington arise from the highly competitive and rapidly changing nature of our markets, the increasing technological nature of our products and services and legal and regulatory uncertainties. Certain parts of our businesses are also affected by the (often positive) impact of changes in professional regulation and legislation and by the impact of the economic cycle on advertising and promotional spending. The economic environment also constitutes a risk factor, particularly in the legal and financial sectors, which has impacted on the Group's profitability. Key supplier and customer loss feature as a risk. However, we feel that our supplier and customer bases are both sufficiently diverse.

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

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

1. Wilmington is a people based business, failure to attract or retain key employees could seriously impede future growth. To ensure staff retention the Group operates competitive remuneration packages for key individuals. Just as importantly, it operates a culture where each individual can maximise his or her potential. Wilmington is also committed to further develop staff and has recently launched a Management Development Programme for senior managers. The retention and motivation of key personnel is fundamental in the future success of Wilmington, as is the ability to recruit new personnel to support future growth.

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

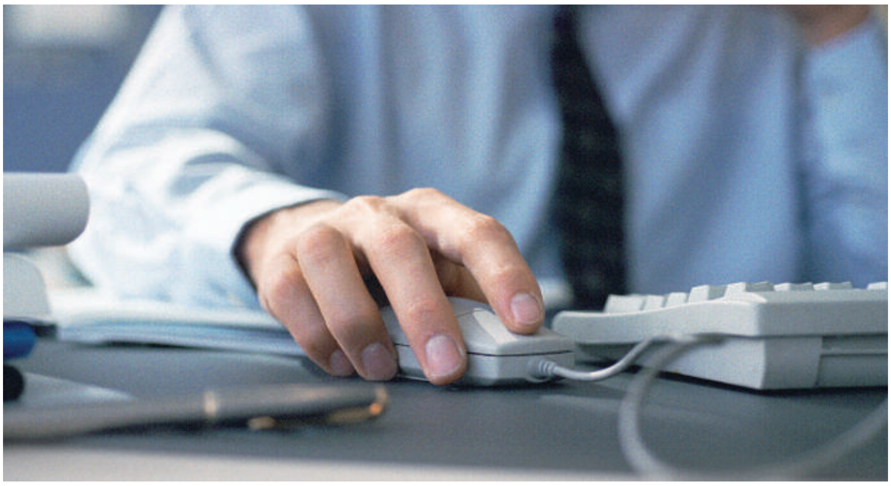
3. Our products and services largely consist of intellectual property content delivered through a variety of media. Wilmington relies on trademarks, copyrights, patents and other intellectual property laws to establish and protect its proprietary rights in these products and services. The Group makes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

4. The Group is increasingly required to comply with strict privacy and data protection legislation. The need to comply with these regulations can restrict the Group's ability to create and utilise its databases. To ensure we are compliant with the relevant data protection legislation we are in the process of completing an extensive external audit of the Group's data management systems and we are adopting procedures to ensure compliance with best practice.

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

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

7. The business operates in highly competitive markets that are constantly challenging the boundaries of technological advances, regulation and legislation and with new competitors entering the market space. Wilmington endeavours to invest resources to best respond to the competitive landscape.



Charities Portfolio

Like most publishing businesses, ours has been through a fundamental structural change over recent years. A good example of this change has been our Charities portfolio. Some years ago this portfolio consisted solely of printed directories dominated by advertising revenues. We have transitioned our advertisers online and supplemented this with online donations technology which allows them to not only attract donors but also to transact with them which has allowed us to supplement a B2B offering with B2C. We have also significantly increased the amount of information we capture on UK charities and extended our coverage to 169,000 charities. This provides us with a much more compelling information offering, especially when packaged with analytical technology, and we have recently relaunched this online service as Charity Financials.

Group revenue by segment

	2010 %	2009 %	2008 %
Training & Events	**55**	55	57
Publishing & Information	**45**	45	43

Group profit by segment

	2010 %	2009 %	2008 %
Training & Events	**39**	40	44
Publishing & Information	**61**	60	56

8. Wilmington has a strong acquisition strategy to further grow the business and there is risk associated with making future acquisitions, in particular identifying targets, realising expected returns and integrating newly acquired businesses. Whilst Wilmington has a strong track record for completing and executing acquisitions efficiently, there is no certainty in the future of being able to derive all the anticipated benefits from acquisitions.

9. Wilmington is increasingly operating in an international environment. While this provides growth in new jurisdictions, it comes coupled with risks in terms of cultural and political conditions, foreign laws and legislations, tax changes, currency fluctuations, language barriers, differing regulatory requirements and protecting Wilmington IP.

10. Freely available information principally via the internet poses a potential risk for the Group. The information may be free to access or inexpensive and may compete directly with paid for, value added information supplied by the Group. The risk element is largely in the case of government agencies that may make information publically available at no cost which could reduce demand for some product groups. Wilmington endeavours to respond by offering enriched data available in an easily accessible format.

Business Review

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

We intend to give all our employees the opportunity to grow and develop their capabilities whilst employed at Wilmington.

In addition to the risks identified above, further information on additional risks are provided elsewhere in the Annual Report and financial statements:

- The Overview of the Group's Financial Performance on page 13 covers the main risks arising from the Group's financial instruments which are interest rate risk, liquidity risk and foreign currency risk.
- The Group's credit risk is discussed in Note 23 to the financial statements.

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

As Wilmington moves towards a greater emphasis on digital and interactive services we need to continue developing new capabilities, as well as new technical and management skills to make these services work. We are responding by developing our people through training and injecting new talent where it is needed. We therefore introduced a comprehensive industry leading Management Development Programme which would equal or better anything offered by our peers.

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

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

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

We continue to invest in technology and systems across the Group. This year we have upgraded our telephone system throughout the Group. Major upgrade changes to technology have required considerable perseverance and dedication from Wilmington's people who have planned and implemented the changes. We strive for continuous improvement within the Group, which often results in major investments being made in our systems to manage content, customers and processes.

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

Corporate and Social Responsibility

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

During this financial year Wilmington continued its sponsorship of the International Compliance Association (ICA) and work with the Financial Services Skills Council (FSSC). In addition Wilmington, through its relationship with professional bodies, such as the Society of Trust and Estate Practitioners (STEP) and ICA, provided scholarships to able and deserving students in the Compliance, AML and Trusts areas around the world. Scholarships in 2009/10 were won by students in the Channel Islands, Bahamas and British Virgin Islands.

Wilmington's partnership with the Co-Operative Bank to provide an online donation service continues to be a success. We have had 20% more charities registering for the service this year compared with previous years, and again we have seen an increase in the number of donations made through the site – which this year amounted to over £1m (excluding Gift Aid). We also continue to operate the 'Goodwill Gallery' as a free service for charities where donors can offer their time, goods or services for free to UK charities.

Next Generation NHS Mapping
In response to a pharmaceutical client's need to have a visual tool for their sales teams, Binley's developed custom maps within the client's existing binleysonline subscription. This brought together information on the key accounts in their territories, with the relevant segmentation, strategy and customer information aligned.

Custom maps allows users throughout the client organisation to interact with data relevant to their own territory structure, and information point-mapped to each key account, within its context. Information appears in clickable layers that can be selected to isolate the most relevant information for the individual user, providing a personalised and powerful planning tool for clients.

Binley's
www.binleys.com

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

Paper
Paper is sourced from a chain of custody certified suppliers to ensure only sustainable raw materials are used within the production of paper. The vast majority are also produced at mills with ISO14001 accreditation and EMAS (Environmental Management Systems).

Printers
All our major print suppliers are now ISO14001 certified or encouraged to work towards a minimum of this standard. Many now also utilise a FSC or PEFC chain of custody certification. All our printers work in a digital environment, with the resultant reduction in transport, courier and energy utilising activities.

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

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

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

Officers and Advisers
Working Together

01	02	03
04	05	06






Richard Cockton
Company Secretary

Neil Smith
Chief Operating Officer
Publishing & Information

Stephen Broome
Chief Operating Officer
Training & Events

01 David L Summers OBE JP
Non-Executive Chairman
David Summers, aged 68, joined the Board in January 2001. Mr Summers was formerly Managing Director and Deputy Chairman of Butterworths, the professional reference publishers, and previously a director of Reed Elsevier UK Ltd. He is a panel member of the Competition Appeal Tribunal and is a member of the Audit Committee of the Competition Service. Mr Summers is a member of the Group's Remuneration, Nomination and Audit Committees.

02 Charles J Brady
Chief Executive
Charles Brady, aged 54, is a solicitor and was a law lecturer before founding in 1985 the business which is now CLT Group. CLT Group was acquired by Wilmington in June 1999. Mr Brady joined the Board in November 1999 and was appointed Chief Executive in February 2002. He is a member of the Group's Nomination Committee.

03 R Basil Brookes
Finance Director
Basil Brookes, aged 52, qualified as a Chartered Accountant with Coopers & Lybrand. He has worked in the media industry since 1986 and joined the Wilmington businesses in 1992 and was a founder Director of Wilmington Group.

04 Rory A Conwell
Executive Director
Rory Conwell, aged 57, has worked in the publishing and information industries for over 25 years. A founder director of Wilmington Group, he has been involved in most of the key investments that have created the shape and size of the business. In recent years, he has concentrated on development initiatives for the Company. He is stepping down from the Board on 30 September 2010.

05 Mark Asplin
Non-Executive Director
Mark Asplin, aged 50, is a Chartered Accountant and joined the Board in April 2005. He was until 2002 a partner at KPMG. During his time at KPMG he helped build its Corporate Finance practice, undertaking roles which included Head of M & A and Head of Valuations, both for the central region of the UK. He left KPMG to set up Jasper Corporate Finance, an independent corporate finance practice. During the year Mr Asplin has been appointed to the role of Senior Independent Director. He is also Chairman of the Group's Remuneration and Nomination Committees and a member of the Group's Audit Committee.

06 Terry Garthwaite
Non-Executive
Terry Garthwaite, aged 64, joined the Board in June 2005. He is a Chartered Accountant and enjoyed a distinguished career in finance and industry including a period as Finance Director of engineering group Senior plc. He is currently a Non-Executive Director of electronics group Renishaw plc and of European power transmissions supplier Brammer PLC. Mr Garthwaite is Chairman of the Group's Audit Committee and a member of the Group's Remuneration and Nomination Committees.

Richard Cockton
Company Secretary
Richard Cockton, aged 57, qualified as a Chartered Accountant with Coopers & Lybrand and joined Wilmington in 1998.

Financial Advisers and Joint Stockbrokers
Numis Securities Limited
10 Paternoster Square
London EC4M 7LT

RBS Hoare Govett Limited
250 Bishopsgate
London EC2M 4AA

Independent Auditors
PricewaterhouseCoopers LLP
1 Embankment Place
London WC2N 6RH

Solicitors
Lawrence Graham LLP
4 More London Riverside
London SE1 2AU

Principal Bankers
Barclays Bank plc
1 Churchill Place
Canary Wharf
London E14 5HP

Registrars
Equiniti Limited
Aspect House
Spencer Road
Lancing BN99 6DA

Shareholder helpline
0871 384 2855 (UK)
+44 (0) 121 415 7047 (Overseas)

Corporate calendar
Annual General Meeting
10 November 2010

Announcement of Interim Results
February 2011

Announcement of Final Results
September 2011

Directors' Report

for the year ended 30 June 2010

The Directors present their report together with the financial statements for the year ended 30 June 2010.

Business review
In accordance with the requirements of the Companies Act 2006, the Chairman's Statement and Business Review as set out on pages 6 to 19 provide information about the Group's strategy, its businesses, its principal activities and its financial performance during the year, the principal risks and uncertainties facing the Group, its key financial and operational targets and its future outlook, all of which are incorporated into this Directors' Report by reference.

The Group's acquisitions and disposals during the year are dealt with in Note 12 to the financial statements.

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

Results
The Group's financial results are set out in the Consolidated Income Statement. Revenue is analysed by business segment and geographically in note 2 of the consolidated financial statements. A profit for the year of £4,447,000 (2009: loss of £311,000) has been taken to reserves.

Dividends
The Directors recommend that a final dividend for the year of 3.5p per ordinary share be paid on 12 November 2010 to shareholders on the register on 15 October 2010, which together with the interim dividend of 3.5p per ordinary share already paid, makes a total dividend for the year of 7.0p (2009: 7.0p) per ordinary share.

Directors and their interests
The Directors who have served throughout the year and up to the date of this report are set out on pages 20 to 21 which includes brief biographical details. Their remuneration and interests in the share capital of the Company are set out in the Report on Directors' Remuneration on pages 29 to 35.

David L Summers, Non-Executive Chairman, and Mark Asplin, Non-Executive Director, retire by rotation and, being eligible, offer themselves for re-election at the Annual General Meeting. Biographical details of David L Summers and Mark Asplin are set out on pages 20 to 21. David L Summers and Mark Asplin have letters of appointment with the Company which may be terminated by either party on 6 months' and 3 months' written notice respectively.

Rory Conwell is retiring from the Group and will step down from the Board on 30 September 2010.

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

Interests in contracts
Other than as disclosed in the Report on Directors' Remuneration, 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 period.

Takeover directive disclosures
As at 30 June 2010, the Company had only one authorised class of share, namely ordinary shares of 5p each, of which there were 84,577,679 in issue (2009: 84,557,679). There are no special arrangements or restrictions relating to any of these shares, whether in terms of transfers, voting rights, or relating to changes in control of the Company. The Company does not have any special rules in place regarding the appointment and replacement of Directors, or regarding amendments to the Company's Articles of Association.

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

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

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

Substantial shareholdings
As at 14 September 2010, in addition to the interests of the Directors, the Company had been notified of interests in 3 per cent or more of the issued share capital of the Company as shown below. Interests are shown as a percentage of shares in issue at 14 September 2010.

	Number of ordinary shares	Percentage
Aberforth Partners LLP	10,109,551	12.23
Threadneedle Investments	4,957,500	6.00
Aberdeen Asset Management	4,318,180	5.23
Montanaro Investment Managers	3,821,376	4.63
Legal & General Investment Management	3,256,721	3.94
Mr Brian David Gilbert	2,824,623	3.42
Aviva Investors	2,581,596	3.12

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

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

Changes in share capital
20,000 ordinary shares were issued during the year in respect of share options exercised by members of staff.

On 19 July 2007, the Company gave an irrevocable instruction to Numis Securities Limited to buy its own shares up to a value of £5m within certain parameters during the period to 20 September 2007. In September 2007, the buyback was extended from the initial target of £5m to £12m. On 15 July 2008, the Company gave a further irrevocable instruction to Numis Securities Limited to buy further shares within certain parameters during the period to 17 September 2008. Shares purchased pursuant to their instruction are held in Treasury. At 14 September 2010 1,942,000 shares had been bought pursuant to this instruction.

Financial instruments
An explanation of the Group's treasury policies is set out in the Business Review on page 14. Details of the Group's Financial Instruments are set out in note 23 to the financial statements.

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

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

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

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

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

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

- the Group financial statements, which have been prepared in accordance with IFRSs as adopted by the EU, give a true and fair view of the assets, liabilities, financial position and profit of the Group; and

- the Directors' Report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal risks and uncertainties that it faces.

Disclosure of information to auditors
Each of the Directors has confirmed that:

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

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

Charitable donations
The Group made charitable donations of £500 (2009: £1,245) during the year. No political donations were made during the year (2009: £nil).

Directors' Report continued

Supplier payment policy
The Group endeavours to settle payments to its suppliers in accordance with mutually agreed terms and conditions of business. The average time taken to pay suppliers was 51 days (2009: 43 days).

The Company has no trade creditors.

Employees
The Group's policy is to consider all job applications on a fair basis free from discrimination in relation to age, sex, race, colour, ethnicity, religion, sexual orientation or handicap not related to job performance. Every consideration is given to applications for employment from disabled persons, where the requirements of the job may be adequately covered by a disabled person.

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

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

The Group operates share option schemes details of which are given both below and in note 26 to the financial statements.

Share options
The Wilmington Group plc 1995 Unapproved Share Option Scheme (the "Unapproved Scheme") was adopted by the Company on 22 November 1995 and is administered by the Remuneration Committee of the Board (the "Remuneration Committee"). It provided for the grant of non-transferable options to acquire shares in the Company at prevailing market prices at the time of the grant. The exercise of options granted under the Unapproved Scheme is normally conditional upon achieving performance targets set by the Remuneration Committee. No further options may be granted under the Unapproved Scheme which terminated on 22 November 2005. Details of outstanding options are set out in the Report on Directors' Remuneration and in note 26 to the financial statements.

The Wilmington Group plc 1999 Approved Share Option Scheme (the "Approved Scheme") was adopted on 2 September 1999 and approved by the Inland Revenue on 29 September 1999. The Approved Scheme is administered by the Remuneration Committee and provides for the grant of non-transferable options to acquire shares in the Company at prevailing market prices at the time of grant. The exercise of options granted under the Approved Scheme is normally conditional upon the achievement of performance targets set out by the Remuneration Committee. Details of outstanding options are set out in the Report on Directors' Remuneration and in note 26 to the financial statements.

The Wilmington Group plc 2003 Unapproved Executive Share Option Scheme (the "Unapproved Executive Scheme") was adopted on 5 November 2003. It is intended that the Unapproved Executive Scheme will primarily be operated through an employee share ownership trust, the trustees of which, at the recommendation of the Remuneration Committee, may grant non-transferable options to one or more employees (including Directors) of the Group to acquire existing or new shares in the Company at prevailing market prices at the time of the grant. The exercise of options granted under the Unapproved Executive Scheme will normally be conditional upon the achievement of performance targets recommended by the Remuneration Committee. There are no outstanding options under this scheme at 30 June 2010.

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

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

The Wilmington Group plc 2007 Performance Share Plan (the "Performance Share Plan") was adopted on 8 November 2007 to provide share based incentives to senior executives. Further details are set out in the Report on Directors' Remuneration on pages 29 to 35.

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

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

On 18 September 2009, 520,514 share options were granted under the Share Performance Plan, of which 392,334 were granted to Directors.

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

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

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

Annual General Meeting
A separate notice convening the Annual General Meeting of the Company to be held at the offices of Numis Securities Ltd on 10 November 2010 will be sent out with these financial statements.

Going Concern
As highlighted in note 21 to the financial statements, the Group meets its day-to-day working capital requirements through an overdraft facility, money market facility and revolving credit facility which is due for renewal on 7 March 2012.

The current economic conditions create uncertainty particularly over:

(a) the level of demand for the Group's products;

(b) the exchange rate between Sterling and the US Dollar and the Euro; and

(c) the availability of bank finance in the foreseeable future.

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

After reviewing the Group's budget and forecasts for the period to 30 June 2012 and its medium term plans, the Directors have a reasonable expectation that the Group has adequate resources to continue in operation for the foreseeable future. Therefore, they have adopted the going concern basis in preparing these financial statements.

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

By Order of the Board
Richard Cockton
Secretary
21 September 2010

Corporate Governance Statement

The Company is committed to the principles of corporate governance contained in Section 1 of the Combined Code on Corporate Governance issued by the Financial Reporting Council in June 2008 (the "Code") and for which the Board is accountable to shareholders. A copy of this code is publicly available from www.frc.org.uk.

The Group is committed to the highest standards of corporate governance, as set out in Section 1 of the Code. The Board believes that the Group has been compliant throughout the year ended 30 June 2010.

During the year Mark Asplin has been appointed to the role of Senior Independent Director.

The Non-Executive Chairman is a member of the Audit, Remuneration and Nomination Committees as permitted by the Code but does not chair any of them.

This report, together with the Report on Directors' Remuneration on pages 29 to 35 sets out how the Company has applied the Main Principles of the Code.

1 The Board
The Company is controlled through the Board of Directors which, at 30 June 2010, comprised three Executive and three Non-Executive Directors. Short biographies of each Director are set out on pages 20 and 21. The Board focuses on formulation of strategy, management of effective business controls and review of business performance. It has a formal schedule of matters specifically reserved to it for decision which it reviews periodically. This includes approval of acquisitions and disposals and major capital expenditure. The Board also reviews the Register of Risks.

The Board meets as often as necessary to discharge its duties effectively. In the financial year ended 30 June 2010 14 Board meetings were scheduled and the Directors' attendance record is set out at the end of this report.

The Board has three formally constituted committees, the Audit Committee, the Remuneration Committee and the Nomination Committee, each of which operates with defined terms of reference. The terms of reference of the three Committees are available on the Company's website www.wilmington.co.uk. The Audit Committee met 3 times during the year, the Remuneration Committee met 3 times during the year and the Nominations Committee met 3 times during the year.

There is an executive committee known as the Executive Management Board that is responsible for the day-to-day management of the Company's business within a framework of delegated responsibilities. It is chaired by the Chief Executive and includes executives from both the Group and subsidiary board of directors, representing both of the Group's major operating divisions.

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

Board balance and independence
Two of the Non-Executive Directors, Mark Asplin and Terry Garthwaite are independent of the Company's executive management and free from any business or other relationship that could materially interfere with the exercise of their independent judgement. They each meet the independence criteria set out in the Code.

The Non-Executive Chairman, David Summers, met the test of independence on his appointment to the Board in 2001 and again on his appointment as Chairman in 2005. David Summers has served more than nine years on the Board and so may not be considered independent under the Code. The Board values continuity and stability in the Chairman's role and considers that his performance as a Non-Executive Director continues to be effective. He contributes significantly as a Director through his individual skills, considerable knowledge and experience of the Company. He also continues to demonstrate strong independence in the manner in which he discharges his responsibilities as a Director. Consequently, the Board has concluded that, despite his length of tenure, there is no association with management which could compromise his independence. The Board has asked David Summers to offer himself for re-appointment at the 2010 Annual General Meeting. David Summers has agreed, subject to annual re-appointment thereafter in line with the tenor of the 2010 Combined Code.

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

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

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

Performance evaluation
The Board undertakes a formal annual evaluation of its own performance. As part of its evaluation, a questionnaire was approved by the Board. Directors submitted their completed questionnaires to the Chairman of the Audit Committee who reviewed their responses. These were subsequently discussed in an open session. As a result, the Board agreed to adopt a new template for its monthly reports. The exercise, which is undertaken on a regular basis, was viewed positively by the Board. A questionnaire was also devised and approved by the Board for the review of the Chairman's own performance. The Board met, without the Chairman being present, to review responses from the completed questionnaire which it was agreed were positive in all respects.

The Chairman has carried out a formal review of the performance of individual members of the Board. No external training needs were identified.

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

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

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

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

The Finance Director is invited to attend part of the Audit Committee meetings and also the two divisional finance directors are invited to attend the Audit Committee which reviews the year end results. At least part of each Audit Committee is held without the presence of an Executive Director, but with the auditors present.

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

2 Directors' Remuneration
Remuneration Committee
The Remuneration Committee, on behalf of the Board, is responsible for recommending to the Board the framework and policy for Executive Directors' remuneration. Given the small size of the Board, the Committee recognises the potential for conflicts of interest, and has taken appropriate measures to minimise the risk. Mark Asplin chairs the Remuneration Committee; the other members are David Summers and Terry Garthwaite. The Committee meets not less than once a year, and takes advice from the Chief Executive as appropriate. In carrying out its work, the Board itself determines the remuneration of the Non-Executive Directors. The Committee has the power to seek external advice, and to appoint consultants as and when required in respect of the remuneration of Executive Directors. Further details of the Group's policies on remuneration and service contracts can be found in the Report on Directors' Remuneration on pages 29 to 35.

3 Relations with Shareholders
Dialogue with institutional shareholders
The Directors seek to build on a mutual understanding of objectives between the Company and its institutional shareholders by means of a programme of meetings with major shareholders, fund managers and analysts each year. The Company also makes presentations to analysts and fund managers following publication of its half-year and full-year results. These are regularly attended by the Chairman.

The Chairman or either of the Non-Executive Directors are available on request to attend meetings with major shareholders. In the past year no such meeting request was received. The Board regularly receives copies of analysts' and brokers' briefings.

Constructive use of the Annual General Meeting
A separate notice convening the Annual General Meeting is being sent out with this report and financial statements. At the Annual General Meeting, after the formal business has been concluded, the Chairman will welcome questions from Shareholders. All Directors attend the meeting at which they have the opportunity to meet with Shareholders. Details of resolutions to be proposed at the Annual General Meeting on 10 November 2010 and an explanation of the items of special business can be found in the circular that contains the notice convening the Annual General Meeting.

Corporate Governance Statement continued

4 Accountability and Audit
The respective responsibilities of the Directors and Auditors in connection with the financial statements are explained in the Statement of Directors' Responsibilities on page 23 and the Independent Auditors' Report set out on pages 36 and 37.

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

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

Further details of specific risks such as interest rate risk, liquidity risk and foreign currency risk are given in the Business Review on page 14.

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

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

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

Insurance cover for the Group, as well as individual operating companies, has been procured where it is considered appropriate. In addition, the Board has identified key strategic risks faced by the Group, which have been prioritised and are set out in the Business Review on pages 16 to 18.

The Group maintains a financial controllers manual to ensure that consistent and adequate accounting procedures are maintained throughout the Group.

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

Internal Audit
During the year, the Board has considered the need for an internal audit function, but has concluded that the internal control system is appropriate given the size and complexity of the Group and that an internal audit function is still currently unnecessary. Reliance instead is placed on well defined controls operated from the centre enforced by strong divisional finance directors.

Use of Auditors for non-audit services
The non-audit services provided by the Auditors are reviewed by the Audit Committee at each meeting and reported to the Board. All such services are considered by the Board and a decision taken on each occasion as to whether the particular services should or should not be provided by the Auditors. An analysis of audit and non-audit fees payable to the Auditors is shown in note 5 to the financial statements.

Board and committees membership record
The number of full Board meetings and committee meetings attended as a member by each Director during the year was as follows:

Board Meeting	Scheduled Board meetings	Audit Committee meetings	Remuneration Committee meetings	Nomination Committee meetings
M Asplin (Non-Executive)	13(14)	3(3)	3(3)	3(3)
C J Brady (Chief Executive)	14(14)	–	–	3(3)
R B Brookes	14(14)	–	–	–
R A Conwell	13(14)	–	–	–
T Garthwaite (Non-Executive)	14(14)	3(3)	3(3)	3(3)
D L Summers (Chairman)	14(14)	3(3)	3(3)	3(3)

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

David L Summers OBE
Chairman
21September 2010

Report on Directors' Remuneration

This report has been prepared in accordance with the provisions of the Companies Act 2006 (the "Act") and Schedule 8 of the Large and Medium Sized Companies and Groups (Accounts and Reports) Regulations 2008 and has been approved by the Board and the Remuneration Committee. The report also meets the relevant requirements of the Listing Rules of the Financial Services Authority and describes how the Board has applied the Principles of Good Governance relating to Directors' remuneration. A resolution to approve the report will be proposed at the Annual General Meeting on 10 November 2010.

The Act requires the external auditors to report on certain parts of the report and to state whether, in their opinion, those parts of the report have been properly prepared in accordance with it. The report has therefore been divided into separate sections for audited and unaudited information.

Unaudited Information
Remuneration Committee
Role
The Remuneration Committee (the "Committee") is responsible for determining individual Executive Directors' (the "Executives") remuneration packages and employment conditions. In determining its policy the Committee has paid regard to the principles of good governance contained in the UK Corporate Governance Code. The Committee operates under the delegated authority of the Board. Its terms of reference are available on request from the Company Secretary or on the Company's website www.wilmington.co.uk.

Membership
The Committee was chaired throughout the year by Mark Asplin. The other members of the Committee were Terry Garthwaite and David Summers (the Company Chairman). Both Mark Asplin and Terry Garthwaite are deemed to be independent Non-Executive Directors as per the UK Corporate Governance Code.

Advisers
During the year the Committee took advice from Hewitt New Bridge Street ("HNBS"), a firm of independent remuneration consultants. Other than in relation to advice on remuneration, HNBS has no other connections with the Company. The Committee has also received assistance from the Chief Executive with respect to the remuneration of the other Executive Directors and on the Company's remuneration policy more generally. He takes no part in discussions relating to his own remuneration.

Key Activities
During the period under review the Committee conducted a full review of the remuneration of Executive Directors. Following the review the Committee has:

- Frozen base salaries for a second year.
- Reviewed the calibration of the annual bonus profit targets for 2010/11 and broadened the bonus plan to include targets for return on equity ("ROE") and return on sales ("ROS").
- Introduced a provision for clawback to the annual bonus plan.
- Reviewed the Executives' award levels under the Performance Share Plan for 2010/11 and concluded that they should be increased from 75% to 100% of salary.
- Supported the Executives recommendations to create the Wilmington Group Management Development Programme and extended the population of the Long Term Incentive Plan ("LTIP") participants to the senior management population to facilitate the motivation and retention of key management talent.
- Reviewed the performance conditions for the 2010 Performance Share Plan ("PSP") awards and concluded that revised EPS targets should be set and a Return on Equity (ROE) target should be introduced so that the participants' interests are further aligned with those of the Shareholders. A Return on Sales (ROS) measure was also considered for the PSP but the Committee concluded that this key performance indicator was best targeted annually through the revised bonus plan.
- Examined whether there is any aspect of the remuneration policy which could conceivably encourage undue risk-taking by the Executives. It is satisfied that the packages are appropriately constructed, that there is a sensible balance between short and long-term incentives and a blend of complementary performance metrics for the PSP.

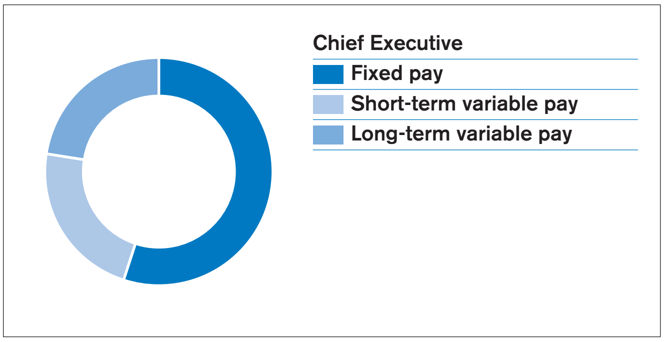
Remuneration Policy
The Committee has an established policy on the remuneration of Executives. The key principles are as follows:

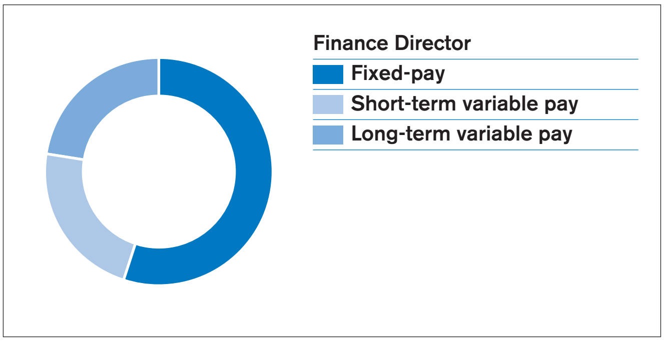
- Remuneration is directly aligned with the performance of the Group and the interests of Shareholders. It is designed to reward, motivate, incentivise and retain Executives of the highest calibre, without paying more than is necessary.
- A significant proportion of Executives' potential remuneration is structured so as to link rewards to annual and long-term Group performance targets, which are reviewed annually.
- Executives' remuneration packages are reviewed annually. They are assessed in light of the performance of the individual, the performance of the Group and pay conditions elsewhere in the workforce. The Committee periodically takes external advice to benchmark the packages 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 comparative pay surveys.
- The Committee considers pay in the rest of the work force when setting Executives remuneration. In this regard, the Committee has:
  - discussed with the Chief Executive the level of pay increases for employees in the Group. For the general workforce this increase will average at 3% for 2010/11;
  - frozen Executives base salaries for a second year, recognising the need to lead by example whilst economic conditions remain challenging; and
  - broadened membership of the Company's LTIP to enfranchise senior employees with ambition to have long term careers with the Group and work with the Executives to grow the business.

Report on Directors' Remuneration continued

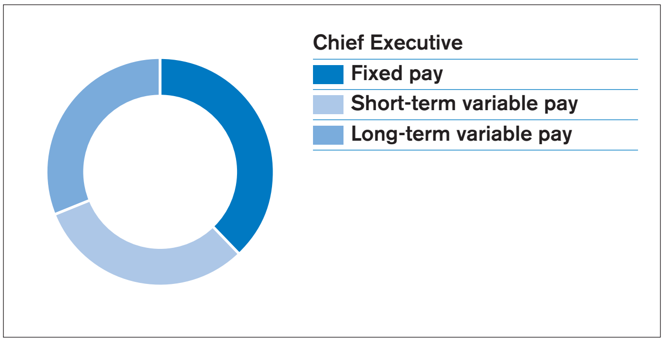
The charts below show the balance between fixed pay (salary pension and benefits) and variable pay (annual bonuses and long-term incentives) at a target level of performance (based on half the maximum bonus being payable and valuing an LTIP award at 50% of the value for the shares as at the date of grant) and also at a maximum level of performance (maximum bonus being payable and valuing an LTIP award at 100% of the value of the shares as at the date of grant). The charts demonstrate that a significant proportion of the package is weighted towards variable (performance-related) pay, with this proportion increasing at a higher level of performance.

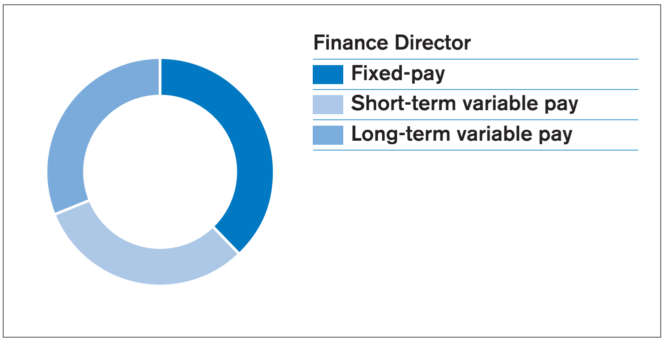
Target





Maximum





The main components of the remuneration package for Executive Directors are:

Base Salary
Base salaries for Executive Directors are reviewed annually by the Committee. This review takes into account the performance of each individual Director, any changes in position or responsibility and market competitiveness. Only base salary is pensionable.

Following the most recent review the Committee decided that there should again be no increase to base salary in respect of 2010/11.

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

Pension Benefits
Executives Directors participate in a defined contribution scheme to which the Company contributes an amount equivalent to 10% of salary. In addition, for the year ended 30 June 2010, Executive Directors could elect to sacrifice part of their salary and bonus into a personal pension scheme.

Annual Bonuses
Bonuses for the year ended 30 June 2010
The key features of the annual bonus plan for the Executive Directors as operated in the year under review were as follows:

• The maximum bonus potential for Executive Directors was 100% of salary.
• Bonuses were assessed by reference to performance against challenging profit targets. The calculations were made by reference to the Group's profit before non-recurring items, taxation and amortisation of intangible assets, and after deducting the interest of minority shareholders in such profits.
• Executive Directors are able to sacrifice bonuses for pension contributions as disclosed in the emoluments table.

Based on the stretching performance target set at the start of the year, the bonuses paid to Executives for the year ended 30 June 2010 were extremely modest.

Bonuses for the year ending 30 June 2011
For the forthcoming year the maximum bonus potential will be structured as follows:

- The maximum bonus opportunity will remain at 100% of salary.
- The Committee considered whether there should be a greater focus on Executives achieving non-financial strategic objectives as part of the annual bonus scheme. It concluded however that the link between reward and performance would be more robust if there was a sole focus on financial targets (which itself is the visible output of a number of the Company's strategic initiatives).
- The Committee also decided that a broader range of financial targets would be appropriate. It believes that the primary target should be rewarding achievement measured by adjusted profit (as defined below) but ROE and ROS targets should also be introduced. It concluded that the weightings between these targets should be:
  - 60% adjusted profit
  - 20% ROE
  - 20% ROS
- Linear scales for each metric will be set at the start of each financial year.
- For the purpose of the bonus scheme adjusted profit is profit before non-recurring items, taxation and amortisation of intangible assets and after deducting the interest of minority shareholders in such profits.
- There will be no scope to make discretionary bonus payments outside of the scope of the bonus plan.
- The Committee has included a provision in the bonus plan rules so that it may seek appropriate means of redress i.e. clawback if it transpires that a bonus was paid for performance in a year which later proves to have been materially mis-stated.

Long-Term Incentives
Performance Share Plan ("PSP")
Under the terms of a PSP which was approved by Shareholders at the Annual General Meeting on 8 November 2007, participants may receive an award of conditional free shares (an "Award") with a face value at grant of up to 150% of salary in any financial year, vesting after three years from grant, subject to the achievement of performance conditions and continued employment. In 2009, PSP allocations equal to 75% of base salary were awarded to the Executives.

The Committee will determine performance conditions prior to each Award, with performance measured over a single period of three years with no provision to re-test. For Awards made in 2007, 2008 and 2009 performance is measured against two targets (1) normalised Earnings Per Share ("EPS") growth in excess of RPI; and (2) Total Shareholder Return ("TSR") performance measured against the constituents of the FTSE Small Cap Index as summarised in the table below. Performance is measured over three years, commencing with the financial year in which the award is made:

50% of award-Average annual EPS growth in excess of RPI	**Percentage of Award Vesting**
Less than 5% per annum	0%
5% per annum	25%
Between 5% per annum and 12% per annum	On a straight line basis between 25% and 100%
12% per annum or more	100%

50% of award-TSR Rank	**Percentage of Award Vesting**
Below median	0%
Median	25%
Between median and upper quartile	On a straight line basis between 25% and 100%
Upper quartile or above	100%

Changes for 2010
This year in a deliberate attempt to motivate and incentivise the Executives to achieve agreed long term financial targets, the Committee has decided to increase the Award level from 75% to 100% of salary. This increase in potential reward level ensures that the packages remain at a broadly market median position and recognises the increased workload of the two remaining Executives following the departure of Rory Conwell. Further, this increase is part of an overall package of changes (including different performance criteria) which the Committee believes will further align the interests of the Executives and the Shareholders, whilst still being well within the maximum individual limit previously approved by Shareholders.

In addition, the PSP is to be extended to a broader population of senior executives and award allocations will be made at appropriate levels. This will ensure that there is a focus on long-term performance in the package of senior management below Board level, and will enable such executives to build and retain shareholdings in the business, strengthening alignment of interest between the Senior Executives and the Shareholders.

Report on Directors' Remuneration continued

During the course of the year the Committee has reviewed the performance conditions attached to the PSP. The Committee considers that EPS and TSR remain appropriate measures of performance for the Awards. However, it has concluded that the range of EPS targets should be revised and a further performance condition should be incorporated to further align the interests of Executive Directors with that of Shareholders and to provide a better overall blend of performance metrics. The Committee has therefore decided to incorporate ROE. The Committee considers that EPS, ROE and TSR are the most appropriate measures of performance for the Awards for the following reasons:

• The EPS target will reward significant and sustained increases in earnings that would be expected to flow through into Shareholder value. For the 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 profit element of ROE will be based on adjusted operating profit after impairment.

• 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 ensure that a share price-based discipline in the package (in the absence of options) is retained. This will provide a share price focus to the package and ensure that management can be rewarded for delivering superior stock market returns.

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

During the year the Committee considered carefully the EPS range to be attached to awards, taking into account future growth expectations, analysts' forecasts and the requirement to set stretching but achievable targets. In this regard, the Committee believes it has struck the appropriate balance.

A summary of the performance conditions for the 2010 award is set out 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%
3% per annum	25%
Between 3% per annum and 8% per annum	On a straight line basis between 25% and 100%
8% per annum or more	100%

One-third of award-ROE	**Percentage of Award Vesting**
Less than 23%	0%
23%	25%
Between 23%and 28%	On a straight line basis between 25% and 100%
28% or above	100%

One-third of award-TSR versus FTSE SmallCap	**Percentage of Award Vesting**
Below median	0%
Median	25%
Between median and upper quartile	On a straight line basis between 25% and 100%
Upper quartile or above	100%

In addition to the change to the performance conditions outlined above, the Committee has determined that for the 2010 award, all participants (including Executives) would be required to hold no less than 50% of any vested shares (net of taxes) for a minimum of two years.

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

It should be noted that currently all Executives hold shares worth significantly more than the Shareholding Guideline level.

Dilution
Under the rules of the PSP, awards under the Company's discretionary schemes which may be satisfied by a new issue of shares must not exceed 5% of the Company's issued share capital in any rolling 10-year period and the total of all awards satisfied via new issue shares under all plans (both discretionary and all-employee) must not exceed 10% of the Company's issued share capital in any rolling 10-year period.

As at 30 June 2010, the headroom under the Company's 5% and 10% limits was 1,607,585 and 5,836,469 shares respectively, out of an issued share capital of 84,577,679 shares.

Non-Executive Directors Fees
Non-Executive Directors are remunerated by fees taking into account the time commitment and responsibilities of the role. Fees are determined by the Executive Directors, taking external advice where appropriate, and are reviewed periodically. Fees are set within an overall cap stipulated in the Company's Articles of Association.

Non-Executive Directors may not participate in the Company's annual or long-term incentive arrangements.

Directors' Service Contracts and Letters of Appointment
The Company has adopted the following policy on Executive Directors' service contracts:

- 12 months' notice period or less shall apply.

- Termination payments are limited to payment of 12 months' salary and benefits.

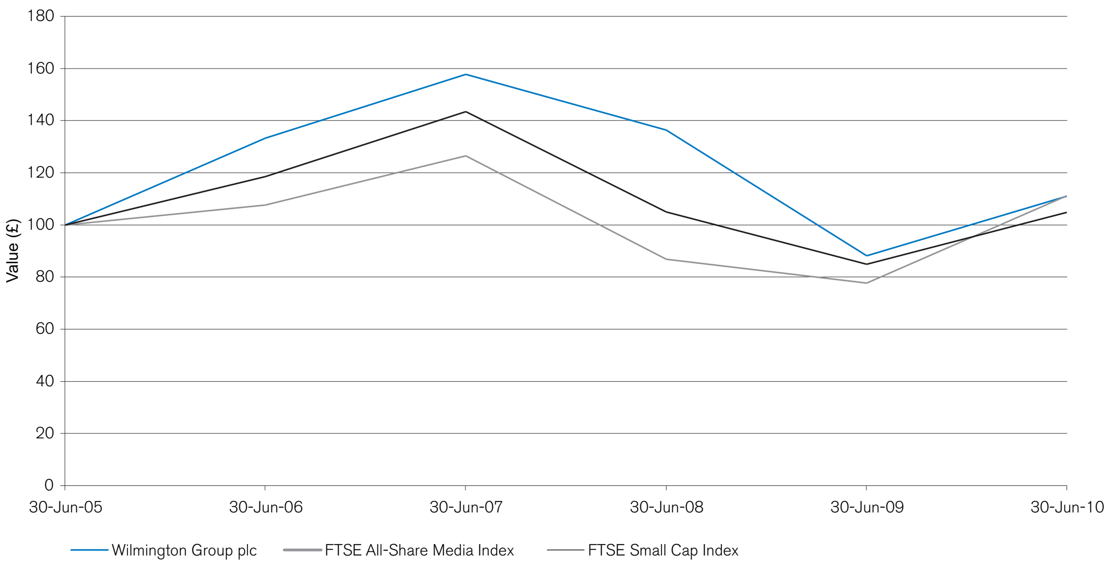
Non-Executive Directors have letters of appointment with the notice periods referred to below with no compensation payable for cessation of appointment.

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

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

The service contracts of the Executive Directors provide that if an Executive Director ceases to be a Director of the Company by virtue of removal from, failure to be re-elected to or retirement without submission to be re-elected from, such office pursuant to the Company's Articles of Association, the Company may terminate his employment immediately by making a payment equivalent to the basic salary and the value of non-monetary benefits payable during the notice period under his service contract. There is no provision to pay an amount in lieu of bonus which could have been earned over the notice period.

Performance Graph
The following graph shows, for the year ended 30 June 2010 and for each of the previous four years, the total shareholder return (calculated in accordance with the Directors' Remuneration Report Regulations 2002) on a holding of the Company's ordinary shares compared with a hypothetical holding of shares of the same kind and number as those by reference to which the FTSE All - Share Media Index and the FTSE Small Cap Index are calculated. These indices have been chosen as the appropriate comparators because it is these indices within which the Company's shares are quoted.



Report on Directors' Remuneration continued

Audited Information
Directors' Emoluments

The remuneration of the Directors of the Company for the year ended 30 June 2010 is set out below.

	Salary and fees		Bonus		Pension Contributions		Allowances and benefits in kind		Total	
	Year ended 30 June 2010 £	Year ended 30 June 2009 £	**Year ended 30 June 2010 £**	Year ended 30 June 2009 £	**Year ended 30 June 2010 £**	Year ended 30 June 2009 £	**Year ended 30 June 2010 £**	Year ended 30 June 2009 £	**Year ended 30 June 2010 £**	Year ended 30 June 2009 £
C J Brady	**324,000**	324,000	**8,960**	36,700	**32,400**	32,400	**27,681**	27,685	**393,041**	420,785
R B Brookes	**220,320**	220,320	**6,092**	25,000	**22,032**	22,032	**27,737**	27,650	**276,181**	295,002
R A Conwell	**108,000**	108,000	**2,987**	12,500	**10,800**	11,550	**19,524**	19,605	**141,311**	151,655
D L Summers	**74,000**	82,000	**–**	–	**–**	–	**–**	–	**74,000**	82,000
M Asplin	**37,800**	41,900	**–**	–	**–**	–	**–**	–	**37,800**	41,900
T Garthwaite	**37,800**	41,900	**–**	–	**–**	–	**–**	–	**37,800**	41,900
	801,920	818,120	**18,039**	74,200	**65,232**	65,982	**74,942**	74,940	**960,133**	1,033,242

Annual bonus payments were based on the Company's performance against a stretching target based on a linear range of adjusted operating profit set at the start of the year.

During the year elections were made to sacrifice salaries and bonuses disclosed in the table above in favour of pension contributions for the following amounts - C J Brady £Nil (2009: £Nil), R B Brookes £Nil (2009: £Nil) and R A Conwell £2,987 (2009: £12,500).

Performance Share Plan
Details of the awards held by Executive Directors are shown below.

Name	At 1 July 2009	Date of grant	Awards granted during the year	**At 30 June 2010**	Date which awards vest
C J Brady	189,393	05 December 2007	–	**189,393**	05 December 2010
	109,831	21 October 2008	–	**109,831**	21 October 2011
	–	18 September 2009	194,868	**194,868**	18 September 2012
R B Brookes	128,787	05 December 2007	–	**128,787**	05 December 2010
	74,685	21 October 2008	–	**74,685**	21 October 2011
	–	18 September 2009	132,510	**132,510**	18 September 2012
R A Conwell	63,131	05 December 2007	–	**63,131**	05 December 2010
	36,610	21 October 2008	–	**36,610**	21 October 2011
	–	18 September 2009	64,956	**64,956**	18 September 2012

Further details of these awards are set out in note 26 to the financial statements.

No awards vested or lapsed during the year.

As at 30 June 2010 the Company's share price was 139p and its highest and lowest share prices during the year ended 30 June 2010 were 147p and 110p respectively.

The market price of Wilmington shares at the date of the 2007 award was 199p, for the 2008 award 152p and for the 2009 award 127p. The fair value of the TSR part of the 2009 award is £196,000 (calculated in line with relevant accounting standards). However, as there is no market standard EPS model in international accounting standards, it is not possible to give a fair value of the EPS part. The Committee considers the EPS condition to be as similarly challenging as the TSR condition.

The performance criteria attaching to these awards are the EPS and TSR-based conditions as described on pages 31 and 32.

Directors' Interests
The interests of Directors and their immediate families in the issued ordinary share capital of the Company as at 30 June 2010 and the movement in the year are set out below.

Name	Beneficial/ Non-Beneficial	At 1 July 2009 Number	Movement in year Number	**At 30 June 2010 Number**	**At 30 June 2010 Percentage**
C J Brady	Beneficial	3,382,500	–	**3,382,500**	**4.00**
R B Brookes	Beneficial	845,662	–	**845,662**	**1.00**
R A Conwell	Beneficial	3,880,785	–	**3,880,785**	**4.59**
D L Summers	Beneficial	35,180	–	**35,180**	**0.04**
M Asplin	Beneficial	41,390	–	**41,390**	**0.05**
T Garthwaite	Beneficial	5,000	–	**5,000**	**0.01**

Interests at 30 June 2010 are shown as a percentage of shares in issue on that date.

There have been no changes in the Directors' interests between 30 June 2010 and 21 September 2010. No Director had a material interest in any contract of any significance with the Company or any of its undertakings during the year other than a service contract or, in the case of the Non-Executive Directors, a letter of appointment.

On behalf of the Board

Mark Asplin
Director and Chairman of The Remuneration Committee
21 September 2010

Independent Auditors' Report

Independent Auditors' report to the members of Wilmington Group plc
We have audited the financial statements of Wilmington Group plc for the year ended 30 June 2010 which comprise the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Group and Company Balance Sheets, the Group and Company Statements of Changes in Equity and the Group and Company Cash Flow Statements and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the Parent Company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

Respective responsibilities of Directors and Auditors
As explained more fully in the Statement of Directors' Responsibilities set out on page 23, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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

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

Opinion on financial statements
In our opinion:

• the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 30 June 2010 and of the Group's profit and Group's and Parent Company's cash flows for the year then ended;

• the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;

• the 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.

Opinion on other matters prescribed by the Companies Act 2006
In our opinion:

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

• the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and

• the information given in the Corporate Governance Statement set out on page 28 with respect to internal control and risk management systems and given in the Directors' Report on page 22 with respect to share capital structures is consistent with the financial statements.

Matters on which we are required to report by exception
We have nothing to report in respect of the following:

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

• adequate accounting records have not been kept by the 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 Report on Directors' Remuneration to be audited are not in agreement with the accounting records and returns; or

• certain disclosures of directors' remuneration specified by law are not made; or

• we have not received all the information and explanations we require for our audit

Under the Listing Rules we are required to review:

• the Directors' Statement, set out page 25, in relation to going concern; and

• the parts of the Corporate Governance Statement relating to the company's compliance with the nine provisions of the June 2008 Combined Code specified for our review.

Julian Jenkins (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
21 September 2010

Consolidated Income Statement

for the year ended 30 June 2010

	Notes	**2010 £'000**	2009 £'000
Revenue	2	**78,404**	86,268
Cost of sales		**(24,833)**	(27,064)
Gross profit		**53,571**	59,204
Operating expenses excluding amortisation, impairment and non-recurring items	4	**(39,380)**	(44,647)
Amortisation and impairment	4	**(4,882)**	(7,784)
Operating expenses before non-recurring items		**(44,262)**	(52,431)
Non-recurring items	5	**(113)**	(1,674)
Total operating expenses		**(44,375)**	(54,105)
Operating profit from continuing operations	5	**9,196**	5,099
Finance income	6	**7**	175
Finance costs	6	**(1,874)**	(2,424)
Profit on continuing activities before income tax		**7,329**	2,850
Income tax expense	7	**(2,531)**	(1,911)
Profit on continuing activities after income tax		**4,798**	939
Loss on discontinued operations after income tax	8	**–**	(690)
Net profit for the financial year		**4,798**	249
Attributable to:			
Equity Shareholders of the Company		**4,447**	(311)
Minority interest		**351**	560
		4,798	249
Earnings per share attributable to Equity Shareholders of the Company			
Continuing operations:	10		
Basic earnings per share		**5.38p**	0.46p
Diluted earnings per share		**5.30p**	0.45p
Continuing and discontinued operations:	10		
Basic earnings per share		**5.38p**	(0.38)p
Diluted earnings per share		**5.30p**	(0.38)p

The notes on pages 44 to 75 are an integral part of these consolidated financial statements.

Consolidated Statement of Comprehensive Income

for the year ended 30 June 2010

	2010 £'000	2009 £'000
Profit for the year	**4,798**	249
Other comprehensive income		
Interest rate swap fair value gain/(loss) taken directly to equity	**89**	(1,454)
Tax on interest rate swap gain/(loss) taken directly to equity	**(25)**	407
Exchange translation difference	**(5)**	(7)
Other comprehensive income for the year, net of tax	**59**	(1,054)
Total comprehensive income for the year	**4,857**	(805)
Total comprehensive income for the year attributable to:		
– Equity Shareholders of the Company	**4,501**	(1,365)
– Minority interests	**356**	560
	4,857	(805)

The notes on pages 44 to 75 are an integral part of these consolidated financial statements.

Balance Sheets

as at 30 June 2010

		Group		Company	
	Notes	**2010 £'000**	2009 £'000	**2010 £'000**	2009 £'000
Non-current assets					
Goodwill	13	**63,277**	62,401	**–**	–
Intangible assets	14	**24,303**	28,712	**182**	274
Property, plant and equipment	15	**7,192**	7,779	**1,360**	1,527
Investments	16	**–**	–	**41,285**	41,285
Deferred income tax asset	24	**488**	486	**341**	303
Trade and other receivables	18	**–**	–	**62,398**	50,711
		95,260	99,378	**105,566**	94,100
Current assets					
Inventories	17	**1,080**	1,342	**–**	–
Trade and other receivables	18	**18,664**	18,407	**500**	468
Derivative financial assets	19	**–**	25	**–**	–
Cash and cash equivalents		**1,779**	1,506	**–**	–
		21,523	21,280	**500**	468
Total assets		**116,783**	120,658	**106,066**	94,568
Current liabilities					
Trade and other payables	20	**(31,651)**	(31,716)	**(4,761)**	(1,540)
Current income tax liabilities		**(1,873)**	(501)	**(202)**	(121)
Derivative financial liabilities	19	**(22)**	–	**–**	–
Bank overdrafts	21	**(600)**	(1,336)	**(15,911)**	(9,058)
Provisions for future purchase of minority interests	22	**(3,530)**	(2,148)	**–**	–
		(37,676)	(35,701)	**(20,874)**	(10,719)
Non-current liabilities					
Bank loans	21	**(18,000)**	(18,000)	**(18,000)**	(18,000)
Derivative financial liabilities	19	**(956)**	(1,045)	**(956)**	(1,045)
Deferred tax liability	24	**(5,425)**	(6,685)	**(14)**	(14)
Provisions for future purchase of minority interests	22	**(3,147)**	(5,410)	**–**	–
		(27,528)	(31,140)	**(18,970)**	(19,059)
Total liabilities		**(65,204)**	(66,841)	**(39,844)**	(29,778)
Net assets		**51,579**	53,817	**66,222**	64,790
Equity					
Share capital	25	**4,229**	4,228	**4,229**	4,228
Share premium account	25	**43,493**	43,470	**43,493**	43,470
Treasury shares	25	**(4,008)**	(4,008)	**(4,008)**	(4,008)
Translation reserve		**35**	45	**–**	–
Share option reserve		**575**	382	**312**	154
Retained earnings		**7,202**	9,464	**22,196**	20,946
Shareholders' funds		**51,526**	53,581	**66,222**	64,790
Minority interests	27	**53**	236	**–**	–
Total equity and reserves attributable to Equity Shareholders of the Company		**51,579**	53,817	**66,222**	64,790

The notes on pages 44 to 75 are an integral part of these consolidated financial statements.
Approved and authorised for issue by the Board and signed on their behalf on 21 September 2010.

R Basil Brookes
Finance Director
Registered number 3015847

Statements of Changes in Equity

	Share capital (note 25) £'000	Share option reserve £'000	Translation reserve £'000	Retained earnings £'000	Total £'000	Net minority interest (note 27) £'000	Total £'000
Group							
At 1 July 2008	43,669	302	52	16,601	60,624	725	61,349
(Loss)/profit for the year	–	–	–	(311)	(311)	560	249
Exchange translation difference	–	–	(7)	–	(7)	–	(7)
Interest rate swap fair value loss taken directly to equity	–	–	–	(1,454)	(1,454)	–	(1,454)
Tax on interest rate swap fair value loss taken directly to equity	–	–	–	407	407	–	407
	43,669	302	45	15,243	59,259	1,285	60,544
Dividends paid	–	–	–	(5,779)	(5,779)	(529)	(6,308)
Share option reserve	–	80	–	–	80	–	80
Issue of share capital during the year	61	–	–	–	61	–	61
Movement in offset of provisions for the future purchase of minority interests	–	–	–	–	–	205	205
Movements arising from company sold during the year with minority interests	–	–	–	–	–	(725)	(725)
Share buy back	(40)	–	–	–	(40)	–	(40)
At 1 July 2009	43,690	382	45	9,464	53,581	236	53,817
Profit for the year	–		–	4,447	4,447	351	4,798
Exchange translation difference	–	–	(10)	–	(10)	5	(5)
Interest rate swap fair value gain taken directly to equity	–	–	–	89	89	–	89
Tax on interest rate swap fair value gain taken directly to equity	–	–	–	(25)	(25)	–	(25)
	43,690	382	35	13,975	58,082	592	58,674
Dividends paid	–	–	–	(6,773)	(6,773)	(644)	(7,417)
Share option reserve	–	193	–	–	193	–	193
Issue of share capital during the year	24	–	–	–	24	–	24
Movement in offset of provisions for the future purchase of minority interests	–	–	–	–	–	105	105
At 30 June 2010	**43,714**	**575**	**35**	**7,202**	**51,526**	**53**	**51,579**

Statements of Changes in Equity continued

	Share capital (note 25) £'000	Share premium £'000	Share option reserve £'000	Treasury reserve £'000	Retained earnings £'000	Total £'000
Company						
At 1 July 2008	4,224	43,413	120	(3,968)	29,247	73,036
(Loss) for the year	–	–	–	–	(1,475)	(1,475)
Interest rate swap fair value loss taken directly to equity	–	–	–	–	(1,454)	(1,454)
Tax on interest rate swap fair value loss taken directly to equity	–	–	–	–	407	407
	4,224	43,413	120	(3,968)	26,725	70,514
Dividends paid	–	–	–	–	(5,779)	(5,779)
Share option reserve	–	–	34	–	–	34
Issue of share capital during the year	4	57	–	–	–	61
Share buy back	–	–	–	(40)	–	(40)
At 1 July 2009	4,228	43,470	154	(4,008)	20,946	64,790
Profit for the year	–	–	–	–	7,959	7,959
Interest rate swap fair value gain taken directly to equity	–	–	–	–	89	89
Tax on interest rate swap fair value gain taken directly to equity	–	–	–	–	(25)	(25)
	4,228	43,470	154	(4,008)	28,969	72,813
Dividends paid	–	–	–	–	(6,773)	(6,773)
Share option reserve	–	–	158	–	–	158
Issue of share capital during the year	1	23	–	–	–	24
At 30 June 2010	**4,229**	**43,493**	**312**	**(4,008)**	**22,196**	**66,222**

The notes on pages 44 to 75 are an integral part of these consolidated financial statements.

Cash Flow Statements

for the year ended 30 June 2010

	Notes	Group 2010 £'000	Group 2009 £'000	Company 2010 £'000	Company 2009 £'000
Cash flows from operating activities					
Cash generated from operations	31	**15,424**	13,927	**2,562**	8,073
Net interest paid		**(1,305)**	(1,190)	**(1,290)**	(1,081)
Net tax paid		**(2,442)**	(4,704)	**(1,322)**	(3,307)
Net cash generated from operating activities		**11,677**	8,033	**(50)**	3,685
Investing activities					
Purchase of property, plant and equipment	15	**(616)**	(1,036)	**(17)**	(48)
Proceeds from sale of property, plant and equipment		**8**	98	**–**	27
Purchase of subsidiary undertakings and minority interests	22	**(2,194)**	(678)	**–**	–
Cash movement on disposal of subsidiary undertakings		**–**	(224)	**–**	–
Proceeds from sale of subsidiary undertakings	12	**–**	457	**–**	–
Purchase of intangible assets	14	**(479)**	(558)	**(37)**	(177)
Proceeds from sale of intangible assets		**6**	301	**–**	–
Net cash used in investing activities		**(3,275)**	(1,640)	**(54)**	(198)
Financing activities					
Dividends paid to Equity Shareholders of the Company		**(6,773)**	(5,779)	**(6,773)**	(5,779)
Dividends paid to minority shareholders in subsidiary undertakings		**(644)**	(529)	**–**	–
Issue of ordinary shares	25	**24**	61	**24**	61
Purchase of treasury shares		**–**	(40)	**–**	(40)
Net cash flows used in financing activities		**(7,393)**	(6,287)	**(6,749)**	(5,758)
Net increase/(decrease) in cash and cash equivalents, net of bank overdrafts		**1,009**	106	**(6,853)**	(2,271)
Cash and cash equivalents, net of bank overdrafts, at beginning of the year		**170**	64	**(9,058)**	(6,787)
Cash and cash equivalents, net of bank overdrafts, at end of the year		**1,179**	170	**(15,911)**	(9,058)
Reconciliation of net debt					
Cash and cash equivalents at beginning of the year		**1,506**	3,697	**–**	–
Bank overdrafts at beginning of the year		**(1,336)**	(3,633)	**(9,058)**	(6,787)
Borrowings at beginning of the year		**(18,000)**	(18,000)	**(18,000)**	(18,000)
Net debt at beginning of the year		**(17,830)**	(17,936)	**(27,058)**	(24,787)
Net increase/(decrease) in cash and cash equivalents, net of bank overdrafts		**1,009**	106	**(6,853)**	(2,271)
Cash and cash equivalents at end of the year		**1,779**	1,506	**–**	–
Bank overdrafts at end of the year		**(600)**	(1,336)	**(15,911)**	(9,058)
Borrowings at end of the year		**(18,000)**	(18,000)	**(18,000)**	(18,000)
Net debt at end of the year		**(16,821)**	(17,830)	**(33,911)**	(27,058)

The notes on pages 44 to 75 are an integral part of these consolidated financial statements.

Notes to the Financial Statements

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

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

a) Basis of preparation
The Group and Company financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), including International Accounting Standards ("IAS") and interpretations issued by the International Accounting Standards Board ("IASB") and its committees, and as adopted by the EU, and in accordance with the Companies Act 2006 applicable to companies reporting under IFRS. The consolidated financial statements have been prepared under the historic cost convention, as modified by the revaluation of financial assets and liabilities (including derivative instruments) at fair value through profit or loss. The Group financial statements are presented in Sterling and all values are rounded to the nearest thousand pounds (£'000s) except where otherwise indicated.

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

The key sources of estimation uncertainty that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are the calculation of the provisions for future purchase of minority interests (see note 22), the measurement and impairment of goodwill and the estimation of share based payment costs. The Group determines whether goodwill is impaired on an annual basis and this requires an estimation of the value in use of the cash generating unit to which goodwill is allocated. This involves estimation of future cash flows and choosing a suitable discount rate (see note 13). The estimation of share based payment costs requires the selection of an appropriate model, consideration as to the inputs necessary for the valuation model chosen and the estimation of the number of awards that will ultimately vest, inputs for which arise from judgements relating to the probability of meeting non-market performance conditions and the continuing participation of employees (see note 26).

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

c) Basis of consolidation
The consolidated financial information combines the financial statements of the Company and all its subsidiaries.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. Fair values are attributed to the Group's share of net assets. Contingent payments are classified as debt and subsequently re measured through the Income Statement. Where the cost of acquisition exceeds the fair values attributable to such net assets, the difference is treated as purchased goodwill and is capitalised (see note 1(j)). In the case of subsequent acquisitions of minority interests in subsidiaries, the difference between the consideration payable for the additional interest in the subsidiary and the minority interest's share of the assets and liabilities reflected in the consolidated balance sheet at the date of acquisition of the minority interest has been treated as goodwill. In the case of minority interests subject to minority put options, provisions are made at the time of acquisition for the estimated future costs required to settle put options held by minority shareholders over minority interest shares, should said put options be exercised (see note 22). All acquisition related costs are expensed through the Income Statement.

Results are consolidated from the date of acquisition of a subsidiary in the case of subsidiaries acquired during the year and to the date of disposal in the case of subsidiaries sold during the year. Results of companies sold or businesses discontinued during the year are shown as discontinued operations in the Income Statement in accordance with IFRS 5 "Non-current Assets held for Sale and Discontinued Operations".

d) Foreign currencies
Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Sterling, which is the Company's functional and the Group's presentation currency. Assets and liabilities expressed in foreign currencies are translated into Sterling at rates of exchange ruling at the end of the financial year. Trading activities are translated into Sterling at the rate of exchange ruling at the date of the transaction. Any resultant gain or loss on exchange is shown as part of the year's profit or loss from continuing operations.

Profits and losses of overseas subsidiary undertakings are translated into Sterling at average rates for the year. The balance sheets of overseas subsidiary undertakings are translated at the rate ruling at the balance sheet date. Differences arising from the translation of Group investments in overseas subsidiary undertakings are recognised as a separate component of equity.

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

1. Statement of Accounting Policies continued

e) Revenue
Revenue represents the invoiced value of goods sold and services provided during the period, stated net of Value Added Tax. Subscription revenue is allocated to the relevant accounting periods covered by the subscription on a straight line basis or weighted in accordance with the timing of the service provided. Event revenue is recognised in the month that the event takes place. Hard copy advertising revenue is recognised on publication. Online directory advertising revenue is recognised over the period that the advertisement remains online. Subscriptions and fees in advance are carried forward in trade and other payables as deferred revenue and recognised over the period the service is provided.

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

f) Segmental reporting
Operating segments are reported in a manner consistent with the internal reporting provided to the Company's Board of Directors ("Board") which is considered as the Group's chief operating decision-maker. The Board considers the business from both a geographic and product perspective. Geographically, management considers the performance of the group between the UK and overseas.

g) Non-recurring items
Items which the Board consider to be of a one-off nature are shown as non-recurring items in the Group's Income Statement.

h) Current and deferred income tax
The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised directly in equity. In this case the tax is also recognised in equity. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company's subsidiaries operate and generate taxable income. Management periodically evaluate positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit 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.

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

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

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

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

k) Intangible assets
Publishing rights, titles and benefits are capitalised and amortised through the Income Statement on a straight line basis over their estimated useful lives not exceeding 20 years.

Computer software that is integral to a related item of hardware is included as property, plant and equipment. All other computer software is recorded as an intangible asset and amortised through the Income Statement over its estimated useful life not exceeding three years.

Notes to the Financial Statements continued

1. Statement of Accounting Policies continued

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

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

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

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

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

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

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

p) Trade receivables
Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less provision for impairment.

q) Trade payables
Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payables are classified as current liabilities if due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

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

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

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities over 12 months after the balance sheet date. The Group's loans and receivables comprise "trade and other receivables" and "cash and cash equivalents" in the Balance Sheet. Such assets are carried at amortised cost using the effective interest method if the time value of money is significant. Gains and losses are recognised in income where the loans and receivables are derecognised or impaired. If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced, with the amount of the loss recognised in administration expenses.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previous recognised impairment loss is reversed. Any subsequent reversal of an impairment loss is recognised in the Income Statement, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date.

1. Statement of Accounting Policies continued

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

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

The Group and Company designate derivatives as cash flow hedges when hedging exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment.

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

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

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

t) Provisions for future purchase of minority interests
On the acquisition of less than 100% of certain subsidiaries the Group enters into put and call options with the holders of the shares not owned by the Group, to purchase their interest at a later date.

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

As the price under the option is calculated using a formula based on the average audited profits for the previous two years at the time of exercise, the financial liability is remeasured at the year end based on the latest forecasts of profitability (as used in the impairment test on goodwill and discounted at a rate of 10% (2009: 10%) to reflect the time value of money) and assuming the put options are exercised at the first available opportunity. The unwinding of the discount on these provisions is reflected as a finance charge in the Income Statement over the discounting period. The remaining change in value is reflected in goodwill.

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

u) Pension scheme arrangements
The Group does not operate a defined benefit scheme.

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

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

Notes to the Financial Statements continued

1. Statement of Accounting Policies continued

w) 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.

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

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

y) New standards and interpretations applied
The following new standards, amendments to standards or interpretations are mandatory for the first time for the financial year beginning 1 July 2009.

• IAS 1 (revised), "Presentation of financial statements". The revised standard prohibits the presentation of items of income and expenses (that is "non-owner changes in equity") in the Statement of Changes in Equity, requiring "non-owner changes in equity" to be presented separately from owner changes in equity. All "non-owner changes in equity" are required to be shown in a performance statement.
The Group has elected to present two statements: an Income Statement and a Statement of Comprehensive Income. These financial statements have been prepared under the revised disclosure requirements.
• IFRS 3 (revised), "Business combinations" and consequential amendments to IAS 27, "Consolidated and separate financial statements", IAS 28, "Investments in associates" and IAS 31, "Interests in joint ventures", effective prospectively to business combinations for which the acquisition date is on or after 1 July 2009. There have been no business combinations during the year, but the accounting policy set out in note 1 (c) has been amended to reflect changes in the accounting treatment for contingent payments and acquisition related costs required by this revision.
• IFRS 7 (amendment), "Financial instruments" disclosures. These financial statements reflect the required disclosures under this amendment.
• IFRS 8, "Operating segments". This standard was early adopted in the Group's annual financial statements for the year ended 30 June 2009.

z) New standards and interpretations not applied
The following new standards, amendments to standards or interpretations are mandatory for the first time for the financial year beginning 1 July 2009, but are not currently relevant for the Group.

• IFRS 2 (amendment), "Share–based payment"
• IAS 23 (revised) "Borrowing Costs".
• IAS 39 (amendment), "Financial instruments: Recognition and measurement".
• IFRIC 17, "Distributions of non-cash assets to owners".
• IFRIC 18 "Transfers of assets from customers".

The following new standards, amendments to standards and interpretations have been issued, but are not effective for the financial year beginning 1 July 2009 and have not been early adopted:

• IFRS 5 (amendment), "Non-current Assets held for sale and discontinued operations" effective for accounting periods beginning on or after 1 January 2010. This amendment is not expected to be relevant to the Group.
• IFRS 9 "Financial instruments" effective for accounting periods beginning on or after 1 January 2013. Management will assess the impact on the Group of this standard prior to its effective date of implementation.
• IFRIC 19 (amendment), "Extinguishing Financial Liabilities with Equity Instruments" effective for accounting periods beginning on or after 1 July 2010. This standard is not expected to be relevant to the Group.

2. Segmental information

Operating segments are reported in a manner consistent with the internal reporting provided to the Company's Board of Directors, which is considered to be the Group's chief operating decision maker.

The Board considers the business from both a geographic and product perspective. Geographically, management considers the performance of the group between the UK and overseas.

(a) Primary reporting format - business segments

Year ended 30 June 2010

	Training & events £'000	Publishing & information £'000	Total £'000
Revenue	42,958	35,446	78,404
Segmental profit before amortisation and impairment	6,554	10,261	16,815
Amortisation and impairment	(2,321)	(2,430)	(4,751)
Segmental profit after amortisation and impairment	4,233	7,831	12,064
Unallocated central overheads (includes amortisation of £131,000)			(2,755)
Profit from continuing operations before non-recurring items			9,309
Non-recurring items (see note 5)			(113)
Profit from continuing operations after non-recurring items			9,196
Net finance costs (see note 6)			(1,867)
Profit on continuing activities before tax			7,329
Income tax expense (see note 7)			(2,531)
Profit on continuing activities after tax			4,798
(Loss) from discontinued operations			–
Net profit for the year			4,798

Year ended 30 June 2009

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

Notes to the Financial Statements continued

2. Segmental information continued

(b) Supplementary segmental information by geography

The geographical analysis of revenue by destination is as follows:

	Year ended 30 June 2010 £'000	Year ended 30 June 2009 £'000
United Kingdom	61,755	70,774
Overseas	16,649	15,494
	78,404	86,268

3. Adjusted profit

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

	Year ended 30 June 2010 £'000	Year ended 30 June 2009 £'000
Profit from continuing activities before income tax ("Profit before Tax")	7,329	2,850
Amortisation of intangible assets	4,882	5,034
Impairment of goodwill	–	2,750
Unwinding of the discount on the provision for the future purchase of minority interests	542	927
Share based payments	246	80
Non-recurring items (see note 5)	113	1,674
Adjusted profit before income tax ("Adjusted Profit before Tax")	13,112	13,315
Net interest and facility fees	1,325	1,322
Adjusted Profit before Tax and net interest and facility fees ("Adjusted EBITA")	14,437	14,637
Depreciation	1,130	1,264
Adjusted EBITA before depreciation ("Adjusted EBITDA")	15,567	15,901

4. Operating expenses

	Year ended 30 June 2010 £'000	Year ended 30 June 2009 £'000
Distribution and selling costs	16,570	16,588
Administrative expenses (excluding amortisation and impairment of intangible assets and goodwill)	22,810	28,059
	39,380	44,647
Amortisation and impairment of intangible assets and goodwill (administrative expense)	4,882	7,784
Total operating expenses	44,262	52,431

During the year, the Directors have reviewed the allocation of costs between distribution and selling costs and administrative expenses. To allow a year by year comparison, the 2009 figures have been revised.

5. Profit from continuing operations

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

	Year ended 30 June 2010 £'000	Year ended 30 June 2009 £'000
Depreciation of property, plant and equipment (see note 15)	**1,130**	1,264
Amortisation of intangible assets (see note 14)	**4,882**	5,034
Impairment of goodwill (see note 13)	**–**	2,750
Loss on sale of property, plant and equipment	**74**	122
Rentals under operating leases:		
– Plant and machinery	**–**	–
– Land and buildings	**171**	675
Non-recurring items (see below)	**113**	1,674
Share based payments (including social security costs)	**246**	80
Foreign exchange loss/(profit)	**35**	(6)
Fees payable to the Company's auditor for the audit of the Company and consolidated financial statements	**80**	85
Fees payable to the Company's auditor and its associates for other services:		
The audit of the Company's subsidiaries pursuant to legislation	**135**	125
Other services pursuant to legislation	**15**	15
Tax services	**78**	70
Other services	**78**	54
Fees payable to the Company's former auditor for the audit of the Company and consolidated financial statements	**–**	11

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

	Year ended 30 June 2010 £'000	Year ended 30 June 2009 £'000
Restructuring costs	**–**	1,124
Merger and acquisition costs	**113**	550
	113	1,674

Restructuring costs reflect specific reorganisation and redundancy costs.

6. Finance income and costs

	Year ended 30 June 2010 £'000	Year ended 30 June 2009 £'000
Finance income comprises:		
Bank interest receivable	**7**	175
Finance costs comprise:		
Interest payable on bank loans and overdrafts	**(1,072)**	(1,151)
Facility fees	**(260)**	(346)
Unwinding of the discount on the provision for the future purchase of minority interests	**(542)**	(927)
	(1,874)	(2,424)

Notes to the Financial Statements continued

7. Income tax expense

	Year ended 30 June 2010 £'000	Year ended 30 June 2009 £'000
The tax charge comprises:		
UK corporation tax at current rates	**2,952**	2,812
Adjustment to tax charge in respect of previous years	**51**	(397)
	3,003	2,415
Foreign tax	**716**	558
Adjustment to foreign tax charge in respect of previous years	**99**	–
Total current tax	**3,818**	2,973
Deferred income tax credit (see note 24)	**(1,191)**	(1,062)
Deferred income tax credit in respect of previous years (see note 24)	**(96)**	–
Income tax expense	**2,531**	1,911

Factors affecting the tax charge for the year:

The tax assessed for the year is higher than the effective rate of corporation tax in the UK of 28% (2009: 28%) for the year ended 30 June 2010. The differences are explained below:

	Year ended 30 June 2010 £'000	Year ended 30 June 2009 £'000
Reconciliation of tax charge:		
Profit on ordinary activities before tax	**7,329**	2,850
Profit on ordinary activities multiplied by the "effective" rate of corporation tax in the year of 28% (2009: 28%)	**2,052**	798
Effect of:		
Depreciation and amortisation in excess of capital allowances	**142**	254
Foreign tax rate differences	**(1)**	151
Adjustment to tax charge in respect of previous years	**54**	(397)
Impairment not subject to tax	**–**	770
Put option discount not deductible for tax	**152**	260
Other items not subject to tax	**132**	75
Income tax expense	**2,531**	1,911

8. Loss for the year from discontinued operations

During the year ended 30 June 2010, no operations met the definition of discontinued operations.

During the year ended 30 June 2009, the Group disposed of its interests in Muze Europe Limited, a music information business, HPCi, a magazine publishing business and Press Gazette magazine. The consideration received for the Group's stake in Muze Europe Limited was £500,000 of which £250,000 was received on completion together with repayment of an intercompany loan. The remaining £250,000 was received in May 2009. The consideration for HPCi was £500,000 of which £250,000 was received in October 2009 and the remainder is due in October 2010. The consideration received for the sale of Press Gazette magazine was £75,000.

The results of these businesses are treated as discontinued operations and their net result has been included in the Consolidated Income Statement as the loss on discontinued operations after taxation.

	Year ended 30 June 2010 £'000	Year ended 30 June 2009 £'000
Revenue	–	1,071
Expenses	–	(1,466)
Loss before amortisation and taxation	–	(395)
Amortisation	–	(128)
Loss before taxation	–	(523)
Attributable tax credit	–	147
Net operating loss attributable to discontinued operations	–	(376)
Loss on disposal of discontinued operations	–	(286)
Attributable tax charge	–	(28)
	–	(314)
Loss on discontinued operations after taxation	–	(690)

9. Dividends

Amounts recognised as distributions to equity holders in the year.

	Year ended 30 June 2010 pence per share	Year ended 30 June 2009 pence per share	**Year ended 30 June 2010 £'000**	Year ended 30 June 2009 £'000
Final dividends recognised as distributions in the year	**4.7**	4.7	**3,881**	3,879
Interim dividends recognised as distributions in the year	**3.5**	2.3	**2,892**	1,900
Total dividends paid			**6,773**	5,779
Final dividend proposed	**3.5**	4.7	**2,892**	3,883

Notes to the Financial Statements continued

10. Earnings per share

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

(a) From continuing operations

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

	Year ended 30 June 2010 £'000	Year ended 30 June 2009 £'000
Earnings from continuing and discontinuing operations for the purpose of basic earnings per share	**4,447**	(311)
Add back loss from discontinued operations	**–**	690
Earnings from continuing operations for the purpose of basic earnings per share	**4,447**	379
Add: Amortisation (net of minority interest effect)	**4,867**	5,021
Non-recurring items	**113**	1,674
Share based payments	**246**	80
Unwinding of the discount on the provision for the future purchase of minority interests	**542**	927
Impairment	**–**	2,750
Tax effect	**(1,463)**	(2,157)
Adjusted earnings for the purpose of adjusted earnings per share	**8,752**	8,674

	Number	Number
Weighted average number of ordinary shares for the purposes of basic and adjusted earnings per share	**82,616,512**	82,590,096
Effect of dilutive potential ordinary shares:		
Exercise of share options	**1,266,280**	806,790
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**83,882,792**	83,396,886
Basic earnings per share	**5.38p**	0.46p
Diluted earnings per share	**5.30p**	0.45p
Adjusted basic earnings per share ("Adjusted Earnings Per Share")	**10.59p**	10.50p
Adjusted diluted earnings per share	**10.43p**	10.40p

(b) From continuing and discontinued operations

	Year ended 30 June 2010 £'000	Year ended 30 June 2009 £'000
Earnings from continuing and discontinuing operations for the purpose of basic earnings per share	**4,447**	(311)
Add: Amortisation (net of minority interest effect)	**4,867**	5,139
Non-recurring items	**113**	1,674
Share based payments	**246**	80
Unwinding of the discount on the provision for the future purchase of minority interests	**542**	927
Impairment	**–**	2,750
Tax effect	**(1,463)**	(2,190)
Adjusted earnings for the purpose of adjusted earnings per share	**8,752**	8,069
Basic earnings/(loss) per share	**5.38p**	(0.38)p
Diluted earnings/(loss) per share	**5.30p**	(0.38)p
Adjusted basic earnings per share	**10.59p**	9.77p
Adjusted diluted earnings per share	**10.43p**	9.68p

10. Earnings per share continued

(c) From discontinued operations

	Year ended 30 June 2010 £'000	Year ended 30 June 2009 £'000
Loss from discontinued operations for the purpose of basic earnings per share	–	(690)
Add: Amortisation (net of minority interest effect)	–	118
Tax effect	–	(33)
Adjusted loss for the purposes of adjusted earnings per share	–	(605)
Basic loss per share	–	(0.84)p
Diluted loss per share	–	(0.84)p
Adjusted loss per share	–	(0.73)p
Adjusted diluted loss per share	–	(0.73)p

11. Results of Wilmington Group plc

Of the results for the year, a profit of £7,959,000 (2009: loss of £1,475,000) relates to Wilmington Group plc, the Parent Company. Pursuant to Section 408 of the Companies Act 2006 the Company's own income statement is not included in these financial statements.

12. Acquisitions and disposals

Acquisitions

There were no new acquisitions of subsidiaries during the year.

Minority interests acquired

In July 2009, the Group acquired the remaining 15% shareholding of Ark Group Limited. This business has been restructured with its training activities transferred to the Training & Events Division and its publishing activities integrated into the Publishing & Information Division.

In November 2009, the Group acquired an additional 5% shareholding of Beechwood House Publishing Limited, taking the Group's shareholding to 85% of the company.

Disposals

There were no disposals of subsidiaries during the year.

Notes to the Financial Statements continued

13. Goodwill

	£'000
Cost	
At 1 July 2008	67,969
Acquisitions (see note 12)	(170)
Disposals	(103)
Change in provisions for the future purchase of minority interests (see note 22)	(2,750)
Movement in offset of provisions for the future purchase of minority interests (see note 27)	205
At 30 June 2009	65,151
Change in provisions for the future purchase of minority interests (see note 22)	771
Movement in offset of provisions for the future purchase of minority interests (see note 27)	105
At 30 June 2010	**66,027**
Impairment	
At 1 July 2008	–
Charge for the year	2,750
At 1 July 2009	2,750
Charge for the year	–
At 30 June 2010	**2,750**
Net book amount	
At 30 June 2010	**63,277**
At 30 June 2009	62,401
At 1 July 2008	67,969

Goodwill of £51,256,000 (2009: £50,402,000) relates to the Group's Training & Events Division. The remaining goodwill of £12,021,000 (2009: £11,999,000) relates to the Group's Publishing & Information Division. The major constituents of the Training & Events Division are £32,696,000 (2009: £32,809,000) in respect of the Central Law Training cash generating unit, £6,084,000 (2009: £5,869,000) in respect of The Matchett Group and £6,830,000 (2009: £6,830,000) in respect of Bond Solon. The major constituent of the Publishing & Information Division's goodwill is £6,691,000 (2009: £6,710,000) in respect of Waterlow Professional Publishing cash generating unit.

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

Key assumptions for the value in use calculations are those regarding discount rates and long term growth rates. Management has used a pre-tax discount rate of 11.1% (2009: 11.1%) that reflects current market assessments for the time value of money and the risks associated with the cash generating units as the Group manages its treasury function on a Group wide basis. The same discount rate has been used for all CGU's as the Directors believe that the risks are the same for each CGU. The long term growth rates used are based on management's expectations of future changes in the markets for each cash generating unit and fall within the range of a negative 5% to a positive 1.25%.

Management has performed sensitivity analyses on all the impairment calculations by reducing the growth rates by 1% and by increasing the pre-tax discount rate to 12.5%. No impairment charge would be required.

14. Intangible assets

	Group			Company
	Publishing rights, titles and benefits £'000	Computer software £'000	Total £'000	Computer software £'000
Cost				
At 1 July 2008	45,997	2,135	48,132	298
Additions	–	558	558	177
Disposals	(3,132)	(398)	(3,530)	(33)
At 1 July 2009	42,865	2,295	45,160	442
Additions	69	410	479	37
Disposals	–	(15)	(15)	–
At 30 June 2010	**42,934**	**2,690**	**45,624**	**479**
Amortisation				
At 1 July 2008	12,368	946	13,314	92
Charge for year – continuing	4,543	491	5,034	82
– discontinued	128	–	128	–
Disposals	(1,900)	(128)	(2,028)	(6)
At 1 July 2009	15,139	1,309	16,448	168
Charge for year – continuing	4,391	491	4,882	129
– discontinued	–	–	–	–
Disposals	–	(9)	(9)	–
At 30 June 2010	**19,530**	**1,791**	**21,321**	**297**
Net book amount				
At 30 June 2010	**23,404**	**899**	**24,303**	**182**
At 30 June 2009	27,726	986	28,712	274
At 1 July 2008	33,629	1,189	34,818	206

Notes to the Financial Statements continued

15. Property, plant and equipment

Group	Freehold property £'000	Long leasehold property £'000	Short leasehold property £'000	Fixtures and fittings £'000	Computer equipment £'000	Motor vehicles £'000	Total £'000
Cost							
At 1 July 2008	3,581	3,935	272	4,084	4,680	321	16,873
Additions	95	9	31	288	480	133	1,036
Disposal on sale of subsidiary undertakings	–	–	–	(32)	(177)	–	(209)
Disposals	–	–	(120)	(389)	(134)	(132)	(775)
Exchange translation differences	–	–	5	11	30	–	46
At 1 July 2009	3,676	3,944	188	3,962	4,879	322	16,971
Additions	3	45	8	383	70	107	616
Disposals	–	(15)	(46)	(342)	(486)	(65)	(954)
Exchange translation differences	–	–	–	9	(1)	–	8
At 30 June 2010	**3,679**	**3,974**	**150**	**4,012**	**4,462**	**364**	**16,641**
Depreciation							
At 1 July 2008	377	1,400	95	2,717	3,954	67	8,610
Charge for the year	60	181	35	508	391	89	1,264
Disposals	–	–	(58)	(327)	(74)	(96)	(555)
Disposal on sale of subsidiary undertakings	–	–	–	(32)	(114)	–	(146)
Exchange translation differences	–	–	–	(9)	28	–	19
At 1 July 2009	437	1,581	72	2,857	4,185	60	9,192
Charge for the year	62	186	25	407	356	94	1,130
Disposals	–	(3)	(12)	(377)	(425)	(55)	(872)
Exchange translation differences	–	–	–	2	(3)	–	(1)
At 30 June 2010	499	1,764	85	2,889	4,113	99	9,449
Net book amount							
At 30 June 2010	**3,180**	**2,210**	**65**	**1,123**	**349**	**265**	**7,192**
At 30 June 2009	3,239	2,363	116	1,105	694	262	7,779
At 1 July 2008	3,204	2,535	177	1,367	726	254	8,263

Included in freehold property is £1,210,000 (2009: £1,210,000) of non-depreciated land.

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

15. Property, plant and equipment continued

Company	Long leasehold property £'000	Short leasehold property £'000	Fixtures and fittings £'000	Computer equipment £'000	Total £'000
Cost					
At 1 July 2008	2,787	31	34	100	2,952
Additions	2	–	–	46	48
At 1 July 2009	2,789	31	34	146	3,000
Additions	–	–	8	9	17
Disposals	–	–	–	(18)	(18)
At 30 June 2010	**2,789**	**31**	**42**	**137**	**2,999**
Depreciation					
At 1 July 2008	1,187	14	30	66	1,297
Charge for the year	152	3	2	19	176
At 1 July 2009	1,339	17	32	85	1,473
Charge for the year	147	9	1	27	184
Disposals	–	–	–	(18)	(18)
At 30 June 2010	**1,486**	**26**	**33**	**94**	**1,639**
Net book amount					
At 30 June 2010	**1,303**	**5**	**9**	**43**	**1,360**
At 30 June 2009	1,450	14	2	61	1,527
At 1 July 2008	1,600	17	4	34	1,655

16. Investments

Company	Shares in subsidiary undertakings £'000
Cost less provision at 1 July 2008, 30 June 2009 and 30 June 2010	41,285

Notes to the Financial Statements continued

16. Investments continued

At 30 June 2010 the principal subsidiary undertakings listed below were all owned by the Company. All have ordinary share capital. Except where indicated, all of the principal subsidiary undertakings were incorporated in and principally operated in Great Britain. Subsidiary undertakings marked (*) are indirectly owned.

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

Wilmington Business Information Limited owns 85% of Beechwood House Publishing Limited. CLT Group Limited owns 80% of Central Law Training (Scotland) Limited. CLT Group Limited owns 82.7% of Mercia Group Limited. Mercia Group Limited owns 100% of Practice Track Limited, 60% of Mercia NI Limited and Mercia Ireland Limited and 51% of Clientzone Limited. CLT Group Limited owns 80% of The Matchett Group Limited.

17. Inventories

	Group	
	30 June 2010 £'000	30 June 2009 £'000
Raw materials	**11**	16
Work in progress	**1,019**	1,285
Books held for sale	**50**	41
	1,080	1,342

18. Trade and other receivables

	Group		Company	
	30 June 2010 £'000	30 June 2009 £'000	**30 June 2010 £'000**	30 June 2009 £'000
Amounts due within one year				
Trade receivables	**14,891**	13,940	**–**	–
Other receivables	**1,021**	813	**1**	38
Prepayments and accrued income	**2,752**	3,654	**499**	430
	18,664	18,407	**500**	468
Amounts due after more than one year				
Amounts due from subsidiary undertakings	**–**	–	**62,398**	50,711
	18,664	18,407	**62,898**	51,179

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

19. Derivative financial instruments

	Group		Company	
	30 June 2010 £'000	30 June 2009 £'000	**30 June 2010 £'000**	30 June 2009 £'000
Interest rate swap – cash flow hedge	**(956)**	(1,045)	**(956)**	(1,045)
Forward currency contract	**(22)**	25	**–**	–
	(978)	(1,020)	**(956)**	(1,045)

Details of these derivative financial instruments are set out in note 23.

Notes to the Financial Statements continued

20. Trade and other payables

	Group		Company	
	30 June 2010 £'000	30 June 2009 £'000	**30 June 2010 £'000**	30 June 2009 £'000
Trade payables	**2,654**	3,098	**–**	–
Other payables	**2,643**	3,215	**1,083**	692
Other taxes and social security	**3,006**	2,327	**58**	52
Subscriptions and deferred revenue	**14,246**	13,913	**–**	–
Accruals	**9,102**	9,163	**1,115**	629
Amounts due to subsidiary undertakings	**–**	–	**2,505**	167
	31,651	31,716	**4,761**	1,540

Amounts due to subsidiary undertakings are interest free and unsecured.

21. Bank loans and overdrafts

	Group		Company	
	30 June 2010 £'000	30 June 2009 £'000	**30 June 2010 £'000**	30 June 2009 £'000
Current liability – bank overdrafts	**600**	1,336	**15,911**	9,058
Non-current liability – bank loans	**18,000**	18,000	**18,000**	18,000

The Group has an unsecured committed 5 year revolving credit facility of £60m (2009: £60m) to March 2012, of which £18m was drawn down at 30 June 2010 (2009: £18m). Interest is charged on the amount drawn down at 0.8 to 1.0 per cent above LIBOR depending upon leverage. Under the facility, drawdown is made for interest fixture periods of up to six months in duration.

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

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

22. Provisions for future purchase of minority interests

	Group	
	Current provisions £'000	Non current provisions £'000
At 1 July 2008	939	9,268
Amounts paid in respect of acquisitions of minority interests	(826)	–
Unwinding of discount	–	927
Change in value of existing provisions	(113)	(2,637)
Non-current provisions becoming current	2,148	(2,148)
At 1 July 2009	2,148	5,410
Amounts paid in respect of acquisitions of minority interests	(2,194)	–
Unwinding of discount	–	542
Change in value of existing provisions	46	725
Non-current provisions becoming current	3,530	(3,530)
At 30 June 2010	**3,530**	**3,147**

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

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

During the year, the Group acquired 5% of the issued share capital of Beechwood House Publishing Limited and the remaining 15% of the issued share capital of Ark Group Limited under the terms of put agreements based on a predetermined multiple of the average prior two years profits for a total consideration of £2.194m.

23. Financial Instruments

An explanation of the Group's Treasury policies is set out on page 14.

Liquidity Risk

At 30 June 2010, the Group had undrawn committed borrowing facilities of £42m, comprising a revolving credit facility provided by Barclays Capital, HSBC and Royal Bank of Scotland. Any non-compliance with covenants within the borrowing arrangements could, if not waived, constitute an event of default with respect to such arrangements. The Group was fully compliant with its financial covenants throughout each of the years presented.

The Group had available undrawn committed bank facilities as follows:

	30 June 2010 £'000	30 June 2009 £'000
Expiring within one year	**–**	–
After more than one year	**42,000**	42,000
	42,000	42,000

The Group uses bank facilities to manage short and long term liquidity. Information on contractual activity can be found in note 21 to the financial statements.

Notes to the Financial Statements continued

23. Financial Instruments continued

The following tables illustrate the maturity profile of contractual maturity of its financial liabilities at 30 June 2010. The amounts disclosed have not been subject to discounting and hence do not necessarily agree to the carrying amounts in the Balance Sheet.

Group

At 30 June 2010	**Within 1 Year £'000**	**1 – 2 Years £'000**	**2 – 5 Years £'000**	**More than 5 Years £'000**	**Total carrying Amount £'000**
Bank overdrafts	**600**	**–**	**–**	**–**	**600**
Bank loans including interest	**1,063**	**18,797**	**–**	**–**	**19,860**
Trade payables and accruals	**14,852**	**–**	**–**	**–**	**14,852**
Provision for future purchase of minority interests	**3,530**	**3,556**	**53**	**–**	**7,139**
	20,045	**22,353**	**53**	**–**	**42,451**

At 30 June 2009	Within 1 Year £'000	1 – 2 Years £'000	2 – 5 Years £'000	More than 5 Years £'000	Total carrying Amount £'000
Bank overdrafts	1,336	–	–	–	1,336
Bank loans including interest	1,080	1,080	18,810	–	20,970
Trade payables and accruals	15,476	–	–	–	15,476
Provision for future purchase of minority interests	2,148	4,973	1,354	–	8,475
	20,040	6,053	20,164	–	46,257

Company

At 30 June 2010	**Within 1 Year £'000**	**1 – 2 Years £'000**	**2 – 5 Years £'000**	**More than 5 Years £'000**	**Total carrying Amount £'000**
Bank overdrafts	**15,911**	**–**	**–**	**–**	**15,911**
Bank loans including interest	**1,063**	**18,797**	**–**	**–**	**19,860**
Trade payables and accruals	**4,703**	**–**	**–**	**–**	**4,703**
	21,677	**18,797**	**–**	**–**	**40,474**

At 30 June 2009	Within 1 Year £'000	1 – 2 Years £'000	2 – 5 Years £'000	More than 5 Years £'000	Total carrying Amount £'000
Bank overdrafts	9,058	–	–	–	9,058
Bank loans including interest	1,080	1,080	18,810	–	20,970
Trade payables and accruals	1,488	–	–	–	1,488
	11,626	1,080	18,810	–	31,516

23. Financial Instruments continued

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

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

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

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

	Not due £'000	0 – 30 days £'000	30 – 60 days £'000	Over 60 days £'000	Total £'000	Allowances £'000	Net £'000
At 30 June 2010	**10,104**	**2,606**	**953**	**1,754**	**15,417**	**(526)**	**14,891**
At 30 June 2009	7,609	3,050	1,654	2,396	14,709	(769)	13,940

Set out below is the movement in allowance for bad and doubtful debts relating to trade receivables. The Group considers anything within the 0-30 days category or above as past due, but not impaired, except where specifically provided for.

	30 June 2010 £'000	30 June 2009 £'000
Allowances at 1 July 2009	**769**	718
Additions charged to Income Statement	**302**	418
Allowances used	**(87)**	(199)
Allowances reversed	**(458)**	(168)
Allowances at 30 June 2010	**526**	769

Capital Management
The Board's policy is to preserve a strong capital base in order to maintain investor, creditor and market confidence and to safeguard the future development of the business. Within this policy the Board is mindful of the need to balance these objectives with the efficient use of capital and during the past two years has made purchases of its own shares from time to time (see Note 25) and in the light of the availability of credit. Details of the Group's banking arrangements are set out under Liquidity Risk above. The Group monitors capital on the basis of total Shareholder's equity.

Notes to the Financial Statements continued

23. Financial Instruments continued

Analysis of total financial liabilities and financial assets

The table below sets out the Group's IAS 39 classification of each of its financial assets and liabilities at 30 June 2010. All amounts are stated at their carrying value.

Group

At 30 June 2010	Fair value through profit and loss £'000	Available for sale £'000	Loans and receivables £'000	Derivatives used for hedging £'000	Amortised cost £'000	Total £'000
Cash and cash equivalents	–	–	1,779	–	–	1,779
Bank overdrafts	–	–	–	–	(600)	(600)
Borrowings due after more than one year	–	–	–	–	(18,000)	(18,000)
Derivative financial assets	–	–	–	–	–	–
Derivative financial liabilities	(22)	–	–	(956)	(6,677)	(7,655)
Other financial assets	–	–	15,912	–	–	15,912
Other financial liabilities	–	–	–	–	(14,852)	(14,852)
	(22)	–	17,691	(956)	(40,129)	(23,416)

At 30 June 2009	Fair value through profit and loss £'000	Available for sale £'000	Loans and receivables £'000	Derivatives used for hedging £'000	Amortised cost £'000	Total £'000
Cash and cash equivalents	–	–	1,506	–	–	1,506
Bank overdrafts	–	–	–	–	(1,336)	(1,336)
Borrowings due after more than one year	–	–	–	–	(18,000)	(18,000)
Derivative financial assets	25	–	–	–	–	25
Derivative financial liabilities	–	–	–	(1,045)	(7,558)	(8,603)
Other financial assets	–	–	14,753	–	–	14,753
Other financial liabilities	–	–	–	–	(15,476)	(15,476)
	25	–	16,259	(1,045)	(42,370)	(27,131)

23. Financial Instruments continued

Company

At 30 June 2010	**Fair value through profit and loss £'000**	**Available for sale £'000**	**Loans and receivables £'000**	**Derivatives used for hedging £'000**	**Amortised cost £'000**	**Total £'000**
Bank overdrafts	**–**	**–**	**–**	**–**	**(15,911)**	**(15,911)**
Borrowings due after more than one year	**–**	**–**	**–**	**–**	**(18,000)**	**(18,000)**
Derivative financial assets	**–**	**–**	**–**	**–**	**–**	**–**
Derivative financial liabilities	**–**	**–**	**–**	**(956)**	**–**	**(956)**
Other financial assets	**–**	**–**	**62,399**	**–**	**–**	**62,399**
Other financial liabilities	**–**	**–**	**–**	**–**	**(4,703)**	**(4,703)**
	–	**–**	**62,399**	**(956)**	**(38,614)**	**22,830**

At 30 June 2009	Fair value through profit and loss £'000	Available for sale £'000	Loans and receivables £'000	Derivatives used for hedging £'000	Amortised cost £'000	Total £'000
Bank overdrafts	–	–	–	–	(9,058)	(9,058)
Borrowings due after more than one year	–	–	–	–	(18,000)	(18,000)
Derivative financial assets	–	–	–	–	–	–
Derivative financial liabilities	–	–	–	(1,045)	–	(1,045)
Other financial assets	–	–	50,749	–	–	50,749
Other financial liabilities	–	–	–	–	(1,488)	(1,488)
	–	–	50,749	(1,045)	(28,546)	21,158

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

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

Derivative financial instruments

Cash flow hedge

In November 2006, the Group entered into a five year £15m interest rate swap whereby it receives interest based on three month LIBOR and pays interest on £15m at a fixed rate of 5.23%. This derivative has been designated as a cash flow hedge in order to manage interest rate associated with the first £15m of the credit facility. Payments received under the swap have been matched against interest paid quarterly during the year and the entire fair value profit movement on the hedge of £89,000 (2009: loss £1,454,000) has been recognised in equity, following the Directors' assessment of the hedge's effectiveness.

Other derivative financial instruments

On 14 May 2009, the Group sold forward to 5 October 2009, US$500,000 at a rate of 1.5155. On 10 March 2010, the Group sold forward to 3 December 2010, US$500,000 at a rate of 1.4974. On the same day, the Group sold forward to 2 December 2010, US$500,000 at a rate of 1.4969. This approximates to the US dollar after tax profits of The Matchett Group's US operations. The Group does not apply hedge accounting to these transactions and any fair value gain or loss is recognised in the Income Statement.

Notes to the Financial Statements continued

23. Financial Instruments continued

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

	Book value		Fair value	
Group	**30 June 2010 £'000**	30 June 2009 £'000	**30 June 2010 £'000**	30 June 2009 £'000
Financial assets				
Cash and cash equivalents	**1,779**	1,506	**1,779**	1,506
Derivative financial assets - fair value through profit and loss	**–**	25	**–**	25
Other financial assets	**15,912**	14,753	**15,912**	14,753
	17,691	16,284	**17,691**	16,284
Financial liabilities				
Bank overdraft	**(600)**	(1,336)	**(600)**	(1,336)
Bank loans	**(18,000)**	(18,000)	**(18,000)**	(18,000)
Derivative financial liabilities - amortised cost	**(6,677)**	(7,558)	**(6,677)**	(7,558)
Derivative financial liabilities - fair value through profit and loss	**(22)**	–	**(22)**	–
Derivative financial instruments designed for hedging	**(956)**	(1,045)	**(956)**	(1,045)
Other financial liabilities	**(14,852)**	(15,476)	**(14,852)**	(15,476)
	(41,107)	(43,415)	**(41,107)**	(43,415)

	Book value		Fair value	
Company	**30 June 2010 £'000**	30 June 2009 £'000	**30 June 2010 £'000**	30 June 2009 £'000
Financial assets				
Cash and cash equivalents	**–**	–	**–**	–
Derivative financial assets	**–**	–	**–**	–
Other financial assets	**62,399**	50,749	**62,399**	50,749
	62,399	50,749	**62,399**	50,749
Financial liabilities				
Bank overdraft	**(15,911)**	(9,058)	**(15,911)**	(9,058)
Bank loans	**(18,000)**	(18,000)	**(18,000)**	(18,000)
Derivative financial instruments designed for hedging	**(956)**	(1,045)	**(956)**	(1,045)
Other financial liabilities	**(4,703)**	(1,488)	**(4,703)**	(1,488)
	(39,570)	(29,591)	**(39,570)**	(29,591)

23. Financial Instruments continued

Sensitivity Analysis

The Group has carried out a sensitivity analysis that measures the estimated charge to the Income Statement and equity of a 1% difference in market interest rates applicable at 30 June 2010 with all other measures remaining constant. Similarly, the sensitivity analysis in respect of currency risk measures the estimated charge to the Income Statement and equity of a 10% difference in the market rates of both the US Dollar and Euro, being the two major currencies to which the Group is exposed.

The sensitivity analysis includes the following assumptions:

a) Changes in market interest rates only affect interest income or expense of variable financial instruments.
b) Changes in market interest rates only affect interest income or expense in relation to financial instruments with fixed interest rates if these are recognised at fair value.
c) Changes in market interest rates do not affect the fair value of derivative financial instruments designated as hedging instruments and all interest rate hedges are expected to be highly effective.
d) Changes in foreign currency rates only affect those items of income and expense and assets and liabilities denominated in the said currencies.

	Income Statement		Equity (before tax)	
Interest rate risk	100 bps Increase £'000	100 bps Decrease £'000	100 bps Increase £'000	100 bps Decrease £'000
Variable rate instruments	(216)	216	(216)	216
Interest rate swap	–	–	269	(269)
	(216)	216	53	(53)

	Income Statement		Equity (before tax)	
Currency risk	+10% £'000	−10% £'000	+10% £'000	−10% £'000
Cash and cash equivalents	(39)	39	(162)	162
Trade receivables	–	–	(201)	201
Trade payables	–	–	276	(276)
Foreign exchange impact on profit	(236)	236	236	(236)
	(275)	275	(323)	323

Notes to the Financial Statements continued

24. Deferred tax

Movements on deferred tax are as follows:

	Group £'000	Company £'000
Asset at 1 July 2008	245	1
Deferred tax (charge)/credit in the Income Statement for the year	(52)	9
Deferred tax credit taken directly in equity for the year	293	293
Asset at 1 July 2009	486	303
Deferred tax credit in the Income Statement for the year	27	63
Deferred tax (charge) taken directly in equity for the year	(25)	(25)
Asset at 30 June 2010	**488**	**341**
Liability at 1 July 2008	7,620	133
Deferred tax (credit) in the Income Statement for the year	(1,062)	(5)
Deferred tax (credit) taken directly in equity for the year	(114)	(114)
Reduction in deferred tax liability arising on disposals	241	–
Liability at 1 July 2009	6,685	14
Deferred tax (credit) in the Income Statement for the year	(1,260)	–
Liability at 30 June 2010	**5,425**	**14**

25. Share capital

	Number of ordinary shares of 5p Each	Ordinary shares £'000	Share premium account £'000	Treasury shares £'000	Total £'000
Authorised					
At 1 July 2009	110,000,000	5,500			
At 30 June 2010	**110,000,000**	**5,500**			
Allotted, called-up and fully paid ordinary shares					
At 1 July 2009	84,557,679	4,228	43,470	(4,008)	43,690
Proceeds from shares issued –					
Employee share option scheme	20,000	1	23	–	24
Purchase of treasury shares	–	–	–	–	–
At 30 June 2010	**84,577,679**	**4,229**	**43,493**	**(4,008)**	**43,714**

During the year 20,000 ordinary shares were issued in respect of share options exercised by members of staff. The Company did not buy back any shares during the year (2009: 25,000 shares at a value of £40,000).

26. Share based payments

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

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

Year of grant	Subscription price per share	Period within which options exercisable	Number of shares for which options outstanding at 30 June 2009	Options exercised during year	Options lapsed during year	**Number of shares for which options outstanding at 30 June 2010**
2004	118.5p	Mar 2007-Mar 2011	140,000	–	–	**140,000**

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

Year of grant	Subscription price per share	Period within which options exercisable	Number of shares for which options outstanding at 30 June 2009	Options exercised during year	Options lapsed during year	**Number of shares for which options outstanding at 30 June 2010**
1999	285p	Nov 2002-Nov 2009	124,500	–	(124,500)	**–**
2000	384.5p	Jun 2003-Jun 2010	23,400	–	(23,400)	**–**
2000	316.5p	Nov 2003-Nov 2010	58,750	–	–	**58,750**
2001	217.5p	Jun 2004-Jun 2011	48,210	–	–	**48,210**
2002	170p	May 2005-May 2012	17,600	–	–	**17,600**
2004	118.5p	Mar 2007-Mar 2014	87,500	(20,000)	–	**67,500**

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

Both the 1995 and 1999 options were valued using the Black Scholes model with the following assumptions:

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

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

Notes to the Financial Statements continued

26. Share based payments continued

	Year ended 30 June 2010		Year ended 30 June 2009	
	Number	**Weighted average exercise price**	Number	Weighted average exercise price
Outstanding at 1 July	**499,960**	**207.04**	570,960	191.93
Granted	**–**	**–**	–	–
Lapsed	**(147,900)**	**300.74**	–	–
Exercised	**(20,000)**	**118.50**	(71,000)	85.58
Outstanding at 30 June	**332,060**	**170.63**	499,960	207.04
Exercisable at 30 June	**332,060**	**170.63**	499,960	207.04

	Year ended 30 June 2010			Year ended 30 June 2009		
Range of exercise prices	**Weighted average exercise price**	**Number of shares**	**Weighted average remaining contractual life**	Weighted average exercise price	Number of shares	Weighted average remaining contractual life
1p – 99p	**–**	**–**	**–**	–	–	–
100p – 199p	**122.53**	**225,100**	**1.74**	122.20	245,100	2.90
200p – 299p	**217.50**	**48,210**	**1.00**	266.16	172,710	0.86
300p – 399p	**316.50**	**58,750**	**0.42**	335.87	82,150	1.30

c) Under the Wilmington Group plc 2007 Approved Share Option Scheme

Year of Grant	Option price per share	Date of vesting	No of shares for which options outstanding at 30 June 2009	Options granted during year	No of shares for which options outstanding at 30 June 2010
2007	Nil	Dec 2010	540,401	–	540,401
2008	Nil	Oct 2011	323,634	–	323,634
2009	Nil	Sept 2012	–	520,514	520,514

Details of the Performance Share Plan are set out in the Report on Directors' Remuneration on pages 29 to 35.

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

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

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

27. Minority interests

	Minority interest – share of results and funds £'000	Minority interest – provision for future acquisition £'000	Net Minority interest £'000
At 1 July 2008	3,274	(2,549)	725
Profit for the year	560	–	560
	3,834	(2,549)	1,285
Dividends paid	(529)	–	(529)
Acquisition of minorities during the year	(170)	170	–
Movement in offset of provisions for the future purchase of minority interests	–	205	205
Movement arising from company sold during the year with minority interests	(725)	–	(725)
At 1 July 2009	2,410	(2,174)	236
Profit for the year	351	–	351
	2,761	(2,174)	587
Dividends paid	(644)	–	(644)
Exchange translation difference	5	–	5
Acquisition of minorities during the year	(280)	280	–
Movement in offset of provisions for the future purchase of minority interests	–	105	105
At 30 June 2010	1,842	(1,789)	53

28. Contingencies and commitments

Contingencies

Company

The Company has entered into an unlimited cross guarantee with the Group's bankers in respect of the net £5 million overdraft facilities extended to certain of the Company's subsidiaries. At 30 June 2010 the Company's gross contingent liability in respect of this facility was £98,000 (2009: £2,879,000).

Commitments

a) The Group had capital commitments relating to property, plant and equipment at 30 June 2010 contracted but not provided for of £Nil (2009: £Nil).

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

	Group				Company	
	Property		Other operating leases		Property	
	30 June 2010 £'000	30 June 2009 £'000	**30 June 2010 £'000**	30 June 2009 £'000	**30 June 2010 £'000**	30 June 2009 £'000
One year	**240**	368	**36**	–	**50**	50
Between two and five years	**281**	945	**–**	–	**112**	162
After five years	**–**	17	**–**	–	**–**	–
	521	1,330	**36**	–	**162**	212

Notes to the Financial Statements continued

29. 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 £3,000,000 (2009: £2,500,000) to two of its subsidiary undertakings in respect of management services. In addition, certain administrative expenses totalling £317,000 (2009: £290,000) have been recharged at cost to its subsidiary undertakings.

Finance has been provided to the Company by one of its subsidiary undertakings at commercial rates of interest for the year totalling £Nil (2009: £39,000). In addition, the Company has provided finance to one of its subsidiary undertakings at commercial rates of interest for the year totalling £Nil (2009: £350,000).

Amounts due from and to subsidiary undertakings by the Company are set out in notes 18 and 20 respectively.

On 8 January 2009, CLT Group Limited ("CLT Group"), a subsidiary undertaking of the Company, entered into a variation agreement with, inter alia, Mary Moore, who was at the time a director of Adkins, Matchett & Toy Limited, another subsidiary undertaking of the Company, under which the terms of a put and call option agreement dated 26 November 2007 between CLT Group and, inter alia, Ms Moore relating to Ms Moore's holding of 3,417 'A' ordinary shares of £1 each in The Matchett Group Limited ("Matchett"), also a subsidiary of the Company, were varied. The purpose of the variation was to enable Ms Moore to resign as an employee of Matchett in order to become a consultant to a subsidiary undertaking of Matchett without triggering a lapse of the put option over her shares in Matchett (which would have been the case in the absence of the variation). None of the other material terms and conditions of the put and call options, including the consideration of a maximum of £1,645,440 payable for Ms Moore's shares in Matchett, were varied. Ms Moore was at the time of the variation classified as a related party for the purposes of Listing Rule 11 and the FSA was informed of the proposed variation and it confirmed that the proposed variation constituted a smaller related party transaction under Listing Rule 11.1.10. This disclosure is being made in accordance with the Company's obligation under Listing Rule 11.1.10(2)(c). The put and call option agreement was subsequently varied on 1 April 2010 to restore its terms and conditions to the original when Ms Moore's status as a consultant to the Matchett subsidiary changed to that of an employee of that company.

30. Staff and their pay and benefits
a) Employee costs (including Directors) were as follows:

	Year ended 30 June 2010 £'000	Year ended 30 June 2009 £'000
Wages and salaries	**27,565**	30,875
Social security costs	**3,062**	3,574
Pension costs	**638**	600
Share based payments (including social security costs)	**246**	80
	31,511	35,129

The details of each Directors' remuneration and share options are in the Report on Directors' Remuneration on pages 29 to 35. In addition, employee costs of £462,000 (2009: £496,000), pension costs of £20,000 (2009: £19,000) and share based payments of £65,000 (2009: £14,000) were paid in respect of other key management personnel.

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

	Year ended 30 June 2010 Number	Year ended 30 June 2009 Number
Selling and distribution	**220**	259
Production	**211**	190
Administration	**415**	448
	846	897

c) Retirement benefits
The Group contributes to defined contribution pension schemes. Total contributions to the schemes during the year were £551,000 (2009: £600,000).

31. Net cash flow from operating activities

	Group		Company	
	Year ended 30 June 2010 £'000	Year ended 30 June 2009 £'000	**Year ended 30 June 2010 £'000**	Year ended 30 June 2009 £'000
Profit/(loss) from operations before non-recurring items	**9,309**	6,773	**9,009**	(234)
Non-recurring items	**(113)**	(1,674)	**(8)**	(554)
Operating profit/(loss) from continuing operations	**9,196**	5,099	**9,001**	(788)
Operating loss from discontinued operations	**–**	(523)	**–**	–
Depreciation of property, plant and equipment (note 15)	**1,130**	1,264	**184**	176
Amortisation of intangible assets (note 14)	**4,882**	5,162	**129**	82
Impairment of goodwill	**–**	2,750	**–**	–
Loss on disposal of property, plant and equipment (note 5)	**74**	25	**–**	–
Share based payments	**246**	80	**158**	34
Operating cash flows before movements in working capital	**15,528**	13,857	**9,472**	(496)
Decrease in inventories	**262**	427	**–**	–
(Increase)/decrease in receivables	**(296)**	4,748	**(10,130)**	8,884
(Decrease)/increase in payables	**(70)**	(5,105)	**3,220**	(316)
Cash generated by operations	**15,424**	13,927	**2,562**	8,072

The Group manages its treasury function on a Group-wide basis. As a result it is not practicable to separately identify the movements in working capital attributable to discontinued operations. The operating cash flow from discontinued operations before movements in working capital for the year ended 30 June 2010 was £nil (2009: outflow of £395,000). There were no investing or financing activities for discontinued operations during the year (2009: Nil).

Cash conversion is cash generated by operations calculated as a percentage of operating profit before amortisation and impairment as follows:

	Year ended 30 June 2010 £'000	Year ended 30 June 2009 £'000
Operating profit from continuing operations	**9,196**	5,099
Amortisation and impairment	**4,882**	7,784
Operating profit before amortisation and impairment	**14,078**	12,883
Cash generated by operations	**15,424**	13,927
Cash conversion	**110%**	108%

Pro-forma Five Year Financial Summary (Unaudited)

	2006 £'m	2007 £'m	2008 £'m	2009 £'m	**2010 £'m**
Consolidated Income Statements					
Revenue	65.8	81.5	88.8	86.3	**78.4**
Cost of sales	(21.2)	(27.1)	(27.1)	(27.1)	**(24.8)**
Gross profit	44.6	54.4	61.7	59.2	**53.6**
Operating expenses	(31.4)	(37.9)	(43.5)	(44.6)	**(39.4)**
Operating profit before amortisation and impairment of goodwill and intangible assets and non-recurring items	13.2	16.5	18.2	14.6	**14.2**
Operating non-recurring items	(1.2)	1.2	–	(1.7)	**(0.1)**
Operating profit before amortisation and impairment of goodwill and intangible assets	12.0	17.7	18.2	12.9	**14.1**
Amortisation and impairment of goodwill and intangible assets	(2.5)	(3.9)	(4.6)	(7.8)	**(4.9)**
Profit from operations before finance costs and taxation	9.5	13.8	13.6	5.1	**9.2**
Finance costs	(1.0)	(1.3)	(1.8)	(2.2)	**(1.9)**
Profit on ordinary activities before taxation	8.5	12.5	11.8	2.9	**7.3**
Income tax expense	(2.1)	(3.3)	(3.7)	(1.9)	**(2.5)**
Profit on ordinary activities after taxation	6.4	9.2	8.1	1.0	**4.8**
Operating cash inflows	16.9	19.0	18.6	13.9	**15.4**
Earnings per ordinary share (pence) - continuing and discontinued operations	7.69	11.01	10.50	(0.38)	**5.38**
Diluted earnings per ordinary share (pence) - continuing and discontinued operations	7.64	10.97	9.98	(0.38)	**5.30**
Adjusted earnings per ordinary share (pence) - continuing and discontinued operations	11.47	13.87	15.20	9.77	**10.59**
Earnings per ordinary share (pence) – continuing operations	6.80	10.18	8.82	0.46	**5.38**
Adjusted earnings per ordinary share (pence) – continuing operations	9.84	12.41	13.34	10.50	**10.59**
Interim and proposed final dividend per share (pence)	4.00	6.00	7.00	7.00	**7.00**

The above is based on information extracted from the Company's Annual Report and financial statements.

The results for 2008, 2009 and 2010 are for continuing operations only. It has not been practicable to restate prior years to exclude the now discontinued operations; hence results for these years are stated without amendment from those previously reported.

The results for 2008, 2009 and 2010 reflect the changes in accounting policies adopted by the Group for 2009. It has not been practicable to restate prior years for these changes.

Wilmington Group plc

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