Wilmington plc

14 September 2016

WILMINGTON PLC

(‘Wilmington’, ‘the Group’ or ‘the Company’)

Financial results for the twelve months ended 30 June 2016

Wilmington plc, the provider of information, education and networking to professional markets, today announces its full year results for the twelve months ended 30 June 2016.

Financial Highlights

- Revenues for the year up 11% to £105.7m (2015: £95.1m)
- Revenues also up 11% on a constant currency[1] basis
- Organic revenue[2] growth of 2%
- Adjusted EBITA[3] increased 11% to £22.6m (2015: £20.4m)
- Adjusted EBITA margins[4] at 21.4% (2015: 21.5%)
- Adjusted Profit before Tax[5] up 13% to £20.9m (2015: £18.4m)
- Loss before tax at £3.4m (2015: profit £10.3m) due to non-cash goodwill impairment of £15.7m
- Adjusted Earnings per Share[6] up 14% to 18.69p (2015: 16.42p)
- Basic Loss per Share 7.39p (2015: Earning per Share 8.96p)
- Non cash impairment of £15.7m against goodwill in the CLT (acquired 1999) and Ark (acquired 2005) businesses
- Final dividend increased 7.5% to 4.3p (2015: 4.0p); total dividends up 5.2% to 8.1p (2015: 7.7p)
- Cash flow conversion at 106% (2015: 107%)

Operational Highlights

- Strong organic growth from Risk & Compliance, up 7%, driven by demand for compliance offerings
- Finance revenue up 13%, supported by organic growth of 2% and £2.1m from Wilmington FRA Inc. (‘FRA’) finance events
- As previously highlighted difficult trading in Q4 for AMT, legal action brought to a conclusion at net £0.1m cost
- As expected Legal revenue down 5% reflecting structurally challenged market conditions
- Strong growth from Insight division driven by healthcare. Overall revenue up 27% and underlying business recovering from mixed start to year reporting 1% organic growth
- Three acquisitions made in the year and all performing strongly
- Subscription and repeatable revenue at 75% of total revenue (2015: 76%)
- International revenues increased to 42% of total revenue in 2016 (2015: 39%)
- Acquisition of SWAT Group Limited on 19 July 2016 extends presence in training and technical compliance support market

Outlook and Current Trading

- Good growth from Risk & Compliance and Insight but a weaker performance from Legal and Finance
- Significant investments in Risk & Compliance
- The outlook for 2016/17 remains unchanged and is on track for the full year
- Acquisition of SWAT Group on 19 July is expected to be earnings enhancing in this financial year

Mark Asplin, Chairman, commented:

“This year has seen Wilmington deliver a positive financial performance overall. Our strategy and vision have been successfully implemented, creating a more compelling offering through a knowledge-based business structure and customer offering. This offering continues to meet customer demand in products and services and in international territories positioning us well for continued profitable growth.

The new financial year has continued to see good growth from Risk & Compliance and Insight but, as expected, a weaker performance from Legal and Finance. We enter the year ahead with a solid platform for growth and good market positions. We will continue to invest across the business to deliver significant organic revenue growth, supplemented by selective earnings enhancing acquisitions consistent with our strategic objectives.”

[1] Constant currency – eliminating the effects of exchange rate fluctuations

[2] Organic Revenue – Revenue eliminating the impact of any acquisitions or disposals made in the year

[3] Adjusted EBITA – see note 3

[4] Adjusted EBITA margins – Adjusted EBITA divided by Revenue

[5] Adjusted Profit before Tax – see note 3

[6] Adjusted Earnings per Share – see note 10

Pedro Ros, Chief Executive Officer, commented:

"We have continued to successfully align our people, processes and products to our new knowledge-based model. We have made excellent strides reorganising, investing and refocusing the business while strengthening our international presence and focusing on areas where we see high potential. This focus has seen us invest in particular in the Compliance business, as well as expanding our Healthcare offerings within our new organisational structure

Clients and communities remain at the centre of everything we do and we are working ever-more efficiently as a unified business. In the year ahead, as we focus on full implementation of our strategy, we will seek to make selective acquisitions and continue to invest in our back office, technology, content and resources platform as well as strengthen our international hubs with the addition of new talent."

This announcement contains inside information as defined in Article 7 of the Market Abuse Regulation.

For further information, please contact:

Wilmington plc	**020 7422 6800**
Pedro Ros, Chief Executive Officer	
Tony Foye, Chief Financial Officer	
FTI Consulting	**020 3727 1000**
Charles Palmer / Emma Appleton	

Notes to Editors

Wilmington plc is the recognised knowledge leader and partner of choice for information, education and networking in Risk & Compliance, Finance and Legal as well as the Insight leader in a number of chosen industries. Capitalised at approximately £210 million, Wilmington floated on the London Stock Exchange in 1995

Chairman's Statement

I am pleased to present my report on Wilmington's results for the twelve months ended 30 June 2016. It has been a positive financial performance overall building on the vision and strategy laid out last year and enhanced by a return to acquiring strategically relevant businesses in our key markets.

The business delivered a good overall finish to the year with revenue up 11% led by organic growth of 2% from our existing businesses enhanced by excellent contributions from the acquisitions made during the year. In particular we have seen continued strong organic growth from our largest and highest margin division, Risk & Compliance which grew 7% organically, supported by revenue and contribution growth from our Finance and Insight divisions. As has been well documented, we continued to experience challenging trading conditions in our Legal division and we have subsequently recognised a reduction in the value of our historic investment in this business with a £15.7m non-cash impairment. The majority of this provision has been against our investment made in 1999 in Central Law Training a business that over the years has generated significant profits and from which our highly successful compliance business has developed.

During the year, Wilmington has continued to successfully navigate challenges and I am pleased with the overall financial outcome with adjusted profit before taxation up 13% to £20.9m in what has been a period of considerable and largely positive change.

Business strategy

Wilmington's strategy is to further develop its business to a knowledge based model and structure focussing on key communities. This structure maximises Wilmington's opportunities to help its clients meet their information, education and networking requirements. As part of this evolution to a knowledge-based model, Wilmington has become more focussed on its core offerings that provide a higher quality of earnings. This focus is reflected in the disposal on 31 July 2015 of certain media assets from its Insight division and in the acquisitions of Financial Research Associates ('FRA') (conference and networking provider of specialist events in healthcare and finance), Wellards (accredited online education for the healthcare industry) and Evantage (healthcare and pharmaceutical analytics solutions) and on 19 July 2016, SWAT Group Limited (training and technical compliance support).

Vision

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

"To be the recognised knowledge leader and partner of choice for information, education and networking in Risk & Compliance, Finance and Legal; as well as the Insight leader in a number of chosen industries."

Our businesses are organised into four distinct knowledge centres, each with agreed ambitious but achievable objectives. We have also allocated and invested in dedicated shared resources globally to support the implementation of our strategy and to ensure we have the personnel, support and systems we need.

The strategy and vision is focussed on maintaining the fundamental objectives of generating high quality income streams in areas where we excel from a people and products perspective, in markets we understand and with communities that we want to establish and develop long term relationships with. Wilmington is actively investing both organically and through acquisition in the areas we see as providing the greatest potential in terms of profitable long term growth; risk & compliance, finance and healthcare. In particular we are looking at ways to leverage our existing technology, promote our stronger established brands, increase our international footprint and develop markets and communities that we see as offering sustainable growth opportunities.

Creating an increasingly integrated business

This focus, together with the corporate website, the Wilmington hub, associated branding and vision helps Wilmington create an even more compelling offering through a knowledge-based model. The promotion of a stronger unified Wilmington brand brings together our market leading positions, other Wilmington brands and will emphasise Wilmington as an increasingly integrated and international business. We have worked hard with our colleagues across the business on agreeing a set of corporate values that we believe embodies our core behaviours and reflects our way of working. This is an important initiative that further promotes a more unified group with common values and a common vision.

Our people

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

Financial and operational targets

I am pleased to report further success and good progress in all of our key financial and operational targets. We have seen continued growth in Adjusted Profit before Tax, Adjusted Earnings per Share, and Return on Equity (adjusted for the £15.7m impairment provision) as well as a consistent level of Return on Sales despite significant investment expenditure. We also monitor cash conversion which we expect to exceed 100% on an annual basis, and in 2016 the conversion rate was 106% (2015: 107%). We will continue to maintain a high proportion of our revenue derived from quality and sustainable income streams and in 2016 revenue from subscriptions and repeatable revenue was 75% of Group revenue (2015: 76%). We continue to seek to increase each year our proportion of revenue generated outside the UK where we see good prospects for long term sustainable growth in many of the major professional markets we operate in. Revenue outside the UK has grown again and was 42% of total revenue compared to 39% last year.

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

Acquisitions

In support of our growth strategy, we will continue to seek selective earning enhancing acquisition opportunities to add additional growth and expertise in our chosen markets. In this context we were delighted to announce three acquisitions during the year all of which were consistent with our strategy of acquiring complementary businesses with high repeat revenues in our chosen knowledge areas and communities. These acquisitions addressed gaps in our offerings by providing networking and education capability in our Insight division as well as extending our international presence.

Cash and borrowings

Net debt, which includes cash and cash equivalents, bank loans (excluding capitalised facility fees) and bank overdrafts, was £34.7m (30 June 2015: £28.6m) an increase of £6.1m on last year during a period of considerable growth and change in which we spent £14.2m (including deferred consideration and net of disposal proceeds) on acquisitions. The Group continues to demonstrate excellent cash generative characteristics with cash conversion[7] of 106% (2015: 107%). These characteristics were recognised by the continued support from our principal bank debt providers who extended the multicurrency £65m debt facility on 1 July 2015 until 1 July 2020. The facility, as well as providing longer term security, flexibility and reduced interest costs is structured so it can be increased to £100m if required with majority lending bank consent.

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

Board changes

As previously announced Paul Dollman was appointed as a Non-Executive Director 16 September 2015 and was appointed Chairman of the Audit Committee on 5 November 2015 and Charles Brady resigned as an Executive Director on 31 December 2015. The nominations committee met and decided that this Executive Director position will not be replaced. Daniel Barton was appointed as Company Secretary on 29 April 2016.

Dividend

I am proud of the Group's record of maintaining its dividend over recent years and the resumption in 2013/14 of a progressive dividend reflecting our improving financial performance. The dividend payment policy remains the same and underpins our confidence in the strategy and vision and the resilience of our business models. I am pleased to confirm that the final dividend for this year will be increased again to 4.3p (2015: 4.0p) per share an increase of 7.5% on last year. This together with an increased interim dividend makes a total dividend of 8.1p up 5.2% from 2015 (7.7p) reflective of confidence in our future. It is the Board's intention to maintain its progressive dividend policy whilst ensuring that suitable dividend cover of at least two times adjusted earnings per share is maintained.

The final dividend of 4.3p per share will be paid on 18 November 2016 to shareholders on the share register as at 21 October 2016.

[7] Cash conversion – see note 20

Current trading and outlook

The new financial year has had a mixed start with good growth from Risk & Compliance and Insight but a weaker performance from Legal and Finance. The Risk & Compliance division which represented just under 40% of our revenue and around 50% of our profit contribution in 2015/16 has enjoyed good initial trading with strong growth continuing in particular from our compliance businesses and has already seen significant investment deployed in several new initiatives. Challenging market conditions remain for our Legal division, and AMT (within the Finance division) has had a slow start partly due to the competition issues previously highlighted but the team is focussed and responding to the challenge. Our Insight division has started the new financial year in line with last year and is benefiting from acquisitions made in 2015/16 which continue to perform well. Our latest acquisition SWAT which sits within our Finance division has had a good start, with integration going well, and we expect it to be earnings enhancing in this current financial year.

We continue to see tighter regulatory control and more complex legislation implemented in most of our key markets and we remain confident that these changes will continue to drive the demand for our products and services globally. Our recent acquisitions provide further opportunities for continued profitable growth as does the uncertainty surrounding Brexit which is discussed further on in this report. You will also read in this year’s report about many exciting investment initiatives including new systems and products for ICT, ICA and Axco and also new regional offices increasing our geographical footprint and providing local market intelligence and further opportunities. This blended investment strategy will be underpinned by our strong cash flow and ability to attract the best talent.

Wilmington has articulated its strategy, vision and ambition and is progressing with confidence in the next stage of its development. We continue to widen our geographical presence, strengthen our back office and operational management teams and invest in new strategic systems. The business continues to offer good opportunities for us to generate attractive returns for shareholders over the long term.

The outlook for 2016/17 remains unchanged and we are on track to meet our expectations. The Board, our management team and our staff are excited and energised about the opportunities driving Wilmington in the next stage in its development.

Mark Asplin
Chairman

Chief Executive Officer's review

I am pleased to present the annual results for the year ended 30 June 2016 which represents my first full year in charge as Chief Executive Officer. Overall it was a successful year reflected in the strong revenue performance which was up 11% (£10.6m) at £105.7m compared to 2015, with acquisitions in the period contributing £8.4m (net of disposals). Adjusted EBITA was up 11% (£2.2m) to £22.6m and Adjusted Profit before Tax was up 13% (£2.5m) to £20.9m with contribution from acquisitions in the period of £2.0m. The stronger relative growth from our higher margin businesses including acquisitions, combined with good overhead control offset declines in the Law for Lawyers businesses, and significant levels of investment particularly in the compliance businesses. The net result was the Adjusted EBITA Margins being maintained at 21.4% (2015: 21.5%).

Adjusted net finance costs were down £0.3m or 14% compared to 2014/15 despite spending £14.2m on acquisitions (including deferred consideration and net of disposal proceeds) in the period reflecting our strong cash flow and the benefits of the new debt facility in place since 1 July 2015. The growth in Adjusted EBITA combined with a reduced interest charge translated into Adjusted Profit before Tax up a pleasing £2.5m (13%) to £20.9m (2015: £18.4m).

A good profit performance overall was delivered across the Group not just from businesses enjoying strong demand but also from those businesses operating in more challenging markets whose contribution to the overall results is none the less as important and is appreciated.

We have continued to make great strides in reorganising, investing in and refocussing the business. Our vision and strategy builds upon the legacy of Wilmington's strong brands and market positions, creating a more compelling offering through a knowledge-based model underpinned by our evolving portfolio of world class digital products and services. Clients and communities remain at the centre of everything we do and we are focussed on working more efficiently and as a more unified business.

Risk & Compliance (37% of Group revenue, 49% of Group contribution[8])

This division provides in depth regulatory and compliance accredited training and information, market intelligence, and analysis. It focuses on the international financial services and international insurance markets as well as the UK pensions industry. The division contains our International Compliance Training ('ICT'), International Compliance Association ('ICA'), Axco, Pendragon, International Company Profile ('ICP'), Compliance Week and Inese businesses. The main community that uses our offerings are risk and compliance officers globally. This is an area which has demonstrated strong underlying organic growth which should be enhanced as we combine the various opportunities into an integrated offering. It also has the highest exposure to International markets of all our divisions.

	2016	**2015**	**Movement**	
	£'m	**£'m**	**£'m**	**%**
Revenue	38.8	36.4	2.4	*7*
Contribution	12.7	11.9	0.8	*7*
Margin %	***33***	***33***		

Divisional revenue increased by 7% (£2.4m) and contribution by 7% (£0.8m) despite investing over £0.8m in additional resources and staff in our compliance business during the year. Margins were maintained at 33%.

Our compliance public courses, aimed at compliance professionals in many industries and geographies, grew by just under 30% and our on line training revenue grew by over 40%. This continued strong performance reflects general demand for accredited compliance training and qualifications supplied globally by ICT and ICA respectively. ICT provides accredited training programmes in anti-money laundering, compliance and financial crime and has developed and continues to develop compliance training programmes in the Banking, Oil & Gas, Pharmaceuticals, Insurance, Healthcare, Betting and Gaming sectors. This increase in public courses and online training demand was to some extent offset by fewer large one off induction assignments which had driven the strong comparator period last year. We also saw very strong growth in demand for accredited compliance training in the Asia Pacific market; serviced through our Singapore and Hong Kong offices.

ICA relaunched its professional membership services and added more content, networking events and other professional support services for compliance professionals. We are now actively building a global networking database of international compliance professionals and are aiming to attract 500,000 unique contact records over the next 18 months. This latter initiative is part of the strategic objective of ICA becoming the global association for compliance professionals and Wilmington becoming the pre-eminent

8 Group contribution of £26,153k (2015: £23,829k) – see note 4

global provider of training, qualifications, information and networking services to the governance, risk and compliance ('GRC') community.

We have invested £0.8m in the period in a number of senior appointments, trainers, sales and administrative support staff together with e-learning capability and compliance programs to expand our infrastructure. This investment will continue into 2016/17 with the continued expansion of regional representative and training offices, starting with a major step change in North American operations which is expected to cost up to £500,000 during 2016/17 and will involve the recruitment of local staff as well as adapting our technical content and programmes. We are also continuing the expansion of International Compliance Association education and training programmes into new geographies and industry sectors as well as investing in new ICA membership benefits including online content library access. In support of this global initiative, further investment will also be made in Compliance Week to expand its geographical reach in terms of events and information coverage.

ICT and ICA are looking to increase still further their international footprint particularly into the EU and, as mentioned above, the US by opening two to three new overseas offices a year. This will give better local market access and networking opportunities as well as facilitating local strategic partnerships and provide additional resources particularly local based trainers. Another exciting initiative is the launch of our new compliance audit business which will help client financial institutions apply for ISO19600, the international standard for compliance management systems covering companies, associations and authorities across all industries.

Growth in compliance continues to be constrained to some extent by the availability of qualified trainers although we have been consistently investing in our own trainer induction and conversion programmes. We still see many opportunities to launch new compliance products in most regulated markets and are focussing our efforts on an industry by industry basis.

Overall, our compliance training businesses (which represent c.40% of the division's revenue) grew 9% in the year.

Compliance Week, our US GRC events and information business saw revenue up 4%. We are investing in new content and technology to reposition the business as a GRC resource centre and events business collaborating with other parts of Wilmington, in particular ICT and ICA. As part of this globalisation strategy we already hold Compliance Week Annual Conferences co-attended with our ICT and ICA businesses in Washington, Brussels and now in Dubai. The flagship event in Washington held in May 2016 enjoyed continued success and again attracted record delegates and sponsorship. For 2016/17 further investment is being made to strengthen the content offering and more topic areas will be added together with supporting databases.

Axco, the industry leading provider of insurance market intelligence, regulation and compliance information reported 5% revenue growth helped by the continued success of its new digital subscription products and the roll out of new insight products which enhanced our analytical insurance offerings. Axco is evaluating a new statistical data product which will allow Axco to further monetarise and leverage the vast quantities of insurance data it holds. Axco is also planning the establishment of local offices and relationship management teams in Asia Pac, the Middle East and in Africa leveraging, in most cases, existing Wilmington offices.

Pendragon which provides compliance information and workflow tools for the UK pensions markets maintained its market leading position. We are completing the beta testing of the new pension legislation platform, 'New Perspective', which continues to generate strong interest from existing and potential new clients. To supplement Pendragon's client offerings we purchased in August 2016 the rights to 'The Guide for Pension Trustees' which will provide further in depth editorial content and resource for Pendragon clients.

ICP which provides company credit reports aimed at credit risk managers had a strong year with revenue up 6% benefitting from the pipeline of orders reported at 30 June 2015 and from continued strong growth in particular in the Middle East and Africa. ICP is proposing to invest £0.3m during 2016 to 2018 in the next generation of client credit reporting and associated website support.

Inese our leading insurance information and events business serving the Spanish Insurance market and, increasingly, clients in South American markets grew revenue by an encouraging 7% in constant currency terms. The Spanish insurance market is showing slow albeit steady recovery which is reflected in increased demand for insurance networking events. In August 2016 we purchased the Inese franchise for the Catalonia region of Spain in order to enhance its revenue growth prospects and help provide uniform insurance offerings across the whole Spanish market.

Overall divisional contribution increased by £0.8m (7%) to £12.7m (2015: £11.9m). Margins were maintained at 33%.

Finance (20% of Group revenue, 17% of Group contribution)

This division includes Wilmington's financial training businesses including AMT and Mercia and the financial networking events of FRA. The consolidated offerings of its finance areas should drive good revenue growth as well as exploit growing international markets. The Finance division provides expert and technical training and support services to professionals in corporate finance and capital markets and to qualified accountants in the UK in both the profession and in industry. This division serves primarily tier 1 banks, the international financial services industry, US Capital Markets and small to medium sized professional accountancy firms.

	2016	**2015**	**Movement**	
	£'m	**£'m**	**£'m**	**%**
Revenue	21.2	18.7	2.5	*13*
Contribution	4.5	4.4	0.1	*2*
Margin %	***21***	***23***		

The division continued its strong overall revenue growth reported at the half year with an increase of £2.5m (13%) compared to 2015, supported by a maiden revenue contribution of £2.1m from FRA technical financial conferences. Underlying growth was 2% excluding FRA. Growth drivers included demand from Tier 1 banks for face to face graduate induction training, and from face to face training demands from professional accountants, particularly around the recent changes to UK accounting standards and the recent additional UK fiscal budget.

AMT in the last quarter suffered from the impact of actions from a group of former AMT trainers and staff which resulted in the loss of two major accounts. As reported in our Interim results and in the May IMS, Wilmington had commenced legal action to protect its position, including the enforcement of certain non-compete obligations and the recovery of compensation for breaches of contract. This legal action was brought to a conclusion, resulting in a reduced net cost of £0.1m compared to an estimated cost of £0.8m indicated in the May 2016 IMS. Despite this and a softening of training for Tier 1 banks in the Asia Pacific region, AMT delivered another good year with revenue only marginally down on what was a record year in 2014/15.

The new-year for AMT has started slowly, partially impacted by the loss of those major accounts reported above and the pipeline of new business is consequently weaker than in 2015/16. AMT, which generates most of its revenue and contribution in the summer months is developing products in adjacent market segments as a source for further future growth.

Technical accountancy training, which represents around 60% of the divisions revenue before the FRA acquisition continues to see increased demand for technical and marketing support and had benefitted from the UK Government's additional July 2015 fiscal budget. Revenue grew by 5%. The acquisition of SWAT Group on 19 July 2016 will provide opportunities for further expansion of technical training not just geographically into the South West of England and London but also into new markets including student training.

FRA financial networking events (acquired in July 2015) contributed revenue of £2.1m. The events suffered from reductions in average delegates compared to 2014/15 (the period before acquisition) mirroring the challenges faced by the wider equity and, in particular, hedge fund markets. FRA events were however profitable in the second half of the year, recovering from a loss making first half albeit ending only marginally profitable overall for the year.

Overall divisional contribution was 2% (£0.1m) ahead of last year at £4.5m (2015: £4.4m). Margins were down to 21% from 23% reflecting the marginal profit impact of FRA financial events.

Legal (15% of Group revenue, 6% of Group contribution)

The Legal division provides a range of training, professional support services and information including Continuing Legal Education ('CLE'), expert witness training, databases and magazines to legal professionals. The business which offered a wide range of services is now focussing on two basic offerings; providing law services to lawyers in the profession and industry and law services for non-lawyers.

	2016	2015	Movement	
	£'m	£'m	£'m	%
Revenue	15.5	16.3	-0.8	*-5*
Contribution	1.7	2.2	-0.5	*-23*
Margin %	***11***	***14***		

The division saw revenue reduce by 5% (£0.8m) continuing the trends reported at the half year. This continued reduction, although disappointing, reflects the challenging market conditions previously reported particularly surrounding reduced demand for face to face training and the proposed change to the Legal profession's CLE rules.

The Law for Lawyers businesses which represent around half of the division's revenue experienced further reduced demand for face to face CLE information, education and conferences. In particular, there has been a larger than expected decline in high margin advertising revenues from some of our annual legal directories and reports which has necessitated further cost reduction measures including the loss of a number of staff positions. During the period, we restructured the publishing arm of the division, reduced the cost base and closed some peripheral legal titles, as well as closing the Waterlow cost drafting service.

Reflecting the continued structural challenges in the Legal market which show no signs of improving and following the Group's decision in February 2016 to restructure the Legal division by reference to the main communities served – Law for Lawyers and Law for non-lawyers, we have decided to reduce the carrying value of goodwill in Ark and Central Law Training ('CLT') which make up the bulk of our Law for lawyers business by £15.7m. This is a non-cash adjustment against investments the bulk of which were made in 1999. CLT and Ark have been good investments for the Group generating over £40m contribution to Group profits between them since acquisition. Also our highly successful compliance business ICT and ICA have all originated from the CLT investment.

CLT Scotland, which operates in a different CLE environment to the rest of the UK, has benefited from increased Scottish Legislation and increased paralegal training demand and saw good revenue growth, up 8%.

Law for non-lawyers lead by Bond Solon had another record year with revenue up 10%; an excellent achievement. The business has been very successful in winning bespoke technical training contracts as well as its core offering of expert witness and witness familiarisation training.

Insight (28% of Group revenue, 28% of Group contribution)

The Insight division increasingly provides analysis and clarity to customer-focused organisations, enabling them to better understand and connect with their markets. This division includes our UK healthcare information businesses, our French language medical news agency, our non-healthcare data suppression, media, and charity information businesses. It also includes the healthcare networking events of FRA.

	2016	2015	Movement	
	£'m	£'m	£'m	%
Revenue	30.2	23.7	6.5	*27*
Contribution	7.3	5.4	1.9	*36*
Margin %	***24***	***23***		

Revenue was up 27% (£6.5m) and, adjusting for adverse currency movements, the Media business disposal (£1.1m revenue in 2015) and the contribution from the three acquisitions in the year of £7.4m, underlying revenue was up 1% in constant currency terms compared to 2015.

Healthcare which now makes up 73% by revenue of this division including the FRA networking events recovered from a mixed start to the year. The trends continued to some extent with a continued reduction in lower margin marketing data and mailing service sales and a loss of some higher margin pharma sales caused by stronger Pan-European competition. These were offset by good growth from NHiS which had a very strong finish to the year (up 9%) and from bespoke marketing support provided by Onmedica recording revenue growth of 18%. Overall healthcare revenue grew 3% in constant currency and was enhanced by contributions from Wellards (£1.0m) and Evantage (£0.3m) acquired in January and March respectively.

NHiS, the provider of business intelligence and data analysis to the pharmaceutical industry, is still seeing more traction from one-off assignments which focus on offering analyst led insightful information. Its offering is strengthened still further by the addition of Evantage product and consultancy support.

APM, our French language medical news agency, saw good underlying growth of 3% in constant currency terms.

From 1 July 2016 we have formally combined all our various UK healthcare businesses (Binleys, Onmedica, NHiS, Wellards and Evantage) into a single unified operation 'Wilmington Healthcare'. Wilmington Healthcare has been created to enable a client focused portfolio of commercial optimisation solutions for the Life Science Industry as well as enhanced value for other healthcare customers. Wilmington Healthcare is led by a single leadership team which enables deeper customer understanding and better alignment of the company's solutions with client needs. Wilmington Healthcare offers customer intelligence, e-learning, digital communications services and analytics capabilities to deliver end to end solutions for increasingly international assignments.

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

FRA healthcare networking events had an excellent maiden performance as part of Wilmington; contributing £6.1m to revenue (£2.1m of finance events are shown under Finance out of a total revenue of £8.2m). FRA's flagship conference RISE Nashville saw very strong delegate and sponsorship sales; this together with buoyant demand for its portfolio of healthcare networking events combined for an excellent second half year performance.

Benefiting from a contribution of £2.0m from acquisitions including FRA, overall contribution increased by 36% (£1.9m) to £7.3m (2015: £5.4m). Adjusting for acquisitions, disposals and the adverse impact of currency (which reduced profits by £0.1m) the underlying contribution was flat. Margins benefitted from the higher margin acquisitions in the period to increase to 24%.

Group overheads

Group overheads, which include Board costs, head office salaries as well as unallocated central overheads, increased by £0.1m (3%) to £3.5m (2015: £3.4m).

Relocation of UK back office function

The Group is relocating its back office functions including financial processing, elements of IT and HR administration to existing freehold premises in Basildon during the period to 31 December 2016. The estimated reorganisation costs are £0.3m shown within adjusting items and there will be further investments totalling £0.3m in fixtures and IT infrastructure during 2016/17. The new location will provide a low cost and efficient centre to support the future growth of the business.

Brexit

Wilmington's business is driven by legislation and regulation changes particularly as they affect our chosen communities. Our biggest and most immediate concern in the run up to the vote on whether the UK will leave the EU was currency volatility. Prior to the vote we sold forward our expected US dollar and Euro surpluses in accordance with our treasury policy for delivery in 2016/17.

At both the plc level and divisional board level we continue to monitor and assess the implications of the United Kingdom leaving the EU and we see the possible impacts in four main areas;

-from the perspective of our international and domestic client base buying our products and services;

-from the perspective of our businesses physically operating or based outside the UK but in the EU;

-from the perspective of attracting and retaining talent from outside the UK and in the EU; and

-from the perspective of currency impacts on revenue and other costs of the business.

The activation of Article 50 and the start of a formal exit negotiation and process will add to existing uncertainty not only for our clients but for our people from the EU working for Wilmington in the UK. The start of the process will inevitably require or result in changes to regulation and legislation for many years to come and we believe on balance this process will be good for demand for our products and services. Our view is that our offerings will continue to be relevant post Brexit for our customers and will evolve to help clients understand and address their own issues and opportunities that Brexit will bring.

Our people are key to the success of our increasingly international business and we employ many citizens from overseas countries including the EU in our UK based businesses. We are committed to retain the services of our colleagues and will continue to recruit and retain the best talent from around the world.

In terms of the pricing of our products our strategy has been to set prices predominantly in the operational currency of our clients i.e. for clients outside the UK we set our prices in Euros, US dollars or in Singapore dollars. As such the Brexit impact on the sterling exchange rate will not directly affect the price of our products to our clients. As our cost base is largely in Sterling we have a natural currency exposure which we typically cover each year by forward sales of currency. For 2016/17 we have sold 10m US dollars at an average rate of $1.46 and 3.5m Euros at €1.26.

We have two businesses based outside the UK in the EU; APM which is our French language medical news agency and Inese our Spanish Insurance information and events business. Both businesses predominantly service their local markets and to a large extent are insulated from the UK's exit from the EU. Currently we see no major operational or financial impacts on these businesses.

Acquisitions

As previously reported Wilmington acquired Financial Research Associates ('FRA') a leading US conference and networking provider of specialist events in healthcare and finance on 6 July 2015 for an initial consideration of £8.5m ($13.0m). FRA enhances our networking capabilities in Finance and in Healthcare.

On 18 January 2016 Wilmington acquired JMH Publishing Limited a leading UK provider of specialist and accredited online education for the healthcare industry which owns the respected trading brand 'Wellards' for cash consideration of £3.4m (net of cash acquired). This acquisition provides education capability to our Healthcare business within our Insight division. Wellards generates 70% of its revenue from subscription with over 90% renewal rates.

On 24 March 2016 Wilmington acquired Evantage a leading UK-based provider of specialist Healthcare and Pharmaceutical Analytics solutions for an initial £1.4m with a working capital adjustment (net of cash acquired) of £0.6m and a deferred cash consideration of up to £4.6m by 2020 based on stretching profit based targets. Evantage enhances Wilmington's analytics capability specifically in healthcare where it has partnered with NHiS for the last five years. The acquisition brings specialist knowledge and experience in the analysis of healthcare admissions, pathway and treatment data as well as industry-leading competence in customer engagement and optimisation solutions for the Life Sciences sector.

The investment in strategically relevant acquisitions continues and after the year end we announced the acquisition of SWAT Group Limited ('SWAT'), a leading provider of training, and technical compliance support to accountancy firms in London and the South West of England. SWAT will form part of the Mercia accountancy training, technical and marketing support business. The consideration was an initial cash payment of £2.4m and a deferred consideration payment of up to £3.0m payable in September 2018 in cash subject to SWAT achieving challenging profit targets over the two financial years ending 30 June 2018.

SWAT which generates 50% of its revenue from subscription based products gives Wilmington a bigger presence in London, and extends the Group's business into the South West of England where Mercia our Accountancy training business has been under-represented. The acquisition also provides Mercia with an opportunity to sell its technical and marketing services to SWAT's clients as well as providing access to the accountancy student training market. The Business will form part of the Finance Division.

Executive team

To support our exciting growth strategy we have made a number of senior appointments during the year including a new CTO and a Group HR Director and, in July 2016, an e-learning Director. In recognition of our international ambitions we have appointed in August 2016 a Managing Director of the Asia Pacific region to mirror the structure we have in North America. This position will provide further support for our growing presence in this key market, in particular helping us identify new opportunities for Axco, AMT and ICP.

Pedro Ros
Chief Executive Officer

Financial review

Adjusting items

Reference is made in this financial review to adjusted results. Adjusted results in the opinion of the Directors provide a more comparable indication of the Group's underlying financial performance and exclude adjusting items set out in note 6.

	2016	2015	Movement	
	£'m	£'m	£'m	%
Revenue	105.7	95.1	10.6	*11*
Adjusted EBITA	22.6	20.4	2.2	*11*
EBITA Margin %	***21.4***	***21.5***		

Revenue

For the twelve months 30 June 2016 revenue increased by £10.6m (11%) to £105.7m (2015: £95.1m). On a constant currency basis underlying revenue was also up 11%.

Net operating expenses

Net operating expenses, excluding adjusting items, were £83.1m (2015: £74.7m) up 11% in line with revenue.

Adjusting items net operating expenses

Adjusting items net operating expenses were £2.4m (2015: £1.1m). Items include £1.7m relating to acquisitions costs and deferred consideration, £0.1m in relation to the net costs of the AMT legal action, £0.6m in relation to the legal reorganisation and the movement of the UK back office finance and HR functions from London to Basildon.

Amortisation

Amortisation of intangible assets (excluding computer software) was £5.5m, compared to £6.1m in the previous year. The reduction reflects acquisitions made in the period offset by the impact of previous acquisitions now fully amortised.

Impairment of goodwill

A non-cash impairment of £15.7m has been made against the goodwill values in CLT and in Ark which form the bulk of the Law for Lawyers business. This impairment reflects the impact of structural changes in the legal training market. CLT was acquired by Wilmington plc in May 1999 and during the time that CLT has been part of Wilmington it has contributed a total of £36.8m profits to the group. Ark was acquired by Wilmington plc in October 2005. During the time that Ark has been part of the Wilmington it has contributed a total of £4.5m profits to the group. Further information is given in note 12.

Share based payments

The share based payment expense in the year was at £0.6m compared to £0.9m in 2014/15. 2014/15 included £0.1m of additional cost in respect of compensation of loss of office due to a former Director.

Operating (loss)/profit (EBITA)

Operating profit was down £13.8m to an operating loss of £1.5m from a profit of £12.3m in 2015 due to the non-cash impairment of £15.7m offset by increased trading contribution. Adjusted EBITA was up £2.2m (11%) at £22.6m (2015: £20.4m). Adjusted EBITA margins were 21.4% (2015: 21.5%).

Net finance costs

Net finance costs before adjusting items which consist of interest payable and bank charges were down 14% to £1.7m from £2.0m despite spending £14.2m on acquisitions (including deferred consideration and net of disposal proceeds) in the period which contributed to net debt increasing by £6.1m to £34.7m. This reduction in interest payable is reflective of lower applicable loan margins associated with the new debt facility put in place on 1 Jul 2015. Adjusting items included in net finance costs of £0.2m relate to the previous loan facility fees written off when the new loan facility was put in place.

Net debt in the twelve months to 30 June 2016 ended at £34.7m compared to £28.6m at the end of June 2015; a net increase of £6.1m. On 1 July 2015 Wilmington plc extended its loan facility for a further five years until 1 July 2020.

Taxation

Taxation increased by £0.4m (17%) to £2.8m from £2.4m. The increase in the tax expense is due to an increase in profits before tax before the impairment provision of £15.7m of 19% offset by a reduction to UK corporation tax rates. The effective tax rate is 23.2% (adding back the impairment of £15.7m) compared to 23.6% in 2015.The underlying tax rate which ignores the tax effects of adjusting items decreased from 23.1% to 22.4%. These reductions reflect, inter alia, the reduction in UK corporation tax rates during the year.

(Loss)/profit before taxation

The non-cash impairment of £15.7m resulted inter alia in a loss before tax of £3.4m (2015: profit £10.3m) a reduction overall of £13.7m. Adjusted Profit before Tax increased by 13% (£2.5m) to £20.9m from £18.4m.

(Loss)/earnings per share
Adjusted Basic Earnings per Share increased by 14% to 18.69p (2015: 16.42p). Basic loss per share was 7.39p compared to a profit per share of 8.96p and diluted loss per share was 7.39p compared to a profit of 8.83p.

Goodwill
Goodwill decreased by £6.3m from £77.1m to £70.8m due to the impairment of £15.7m, exchange rate movements of £1.4m in the period, offset by additions of £8.0m arising from acquisitions made in the period.

Intangible assets
Intangible assets increased by £5.4m reflecting £10.0m from acquisitions made in the year and other additions, mainly computer software, of £0.9m and exchange rate movements of £1.3m offset by amortisation of £6.8m.

Property, plant and equipment
Property, plant and equipment decreased by £0.2m to £4.6m reflecting additions to tangible fixed assets of £0.7m (2015: £0.8m) offset by depreciation of £0.9m.

Trade and other receivables
Trade and other receivables increased by £4.4m reflecting acquisitions which added £1.2m, higher trading activity particularly in the last three months for Compliance, Axco and NHiS and the £0.6m effect of foreign exchange movements.

Trade and other payables, subscriptions and deferred revenue
Trade and other payables increased by £1.2m to £21.6m (2015: £20.4m) reflecting, inter alia, acquisitions in the period. Subscriptions and deferred revenue increased by £3.1m or 16% to £22.3m (2015: £19.2m). Acquisitions accounted for £2.1m of the increase, foreign exchange was £0.3m and organic growth was £0.7m or 3%. Risk & Compliance grew by £1.1m (12%), this was offset by marginal declines in the Legal, Finance and Insight divisions. Within Risk & Compliance the compliance deferred revenue was up 43% and Axco was up 12%. Within Insight, healthcare, excluding acquisitions was up 10% including a 26% increase in NHiS.

Current tax liabilities
Current tax liabilities increased from £0.8m to £1.6m reflecting acquisitions in the period and higher tax associated with higher overall group profits.

Net debt
Net debt, which includes cash and cash equivalents, bank loans (excluding capitalised facility fees) and bank overdrafts, was £34.7m (30 June 2015: £28.6m) an increase of £6.1m (£1.1m relates to foreign exchange movements). Acquisition costs (including deferred consideration and net of disposal proceeds) of £14.2m were offset by cash conversion of 106% (2015: 107%). Net debt at June 2016 represented 53% of our debt and overdraft facility of £65m. This facility was extended on 1 July 2015 to 1 July 2020. In accordance with accounting standards all of the bank loans and overdrafts ('borrowings') in 2015 were shown under current liabilities as the £65m debt facility at 1 July 2015 was repayable within one year.

Financial risks
The Group is exposed to foreign exchange risks, liquidity and capital risks and credit risks, the foreign exchange loss in the year was £0.2m (2015: £0.3m). The Group has policies that mitigate these risks.

Share capital
During the year 0.5m new ordinary shares of £0.05 were issued in settlement of shares vesting under the Group's Performance Share Plan. This resulted in an increase to share capital of £23,914.

Dividend
It is the Board's intention to pay a progressive dividend whilst ensuring a cover of at least two times the Group's adjusted earnings per share over the dividend per share in respect of the year. A final dividend of 4.3p per share (2015: 4.0p) will be paid on 18 November 2016 to shareholders on the register as at 21 October 2016.

Tony Foye
Chief Financial Officer

Statement of Directors' Responsibilities

The statement of Directors' responsibilities below has been prepared in connection with the company's full annual report for the year ended 30 June 2016. Certain parts of the annual report have not been included in this announcement as set out in note 1 of the financial information.

We confirm to the best of our knowledge that:

- the consolidated financial statements, which have been prepared in accordance with IFRSs as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit of the group and the undertakings included in the consolidation taken as a whole;
- the management report represented by the report of the Directors, and material incorporated by reference, includes a fair review of the development and performance of the business and the position of the group and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face; and
- the annual report, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to access the company's performance, business model and strategy.

This responsibility statement was approved by the board of Directors on 13 September 2016 and is signed on its behalf by:

Tony Foye
Chief Financial Officer

Consolidated Income Statement for the year ended 30 June 2016

	Notes	**Adjusted results June 2016 £'000**	**Adjusting items (note 6) June 2016 £'000**	**Statutory results June 2016 £'000**	Adjusted results June 2015 £'000	Adjusting items (note 6) June 2015 £'000	Statutory results June 2015 £'000
Continuing operations							
Revenue	4	**105,724**	**—**	**105,724**	95,087	—	95,087
Net operating expenses	5	**(83,119)**	**(2,352)**	**(85,471)**	(74,669)	(1,112)	(75,781)
Amortisation	6	**—**	**(5,545)**	**(5,545)**	—	(6,118)	(6,118)
Share based payments	6	**—**	**(563)**	**(563)**	—	(918)	(918)
Impairment of goodwill	12	**—**	**(15,659)**	**(15,659)**	—	—	—
Operating profit/(loss)		**22,605**	**(24,119)**	**(1,514)**	20,418	(8,148)	12,270
Net finance costs	7	**(1,695)**	**(225)**	**(1,920)**	(1,974)	—	(1,974)
Profit/(loss) before tax		**20,910**	**(24,344)**	**(3,434)**	18,444	(8,148)	10,296
Taxation	8			**(2,841)**			(2,429)
Profit/(loss) for the year				**(6,275)**			7,867
Attributable to:							
Owners of the parent				**(6,418)**			7,737
Non-controlling interests	19			**143**			130
				(6,275)			7,867
Earnings per share attributable to the owners of the parent:							
Basic (p)	10			**(7.39p)**			8.96p
Diluted (p)	10			**(7.39p)**			8.83p
Adjusted earnings per share attributable to the owners of the parent:							
Basic (p)	10	**18.69p**			16.42p		
Diluted (p)	10	**18.53p**			16.19p		

Consolidated Statement of Comprehensive Income for the year ended 30 June 2016

	Year ended 30 June 2016 £'000	Year ended 30 June 2015 £'000
(Loss)/profit for the year	**(6,275)**	7,867
Other comprehensive income:		
Items that may be reclassified subsequently to the income statement		
Fair value movements on interest rate swaps (net of tax)	**(622)**	116
Currency translation differences	**2,966**	578
Net investment hedges (net of tax)	**(1,474)**	(265)
Other comprehensive income for the year, net of tax	**870**	429
Total comprehensive (expense)/income for the year	**(5,405)**	8,296
Attributable to:		
– Owners of the parent	**(5,548)**	8,166
– Non-controlling interests	**143**	130
	(5,405)	8,296

Balance Sheets as at 30 June 2016

	Notes	Group 2016 £'000	Group 2015 £'000
Non-current assets			
Goodwill	12	**70,763**	77,063
Intangible assets	13	**29,038**	23,636
Property, plant and equipment	14	**4,628**	4,841
Deferred tax assets		**942**	562
		105,371	106,102
Current assets			
Trade and other receivables	15	**26,121**	21,696
Cash and cash equivalents		**14,642**	9,194
Derivative financial instruments	16	**—**	338
		40,763	31,228
Assets of disposal group held for sale	11	**—**	895
		40,763	32,123
Total assets		**146,134**	138,225
Current liabilities			
Trade and other payables	17	**(43,896)**	(39,575)
Current tax liabilities		**(1,553)**	(793)
Deferred consideration – cash settled		**(1,272)**	—
Derivative financial instruments	16	**(1,013)**	—
Borrowings	18	**(2,204)**	(37,655)
		(49,938)	(78,023)
Liabilities of disposal group held for sale	11	—	(445)
		(49,938)	(78,468)
Non-current liabilities			
Borrowings	18	**(46,697)**	—
Deferred consideration – cash settled		**(1,370)**	(273)
Derivative financial instruments	16	**(1,037)**	(423)
Deferred tax liabilities		**(3,989)**	(3,762)
Provisions for future purchase of non-controlling interests		**(100)**	(100)
		(53,193)	(4,558)
Total liabilities		**(103,131)**	(83,026)
Net assets		**43,003**	55,199
Equity			
Share capital		**4,349**	4,325
Share premium		**45,225**	45,225
Treasury shares		**(96)**	(96)
Share based payments reserve		**886**	1,052
Translation reserve		**2,602**	(364)
Retained earnings		**(10,116)**	4,780
Equity attributable to owners of the parent		**42,850**	54,922
Non-controlling interests	19	**153**	277
Total equity		**43,003**	55,199

Statements of Changes in Equity for the year ended 30 June 2016

	Share capital, share premium and treasury shares £'000	Share based payments reserve £'000	Translation reserve £'000	Accumulated (losses)/ retained earnings £'000	Total £'000	Non-controlling interests (note 19) £'000	Total equity £'000
Group							
At 1 July 2014	**48,658**	**911**	**(942)**	**3,782**	**52,409**	**235**	**52,644**
Profit for the year	—	—	—	7,737	7,737	130	7,867
Other comprehensive income for the year	—	—	578	(149)	429	—	429
	48,658	911	(364)	11,370	60,575	365	60,940
Dividends	—	—	—	(6,370)	(6,370)	(88)	(6,458)
Issue of share capital	14	—	—	(20)	(6)	—	(6)
Share based payments	—	752	—	—	752	—	752
Tax on share based payments	—	—	—	(27)	(27)	—	(27)
Reissue of treasury shares	782	(611)	—	(173)	(2)	—	(2)
At 30 June 2015	**49,454**	**1,052**	**(364)**	**4,780**	**54,922**	**277**	**55,199**
Loss for the year	—	—	—	(6,418)	(6,418)	143	(6,275)
Other comprehensive income for the year	—	—	2,966	(2,096)	870	—	870
	49,454	1,052	2,602	(3,734)	49,374	420	49,794
Dividends	—	—	—	(6,782)	(6,782)	(141)	(6,923)
Issue of share capital	24	(636)	—	612	—	—	—
Share based payments	—	470	—	—	470	—	470
Tax on share based payments	—	—	—	(4)	(4)	—	(4)
Movements in non-controlling interests	—	—	—	(208)	(208)	(126)	(334)
At 30 June 2016	**49,478**	**886**	**2,602**	**(10,116)**	**42,850**	**153**	**43,003**

Cash Flow Statements for the year ended 30 June 2016

	Notes	Group Year ended 30 June 2016 £'000	Group Year ended 30 June 2015 £'000
Cash flows from operating activities			
Cash generated from operations before adjusting items	20	**23,872**	21,880
Cash flows for adjusting items - operating activities		**(186)**	(1,363)
Cash flows for adjusting items - share based payments		**(180)**	(230)
Cash generated from operations		**23,506**	20,287
Interest paid		**(1,502)**	(1,883)
Tax paid		**(3,197)**	(3,680)
Net cash generated from operating activities		**18,807**	14,724
Cash flows from investing activities			
Purchase of businesses net of cash acquired		**(13,912)**	(173)
Proceeds from disposal group held for sale		**343**	—
Deferred consideration paid		**(330)**	(343)
Purchase of non-controlling interests		**(334)**	—
Cash flows for adjusting items - investing activities		**(540)**	—
Purchase of property, plant and equipment		**(641)**	(829)
Proceeds from disposal of property, plant and equipment		**11**	65
Purchase of intangible assets		**(870)**	(1,738)
Net cash used in investing activities		**(16,273)**	(3,018)
Cash flows from financing activities			
Dividends paid to owners of the parent		**(6,782)**	(6,370)
Dividends paid to non-controlling interests		**(141)**	(88)
Share issuance costs		**(5)**	(6)
Cash flows for adjusting items - financing activities		**(631)**	—
Increase/(decrease) in bank loans		**7,696**	(1,000)
Net cash generated/(used) in financing activities		**137**	(7,464)
Net increase in cash and cash equivalents, net of bank overdrafts		**2,671**	4,242
Cash and cash equivalents, net of bank overdrafts at beginning of the year		**8,698**	4,378
Exchange gains on cash and cash equivalents		**1,069**	78
Cash and cash equivalents, net of bank overdrafts at end of the year		**12,438**	8,698
Reconciliation of net debt			
Cash and cash equivalents at beginning of the year		**9,194**	5,020
Bank overdrafts at beginning of the year		**(496)**	(642)
Bank loans at beginning of the year	18	**(37,306)**	(38,041)
Net debt at beginning of the year		**(28,608)**	(33,663)
Net increase/(decrease) in cash and cash equivalents (net of bank overdrafts)		**3,740**	4,320
Net (drawdown)/repayment in bank loans		**(7,696)**	1,000
Exchange loss on bank loans		**(2,124)**	(265)
Cash and cash equivalents at end of the year		**14,642**	9,194
Bank overdrafts at end of the year		**(2,204)**	(496)
Bank loans at end of the year	18	**(47,126)**	(37,306)
Net debt at end of the year		**(34,688)**	(28,608)

Notes to the Financial Statements

1. Nature of the financial statements

The following financial information does not amount to full financial statements within the meaning of Section 434 of Companies Act 2006. The financial information has been extracted from the Group's Annual Report and Financial Statements for the year ended 30 June 2016 on which an unqualified report has been made by the Company's auditors.

Financial statements for the year ended 30 June 2015 have been delivered to the Registrar of Companies; the report of the auditors on those accounts was unqualified and did not contain a statement under Section 498 of the Companies Act 2006. The 2016 statutory accounts will be delivered in due course.

Copies of the Annual Report and Financial Statements will be posted to shareholders shortly and will be available from the Company's registered office at 6-14 Underwood St, London, N1 7JQ.

2. Statement of Accounting Policies

The preliminary announcement for the year ended 30 June 2016 has been prepared in accordance with International Financial Reporting Standards as adopted by the European Union. The accounting policies applied in this preliminary announcement are consistent with those reported in the Group's annual financial statements for the year ended 30 June 2015 along with new standards and interpretations which became mandatory for the financial year.

3. Measures of profit

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

- amortisation of intangible assets - publishing rights, titles and benefits;
- impairment of goodwill;
- share based payments;
- adjusting items; and
- net finance costs.

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

	Year ended 30 June 2016 £'000	Year ended 30 June 2015 £'000
(Loss)/profit before tax	**(3,434)**	10,296
Amortisation of intangible assets - publishing rights, titles and benefits	**5,545**	6,118
Impairment of goodwill	**15,659**	—
Share based payments (including social security costs)	**563**	918
Adjusting items (included in operating expenses)	**2,352**	1,112
Net finance costs	**1,920**	1,974
Adjusted operating profit ('Adjusted EBITA')	**22,605**	20,418
Depreciation of property, plant and equipment	**911**	918
Amortisation of intangible assets - computer software	**1,050**	1,005
Adjusted EBITA before depreciation ('Adjusted EBITDA')	**24,566**	22,341

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

	Year ended 30 June 2016 £'000	Year ended 30 June 2015 £'000
(Loss)/profit before tax	**(3,434)**	10,296
Amortisation of intangible assets - publishing rights, titles and benefits	**5,545**	6,118
Impairment of goodwill	**15,659**	—
Share based payments	**563**	918
Adjusting items (included in operating expenses)	**2,352**	1,112
Adjusting items (included in net finance costs)	**225**	—
Adjusted profit before tax	**20,910**	**18,444**

4. Segmental information

In accordance with IFRS 8 the Group's operating segments are based on the operating results reviewed by the Board, which represents the chief operating decision maker. The Group reports its results in four segments as this accurately reflects the way the Group is managed.

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

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

(a) Business segments

	Revenue Year ended 30 June 2016 £'000	**Contribution Year ended 30 June 2016 £'000**	Revenue Year ended 30 June 2015 £'000	Contribution Year ended 30 June 2015 £'000
Risk & Compliance	**38,802**	**12,678**	36,416	11,856
Finance	**21,219**	**4,473**	18,711	4,382
Legal	**15,524**	**1,686**	16,250	2,201
Insight	**30,179**	**7,316**	23,710	5,390
	105,724	**26,153**	95,087	23,829
Unallocated central overheads	**—**	**(3,548)**	—	(3,411)
	105,724	**22,605**	95,087	20,418
Amortisation of intangible assets – publishing rights, titles and benefits		**(5,545)**		(6,118)
Impairment of goodwill		**(15,659)**		—
Share based payments		**(563)**		(918)
Adjusting items (included in operating expenses)		**(2,352)**		(1,112)
Net finance costs		**(1,920)**		(1,974)
(Loss)/profit before tax		**(3,434)**		10,296
Taxation		**(2,841)**		(2,429)
(Loss)/profit for the financial year		**(6,275)**		7,867

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

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

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

Contribution is defined as Adjusted EBITA excluding unallocated central overheads.

(b) Segmental information by geography

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

	Year ended 30 June 2016 £'000	Year ended 30 June 2015 £'000
UK	**61,321**	57,797
Europe (excluding the UK)	**15,859**	16,248
North America	**19,030**	10,683
Rest of the World	**9,514**	10,359
Total revenue	**105,724**	95,087

5. Net operating expenses

	Year ended 30 June 2016 £'000	Year ended 30 June 2015 £'000
Cost of sales	**30,455**	27,992
Distribution and selling costs	**19,623**	17,679
Administrative expenses	**31,991**	27,993
Amortisation of intangible assets - computer software	**1,050**	1,005
Net operating expenses before adjusting items	**83,119**	74,669
Adjusting items (included in operating expenses)	**2,352**	1,112
Net operating expenses	**85,471**	75,781

6. Profit from continuing operations

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

	Year ended 30 June 2016 £'000	Year ended 30 June 2015 £'000
Depreciation of property, plant and equipment	**911**	918
Amortisation of intangible assets - publishing rights, titles and benefits	**5,545**	6,118
Amortisation of intangible assets - computer software	**1,050**	1,005
Profit on disposal of property, plant and equipment	**(4)**	(21)
Rentals under operating leases	**1,110**	959
Adjusting items (included in operating expenses)	**2,352**	1,112
Impairment of goodwill	**15,659**	—
Share based payments (including social security costs)	**563**	918
Foreign exchange loss (including forward currency contracts)	**202**	282
Fees payable to the Auditors for the audit of the Company and consolidated financial statements	**110**	65
Fees payable to the Auditors and its associates for other services:		
– The audit of the Company's subsidiaries pursuant to legislation	**280**	211
– Audit-related assurance services	**41**	24
– Tax compliance services	**54**	23
– Tax advisory services	**100**	116

b) Adjusting items:

The following items have been charged/(credited) to profit or loss during the year but are of an unusual nature, size or incidence and so are shown separately:

	Year ended 30 June 2016 £'000	Year ended 30 June 2015 £'000
Increase in liability for deferred consideration relating to the purchase of FRA	**1,019**	—
Increase/(decrease) in liability for deferred consideration relating to the purchase of NHiS	**63**	(402)
Costs written off relating to both successful and aborted acquisitions	**585**	22
	1,667	(380)
Legal claim costs (net of settlement received)	**73**	—
Restructuring and rationalisation costs	**612**	992
Compensation for loss of office	**—**	500
Other adjusting items (included in operating expenses)	**2,352**	1,112
Costs relating to the extension of the loan facility	**225**	—
Amortisation of intangible assets - publishing rights, titles and benefits	**5,545**	6,118
Share based payments	**563**	918
Impairment of goodwill	**15,659**	—
Total adjusting items (classified in profit before tax)	**24,344**	8,148

The increase in the liability for deferred consideration relate to Financial Research Associates ('FRA') and NHiS. Successful and aborted acquisitions relate to the acquisition of FRA, JMH Publishing (trading as Wellards), Evantage Consulting and other aborted acquisitions.

Legal claim costs represent the net cost of legal expenses incurred, inter alia, to enforce certain non-compete obligations net of an agreed repayment from the third party being pursued. Restructuring and rationalisation costs comprise primarily of redundancy and property costs following the Group's decision to relocate part of the finance function from its head offices in central London to our existing freehold premises in Basildon, Essex.

7. Net finance costs

	Year ended 30 June 2016 £'000	Year ended 30 June 2015 £'000
Finance costs comprise:		
Interest payable on bank loans and overdrafts	**1,564**	1,754
Amortisation of capitalised loan arrangement fees	**131**	220
	1,695	1,974
Adjusting items – extension of loan facility costs	**225**	—
	1,920	1,974

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

8. Taxation

	Year ended 30 June 2016 £'000	Year ended 30 June 2015 £'000
Current tax:		
UK corporation tax at current rates on UK profits for the year	**2,520**	2,392
Adjustments in respect of previous years	**125**	16
	2,645	2,408
Foreign tax	**1,272**	895
Adjustment in respect of previous years	**73**	36
Total current tax	**3,990**	3,339
Deferred tax credit	**(971)**	(715)
Effect on deferred tax of change in corporation tax rate	**(178)**	(195)
Total deferred tax	**(1,149)**	(910)
Taxation	**2,841**	2,429

Factors affecting the tax charge for the year:

The effective tax rate is higher (2015: higher) than the average rate of corporation tax in the UK of 20.00% (2015: 20.75%). The differences are explained below:

	Year ended 30 June 2016 £'000	Year ended 30 June 2015 £'000
(Loss)/profit before tax	**(3,434)**	10,296
Profit multiplied by the average rate of corporation tax in the year of 20.00% (2015: 20.75%)	**(687)**	2,136
Tax effects of:		
Depreciation and amortisation in excess of capital allowances	**234**	192
Impairment of goodwill not deductible for tax purposes	**3,132**	—
Foreign tax rate differences	**233**	242
Adjustment in respect of previous years	**198**	52
Other items not subject to tax	**(91)**	2
Effect on deferred tax of change of corporation tax rate	**(178)**	(195)
Taxation	**2,841**	2,429

On 26 October 2015, the UK corporation tax rate was reduced from 20% to 19% from 1 April 2017 and from 19% to 18% from 1 April 2020. This change has been substantively enacted at the balance sheet date and, therefore, is included in these financial statements. Deferred tax assets and liabilities are measured at the rates that are expected to apply in the periods of the reversal, deferred tax balances at 30 June 2016 have been calculated using the above rates giving rise to a reduction in the net deferred tax liability of £178,000 (2015: £195,000). The Company's profits for this accounting year are taxed at an effective rate of 20.00%.

Included in other comprehensive income are tax credits of £155,000 and £369,000 relating to the interest rate swaps and net investment hedges respectively.

9. Dividends

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

	Year ended 30 June 2016 pence per share	Year ended 30 June 2015 pence per share	**Year ended 30 June 2016 £'000**	Year ended 30 June 2015 £'000
Final dividends recognised as distributions in the year	**4.0**	3.7	**3,478**	3,082
Interim dividends recognised as distributions in the year	**3.8**	3.7	**3,304**	3,288
Total dividends paid			**6,782**	6,370
Final dividend proposed	**4.3**	4.0	**3,738**	3,458

10. Earnings per share

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

- amortisation of intangible assets – publishing rights, titles and benefits;
- impairment of goodwill;
- share based payments;
- adjusting items included in operating expenses; and
- adjusting items included in net finance costs.

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

	Year ended 30 June 2016 £'000	Year ended 30 June 2015 £'000
(Loss)/earnings from continuing operations for the purpose of basic earnings per share	**(6,418)**	7,737
Add/(remove):		
Amortisation of intangible assets – publishing rights, titles and benefits	**5,545**	6,118
Impairment of goodwill	**15,659**	—
Adjusting items (included in operating expenses)	**2,352**	1,112
Adjusting items (included in net finance costs)	**225**	—
Share based payments	**563**	918
Tax effect of adjustments above	**(1,691)**	(1,698)
Adjusted earnings for the purposes of adjusted earnings per share	**16,235**	14,187

	Number	Number
Weighted average number of ordinary shares for the purposes of basic and adjusted earnings per share	**86,846,236**	86,389,533
Effect of dilutive potential ordinary shares:		
Future exercise of share awards and options	**772,980**	1,154,643
Deferred consideration to be settled by equity	**—**	107,059
Weighted average number of ordinary shares for the purposes of diluted and adjusted diluted earnings per share	**87,619,216**	87,651,235
Basic (loss)/earnings per share	**(7.39p)**	8.96p
Diluted (loss)/earnings per share	**(7.39p)**	8.83p
Adjusted basic earnings per share ('Adjusted Earnings Per Share')	**18.69p**	16.42p
Adjusted diluted earnings per share	**18.53p**	16.19p

On 8 January 2016, Wilmington settled the final deferred consideration owing to certain of the Sellers of NHiS. The settlement was made in cash in full and no further obligation exists.

11. Acquisitions and disposals

All below acquisitions have been financed out of the extended £65.0m multi-currency revolving credit facility.

a) Acquisitions – FRA – July 2015

On 6 July 2015 Wilmington FRA Inc. acquired the trading assets and the assumption of certain liabilities of Financial Research Associates ('FRA') a leading US conference and networking provider of specialist events in healthcare and finance from Financial Research Associates LLC (the 'Seller'). FRA was acquired for initial consideration of $13,034,683 (£8,376,938) in cash. Subsequently, a further payment of $142,923 (£91,852) was made to the Sellers in respect of a final working capital adjustment.

Initially, deferred consideration totalling up to a maximum of $3,000,000 was payable in cash to the Seller in equal instalments on 1 July 2016 and 1 July 2017 conditional upon the continued employment of the management team. Following the resignation of the FRA Chief Executive Officer in May 2016 Wilmington have agreed with the Sellers that only $1,500,000 will be payable in cash to the Seller on 1 July 2016. An expense of $1,500,000 (£1,019,000) has been recognised in the income statement as an adjusting item – deferred consideration (note 6b).

Further contingent consideration of up to $4,600,000 is potentially payable in cash subject to FRA achieving challenging revenue and profit targets over the two financial years ending 30 June 2016 and 30 June 2017.

Acquisition related costs of £166,000 have been expensed as an adjusting item in the income statement (see note 6b).

The acquisition of FRA is consistent with Wilmington's strategy of acquiring complementary businesses with high repeat revenues and strong, cash generative income streams in the Group's key markets. FRA's business provides Wilmington with additional networking expertise and will support the Insight and Finance divisions.

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

	£'000
Purchase consideration:	
Initial cash paid	8,377
Final working capital adjustment	92
Total consideration	**8,469**

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

	£'000
Intangible assets – Customer relationships - Delegates	672
Intangible assets – Customer relationships - Sponsors	1,336
Intangible assets – Brand	862
Intangible assets – Tax amortisation benefit	1,848
Total intangible assets (see note 13)	**4,718**
Trade and other receivables (net of allowances)	353
Trade and other payables	(193)
Subscriptions and deferred revenue	(1,127)
Net identifiable assets acquired	**3,751**
Goodwill (see note 12)	4,718
Net assets acquired	**8,469**

The goodwill is attributable to FRA's strong position and profitability in trading in specialist events in the US healthcare and finance sectors and synergies to arise with other Wilmington businesses in the US and in the Insight and Finance divisions after the acquisition. The estimated useful economic life of the intangibles is as follows:

Intangible assets – Customer relationships - Delegates	5 years
Intangible assets – Customer relationships - Sponsors	10 years
Intangible assets – Brand	5 years
Intangible assets – Tax amortisation benefit	15 years

The acquired business contributed revenues of $11,941,357 (£8,168,822) and contribution of $2,180,219 (£1,556,807) to the Group for the period from the date of acquisition to 30 June 2016 which equates to a full years revenue and contribution had it been acquired on 1 July 2015.

11. Acquisitions and disposals (continued)

b) Disposals – Media Brands – July 2015

The assets and liabilities relating to the Knowledge, KFTV and Production Intelligence (Media Brands that formed part of the Insight division) were disposed of on 31 July 2015 for sale proceeds of £343,000 (net of a working capital adjustment). The assets and liabilities of the Media Brands were held for sale at 30 June 2015.

c) Non-controlling interests acquired – October 2015 and December 2015

In October 2015 the Group purchased the remaining 20% shareholding in Mercia Ireland Limited and Mercia NI Limited for £75,000, making them wholly owned subsidiaries. In December 2015 the Group purchased an additional 8.75% shareholding in Wilmington Millennium Limited for £259,000 taking the Group's holding to 91.25%.

d) Deferred consideration settlement – NHiS – January 2016

On 8 January 2016, Wilmington settled the final deferred consideration owing of £330,000 paid in cash.

e) Acquisition – JMH Publishing (trading as 'Wellards') – January 2016

On 18 January 2016 Wilmington Healthcare Limited acquired the entire issued share capital of JMH Publishing Limited ('JMH'), a leading UK provider of specialist and accredited online education for the healthcare industry, which owns the respected trading brand 'Wellards' from Assetbond Limited and certain individuals (the 'Sellers'). JMH was acquired for initial consideration of £4,200,000 paid in cash. Subsequently, a further payment of £658,534 was made to the Sellers in respect of a final working capital adjustment.

Acquisition related costs of £170,719 have been expensed as an adjusting item in the income statement (see note 6b).

JMH will provide education capability to our Insight division and the acquisition is consistent with Wilmington's strategy of acquiring complementary businesses with high repeat revenues (70% of its revenue is subscription based with over 90% renewal rates) and strong, cash generative income streams in Wilmington's key communities.

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

	£'000
Purchase consideration:	
Initial cash paid	4,200
Final working capital adjustment	659
Total consideration	**4,859**

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

	£'000
Intangible assets – Customer relationships and brand	3,094
Intangible assets – Accreditation	275
Total intangible assets (see note 13)	**3,369**
Property, plant & equipment	35
Trade and other receivables (net of allowances)	590
Cash and cash equivalents	1,436
Trade and other payables	(200)
Current tax liabilities	(178)
Subscriptions and deferred revenue	(984)
Deferred tax liabilities	(674)
Net identifiable assets acquired	**3,394**
Goodwill (see note 12)	1,465
Net assets acquired	**4,859**

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

Intangible assets – Customer relationships and brand	10 years
Intangible assets – Accreditation	10 years

The acquired business contributed revenues of £975,203 and contribution of £341,611 to the Group for the period from the date of acquisition to 30 June 2016. Had Wellards been consolidated from 1 June 2015 the consolidated Income Statement would include pro-forma revenue of £1,457,124 and contribution of £514,117.

11. Acquisitions and disposals (continued)

f) Acquisition – Evantage Consulting – March 2016

On 24 March 2016 NHIS Limited acquired the entire issued share capital of Evantage Consulting Limited ('Evantage'), a leading UK based provider of specialist Healthcare and Pharmaceutical Analytics solutions. Evantage was acquired for initial consideration of £1,400,000 paid in cash. Subsequently, a further payment of £1,296,746 was made to the Sellers in respect of a final working capital adjustment.

Deferred consideration of up to £4,600,000 is payable contingent on Evantage's future performance for the years ended 31 October 2016, 2017, 2018 and 2019 and will be paid in cash in four annual instalments. Management has calculated the expected value of these future payments to be £1,524,000 which has been recognised in the total consideration. Any future movements of this contingent consideration will be charged to the income statement as an adjusting item.

Acquisition related costs of £55,000 have been expensed as an adjusting item in the income statement (see note 6b).

Wilmington, through its healthcare analytics subsidiary NHiS, the provider of business intelligence and data analysis to the pharmaceutical industry has partnered with Evantage for over five years. The acquisition will sit within Wilmington's Insight division and will enhance its healthcare analytics offer to UK and overseas clients, areas in which Wilmington has been seeing strong growth. Evantage brings specialist knowledge and experience in the analysis of healthcare admissions, pathway and treatment data as well as industry-leading competence in customer engagement and optimisation solutions for the Life Sciences sector.

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

	£'000
Purchase consideration:	
Initial cash paid	1,400
Final working capital adjustment	1,297
Deferred consideration – cash settled	1,524
Total consideration	**4,221**

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

	£'000
Intangible assets – Database	1,695
Total intangible assets (see note 13)	**1,695**
Property, plant & equipment	28
Trade and other receivables (net of allowances)	820
Cash and cash equivalents	677
Trade and other payables	(165)
Current tax liabilities	(270)
Deferred tax liabilities	(339)
Net identifiable assets acquired	**2,446**
Goodwill (see note 12)	1,775
Net assets acquired	**4,221**

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

Intangible assets – Database	5 years

The acquired business contributed revenues of £277,901 and contribution of £164,067 to the Group for the period from the date of acquisition to 30 June 2016. Had Evantage been consolidated from 1 June 2015 the consolidated Income Statement would show pro-forma revenue of £1,069,151 and contribution of £685,288.

12. Goodwill

Cost	**£'000**
At 1 July 2014	84,105
Assets held for sale	(385)
Exchange translation differences	308
At 1 July 2015	84,028
Additions	7,958
Exchange translation differences	1,401
At 30 June 2016	**93,387**
Accumulated impairment	
At 1 July 2014	7,250
Asset held for sale	(285)
At 1 July 2015	6,965
Impairment	15,659
At 30 June 2016	**22,624**
Net book amount	
At 30 June 2016	**70,763**
At 30 June 2015	77,063
At 1 July 2014	76,855

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

Key assumptions for the value in use calculations are those regarding discount rates, cash flow forecasts and long-term growth rates. Management has used a pre-tax discount rate of 12.3% (2015: 12.3%) across all CGUs in the UK except for the CLT and Ark CGU which had a pre-tax discount rate of 13.3% (2015: 13.3%) to reflect the greater market challenges and risks. A pre-tax discount rate of 13.5% (2015: 13.5%) has been used for Compliance Week and FRA that both operate in North America. These pre-tax discount rates reflect current market assessments for the time value of money and the risks associated with the CGUs as the Group manages its treasury function on a Group-wide basis.

The same discount rate has been used for all CGUs except CLT and Ark, Compliance Week and FRA as the Directors believe that the risks are the same for each other CGU. The long-term growth rates used are based on management's expectations of future changes in the markets for each CGU and are 2.0% (2015: 2.0%).

Managements impairment calculations based upon the above assumptions show significant headroom with the exception of Ark, CLT and Compliance Week.

Impairment of Ark and CLT

An impairment provision of £15,659k was recognised in the year relating to goodwill allocated to the Ark (£1,025k) and CLT (£14,634k) CGUs following the Group's decision in February 2016 to restructure the Legal division by reference to the main communities served – Law for lawyers and Law for non-lawyers. As a result of this decision the Group has been required to assess the carrying value of Ark and CLT as standalone CGUs and, consequently, the Group has recognised an impairment of goodwill. Despite this non-cash charge, the Group considers that both the Ark and CLT business presents many opportunities for growth.

The carrying value of CLT and Ark was determined by reference to a value in use calculation. Due to the fact that the CLT and Ark goodwill was written off to its carrying value there is no headroom and the carrying value of the CGUs are sensitive to changes in the key assumptions used to calculate its value in use. An illustration of the sensitivity to reasonably possible changes in key assumptions is as follows:

	Reasonably possible change in assumption	**Impact on value in use**
Revenue	Increase/decrease by 10.0%	Increase/decrease by £0.3m/£0.3m
Operating cash flows	Increase/decrease by 3.0%	Increase/decrease by £0.2m/£0.2m
Long-term growth rate	Increase/decrease by 50 basis points	Increase/decrease by £0.3m/£0.3m
Pre-tax discount rate	Decrease/increase by 50 basis points	Increase/decrease by £0.4m/£0.3m

12. Goodwill (continued)
Compliance week

For Compliance Week, the value in use exceeds the carrying value by 15.0% (2015: 10.0%). The impairment review of Compliance Week is sensitive to a reasonably possible change in the key assumptions used; most notably the projected cash flows, the long-term growth rate and the pre-tax discount rate. The value in use exceeds the carrying value unless any of the assumptions are changed as follows:

- A decrease in the projected operating cash flows of 20.0% in each of the next three years; or
- An increase in the pre-tax discount from 13.5% to 15.0%.

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

CGU	**30 June 2016 £'000**	30 June 2015 £'000
Axco and Pendragon	**11,150**	11,150
CLT	**8,563**	23,195
ICT	**7,972**	7,972
Others	**43,078**	34,746
	70,763	77,063

13. Intangible assets

	Group		
	Publishing rights, titles and benefits £'000	Computer software £'000	Total £'000
Cost			
At 1 July 2014	65,882	5,862	71,744
Asset held for sale	(2,492)	(205)	(2,697)
Reclassification between categories	—	(329)	(329)
Additions	—	1,738	1,738
Acquisitions	380	—	380
Exchange translation differences	(62)	(3)	(65)
At 1 July 2015	63,708	7,063	70,771
Additions	—	870	870
Acquisitions	9,782	191	9,973
Disposals	(304)	—	(304)
Exchange translation differences	1,587	78	1,665
At 30 June 2016	**74,773**	**8,202**	**82,975**
Accumulated amortisation			
At 1 July 2014	38,542	4,456	42,998
Asset held for sale	(2,030)	(195)	(2,225)
Reclassification between categories	—	(871)	(871)
Charge for year	6,118	1,005	7,123
Exchange translation differences	124	(14)	110
At 1 July 2015	42,754	4,381	47,135
Charge for year	5,545	1,050	6,595
Acquisitions	—	167	167
Disposals	(304)	—	(304)
Exchange translation differences	306	38	344
At 30 June 2016	**48,301**	**5,636**	**53,937**
Net book amount			
At 30 June 2016	**26,472**	**2,566**	**29,038**
At 30 June 2015	20,954	2,682	23,636
At 1 July 2014	27,340	1,406	28,746

Included within computer software are assets under construction with a net book amount of £44,000 (2015: £572,000).

14. Property, plant and equipment

Group	Land, freehold and leasehold buildings £'000	Fixtures and fittings £'000	Computer equipment £'000	Motor vehicles £'000	Total £'000
Cost					
At 1 July 2014	6,111	2,817	3,771	482	13,181
Reclassification between categories	(161)	729	(236)	(3)	329
Additions	—	392	243	194	829
Disposals	—	(10)	(3)	(178)	(191)
Exchange translation differences	—	(19)	(32)	—	(51)
At 1 July 2015	5,950	3,909	3,743	495	14,097
Additions	—	312	230	99	641
Acquisitions	—	40	28	—	68
Disposals	—	(189)	(42)	(107)	(338)
Exchange translation differences	—	45	73	—	118
At 30 June 2016	**5,950**	**4,117**	**4,032**	**487**	**14,586**
Accumulated depreciation					
At 1 July 2014	2,550	1,944	2,707	253	7,454
Reclassification between categories	(58)	459	472	(2)	871
Charge for the year	229	339	246	104	918
Disposals	—	(10)	(1)	(136)	(147)
Exchange translation differences	—	190	(30)	—	160
At 1 July 2015	2,721	2,922	3,394	219	9,256
Charge for the year	158	394	270	89	911
Disposals	—	(189)	(42)	(91)	(322)
Acquisitions	—	26	—	—	26
Exchange translation differences	—	34	53	—	87
At 30 June 2016	**2,879**	**3,187**	**3,675**	**217**	**9,958**
Net book amount					
At 30 June 2016	**3,071**	**930**	**357**	**270**	**4,628**
At 30 June 2015	3,229	987	349	276	4,841
At 30 June 2014	3,561	873	1,064	229	5,727

Included in land, freehold and leasehold buildings is £970,000 (2015: £970,000) of non-depreciated land.

Depreciation of property, plant and equipment is charged to net operating expenses within the income statement.

15. Trade and other receivables

	Group	
	30 June 2016 £'000	30 June 2015 £'000
Current		
Trade receivables	**21,993**	18,518
Prepayments and other receivables	**4,128**	3,178
	26,121	21,696

16. Derivative financial investments

	Group	
Current assets	**30 June 2016 £'000**	30 June 2015 £'000
Forward currency contracts	—	338
Current liabilities		
Interest rate swap - maturing in November 2016	**(162)**	—
Forward currency contracts	**(851)**	—
	(1,013)	—
Non-current liabilities		
Interest rate swaps - maturing in November 2020	**(1,037)**	(423)

17. Trade and other payables

	Group	
	30 June 2016 £'000	30 June 2015 £'000
Trade and other payables	**21,591**	20,410
Subscriptions and deferred revenue	**22,305**	19,165
	43,896	39,575

18. Borrowings

	Group	
Current liability	**30 June 2016 £'000**	30 June 2015 £'000
Bank overdrafts	**2,204**	496
Bank loans	—	37,306
Capitalised loan arrangement fees	—	(147)
	2,204	37,655
Non-current liability		
Bank loans	**47,126**	—
Capitalised loan arrangement fees	**(429)**	—
Bank loans net of loan arrangement fees	**46,697**	—

On 1 July 2015 the Group extended its £65m revolving credit facility with Barclays Bank PLC, HSBC Bank plc and The Royal Bank of Scotland plc through to 1 July 2020. The terms of the old and the extended facility are included below:

Old facility that expired on 1 July 2015:

The Group had an unsecured committed bank facility of £65.0m to February 2016. The facility comprised of a revolving credit facility of £60.0m and an overdraft facility across the Group of £5.0m. At 30 June 2015, £37.3m of the revolving credit facility was drawn down. Interest was charged on the amount drawn down at between 2.00 and 2.75 per cent above LIBOR depending upon leverage, and drawdowns were made for periods of up to six months in duration. Interest was charged on the drawn element of the overdraft facility at 2.00 and 2.55 per cent (the 'Margin') above the Barclays bank base rate depending upon leverage. The Group also paid a fee of 40 per cent of the applicable Margin on the undrawn element of the credit facility and the undrawn overdraft. The Group has complied at all times with the covenant requirements of the bank facility arrangement.

Extended facility that is effective from 1 July 2015 and expires on 1 July 2020:

The Group has an unsecured committed bank facility of £65.0m to 1 July 2020. The facility comprised of a revolving credit facility of £60.0m and an overdraft facility across the Group of £5.0m. In addition, the extended facility also provides for an accordion option whereby the unsecured committed bank facility may be increased by up to £35m to a total commitment of £100m if required subject to majority lending bank consent. Interest is charged on the amount drawn down at between 1.50 and 2.25 (the 'Margin') per cent above LIBOR depending upon leverage, and drawdowns are made for periods of up to six months in duration. Interest is charged on the drawn element of the overdraft facility at 1.50% and 2.25% per cent above the Barclays bank base rate depending upon leverage. The Group also pays a fee of 40% of the applicable Margin on the undrawn element of the credit facility and the undrawn overdraft.

Bank overdrafts comprise of the net of gross overdraft balances of £10.3m (2015: £11.8m) and cash positions of £8.1m (2015: £11.3m) held at Barclays Bank PLC in certain UK companies included in the offsetting agreement.

19. Non-controlling interests

	Net Non-controlling interests £'000
At 1 July 2014	235
Profit for the year	130
Dividends paid	(88)
At 30 June 2015	277
Profit for the year	143
Dividends paid	(141)
Movements in non-controlling interests	(126)
At 30 June 2016	**153**

See note 11 for details of the non-controlling interest purchases during the year.

20. Cash generated from operations

	Group	
	Year ended 30 June 2016 £'000	Year ended 30 June 2015 £'000
(Loss)/profit from continuing operations before income tax	**(3,434)**	10,296
Other adjusting items (included in operating expenses)	**2,352**	1,112
Depreciation of property, plant and equipment	**911**	918
Amortisation of intangible assets	**6,595**	7,123
Impairment of goodwill	**15,659**	—
Profit on disposal of property, plant and equipment	**(4)**	(21)
Share based payments (including social security costs)	**563**	918
Net finance costs	**1,920**	1,974
Operating cash flows before movements in working capital	**24,562**	22,320
(Increase)/decrease in trade and other receivables	**(2,434)**	371
Increase/(decrease) in trade and other payables	**1,744**	(811)
Cash generated from operations before adjusting items	**23,872**	21,880

Cash conversion is calculated as a percentage of cash generated by operations to Adjusted EBITA as follows:

	Year ended 30 June 2016 £'000	Year ended 30 June 2015 £'000
Funds from operations before adjusting items:		
Adjusted EBITA	**22,605**	20,418
Amortisation of intangible assets - computer software	**1,050**	1,005
Depreciation of property, plant and equipment	**911**	918
Profit on disposal of property, plant and equipment	**(4)**	(21)
Operating cash flows before movement in working capital	**24,562**	22,320
Net working capital movement	**(690)**	(440)
Funds from operations before adjusting items	**23,872**	21,880
Cash conversion	**106%**	107%
Free cash flows:		
Operating cash flows before movement in working capital	**24,562**	22,320
Profit on disposal of property, plant and equipment	**(4)**	(22)
Net working capital movement	**(690)**	(440)
Interest paid	**(1,502)**	(1,883)
Tax paid	**(3,197)**	(3,680)
Purchase of property, plant and equipment	**(641)**	(829)
Purchase of intangible assets	**(870)**	(1,739)
Free cash flows	**17,658**	13,727

21. Events after the reporting period

On 19 July 2016 the Group acquired the entire share capital of SWAT Group Limited ('SWAT') a provider of training and technical compliance support to accountancy firms in London and the South West of England. The consideration will be settled by an initial cash payment of £2.4m and a deferred consideration payment of up to £3.0m payable in September 2018 in cash subject to SWAT achieving challenging profit targets over the two financial years ending 30 June 2018.

On acquisition SWAT had £0.4m in cash. The Group acquired SWAT from its founding management team, who will continue in the business. The initial cash payment of £2.4m has been financed out of the £65m revolving credit facility. The process of fair valuing SWAT has not been completed at the date of these financial statements. Subject to this process to fair value, the group acquired approximately £0.4m of net liabilities and £0.6m of deferred revenue. The excess consideration above the fair value of these acquired net liabilities and deferred revenue will be recognised as goodwill and intangible asset following completion of the exercise to fair value. All amounts are disclosed as provisional.